



Brand Performance Check
Outdoor & Sports Company Ltd.

Publication date: June 2020

This report covers the evaluation period 01-01-2019 to 31-12-2019

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

Brand Performance Check Overview

Outdoor & Sports Company Ltd.

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Cheshire , United Kingdom
Member since:	2012-06-30
Product types:	Sports & activewear
Production in countries where Fair Wear is active:	Bulgaria, China, India, Indonesia, Myanmar, Viet Nam
Production in other countries:	Hungary, Malaysia, Philippines, Portugal, Serbia, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland
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	95%
Benchmarking score	76
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 evaluating the year 2019 in order to maintain fair and comparable data.

Fair Wear's performance checks review the progress that was made in the previous financial year. In this case, the 2019 financial year. Thus, this report does not cover the member's response to COVID-19, which will be monitored during the year and evaluated in the next performance check.

Summary:

Outdoor & Sports Company Ltd. (hereafter referred to as OSC) has shown advanced results on performance indicators and has made good progress. With a benchmarking score of 76 and a monitoring percentage of 95, OSC is awarded the Leader category.

The member has made progress in increasing its leverage and reducing its tail-end through continuous analysis and a strategic, structured and informed supplier consolidation process.

OSC has further strengthened the due diligence process with the CSR manager holding the gate keeper role for confirming any new suppliers. The supplier appraisal process enables the member to establish a two-way feedback mechanism with suppliers, offer clear, constructive feedback while at the same time, through active dialogue, gather insights on where the member could make improvements.

OSC should be acknowledged for its efforts in monitoring working conditions and actively following up on CAPs and complaints. The CSR manager works closely with the buying team to review supplier performance, audit findings and CAP status. At the same time the audit report findings indicate, issues pertaining to excessive overtime, non-payment of social benefits, wage calculations pertaining to overtime, minimum wage issues for specific category of workers, improper wage/working hour record management, which continue to be challenges at some production locations.

Fair Wear encourages OSC to continue its efforts to analyze root causes, explore prevention mechanisms, strengthen the verification, organize joint training for its suppliers in one country or region to facilitate peer learning. Fair Wear also recommends OSC to actively promote the involvement of worker representatives in monitoring and remediation of findings.

Fair Wear recommends that OSC investigates how wages of the workers at their production locations are related to their buying prices and to take steps to set target wages for workers in cooperation with factory management and worker representatives. At the same time, Fair Wear advises OSC to organise a meeting with OSC senior management and sourcing staff to initiate exploratory conversations and steer ownership on Living Wage strategy (commitment, target wages, financing of wages) and use the meeting outcome to formulate next steps.

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.	75%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In 2019, the percentage of the production volume from production locations where OSC buys at least 10% of the production capacity increased from 69% to 75%.

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.	22%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

Comment: With 22% of the production volume from production locations where OSC buys less than 2% of its total FOB, the brand has a relatively long 'tail end' for production. But this is less than last year (28%). OSC has a robust internal process to limit the number of production sites. OSC did an analysis of all factories used for the different brands per product group to create synergies between brands. That apart, the member reviews the tail-end periodically, suppliers are categorised as – 'specialized', 'one more season to go', 'last orders placed' etc. to allow the brand to review their progress on supply chain consolidation. The brand is in the process of ending relationships with 8 factories, to further support consolidation efforts in 2020/21.

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

Recommendation: Fair Wear encourages OSC to continue the process of consolidating its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, OSC should continue to determine whether suppliers, where they buy less than 2% of their FOB, are of strategic relevance.

Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	72%	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: The sourcing strategy of the member is focused on long-lasting partnerships with suppliers to deliver high-quality products, consistently.

72% of OSC's production volume comes from production locations where the member's business relationship has existed for at least five years. This is lower in comparison to last year (80%). Exiting suppliers as part supply chain consolidation efforts and adding new suppliers to address capacity needs linked to growth are reasons for this reduction.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: In 2019, OSC started sourcing at three new production locations. OSC could show the signed questionnaire for these factories.

In general, new production locations receive a sourcing pack that includes a questionnaire with the Fair Wear Code of Labour Practices.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

Comment: OSC has a formal due diligence policy that outlines the stages when selecting new factories. CSR is the gatekeeper of this process - all CSR requirements need to be fulfilled before placing orders at new suppliers.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

Comment: OSC has a supplier appraisal twice a year: a spreadsheet provides a score (from 1 (min) to 5 (max)) to all the factories on product specifics, quality, logistics and follow-up on Fair Wear Corrective Action Plans. In 2019, the member visualised this spreadsheet with colour coding to immediately take note of any low scores/ red flags. For a score lower than 3, the member asks the concerned team to provide specific examples of instances leading to the low score, to offer suppliers objective feedback. The supplier appraisal leads to production decisions. A positive appraisal is rewarded with extra orders.

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

The member adopts a responsible approach when exiting suppliers, taking into account the notice needed by suppliers to find other orders. OSC has open discussions with the suppliers providing a clear reason for their exit decision (ranging from capacity issue, price, range of products etc.). These discussions generally take over 12- 18 months before complete exit. In 2019, the member sourced from 35 existing factories against 38 in 2018.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

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

OSC allows flexibility on the deadline when necessary. If the factory has difficulty with the agreed production timelines, OSC and the supplier will jointly determine options, such as splitting the delivery of the order or shipping goods by air freight.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	6	6	0

Comment: OSC consistently discusses the former season's production run with factories to identify possibilities to improve the process in order to reduce overtime. In nine Fair Wear audits conducted in 2019 (China, Vietnam and Myanmar), excessive overtime was a finding. Despite the relatively low leverage at some of these factories, OSC tried to ensure that their orders do not cause excessive overtime by spreading orders even more.

The brand is aware of the linked 'low wages' issue leading to demand for overtime by workers. Nevertheless, the brand has discussed excessive overtime with the factories face-to-face, via email, and via CAPs, with a focus to persuade their Chinese factories to have a six-day working week and a maximum of two hours of overtime.

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: Further to the member's efforts in 2018 to collect an overview of wages and open costing at most supplier locations, in 2019, the member started working on labor minute value calculations for a number of styles. While prices are still negotiated based on experience and knowledge of the price of fabric, design, and workmanship which could be needed for the product, the labour minute value data offers the design team insights on additional costs that come with added specifications. OSC has not yet connected the labour minute value calculations to wage levels at production locations.

In this process of price negotiation, OSC may reduce the complexity of technical specifications to meet a target price rather than pushing the factory to reduce prices. OSC is consistent in paying the agreed price, including for late deliveries or repeat orders.

Recommendation: A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. The first priority would be to make sure this level of transparency can be achieved with their main suppliers.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: OSC is actively monitoring its supply chain on the payment of legal minimum wages. In 2019, Fair Wear audited 9 factories supplying to OSC in China, Vietnam and Myanmar. For one factory audited in China the piece-rate system could not guarantee minimum wages for retired workers who were not protected by the PRC labour law. That apart, other findings related to overtime premium, social security benefits, entitled leaves, and inconsistent or incomplete records. OSC has discussed these findings with the concerned suppliers and addressed them at some of the locations and at other locations the remediation is in progress.

In Myanmar, one factory paid 75% of the minimum wage to workers in the probation period, which is in line with the local labour law in Myanmar and is common practice in the country.

The brand has not been able to convince factories to address findings where the situation is allowed by local labour law.

Requirement: If a supplier is not transparent about wages, OSC is expected to respond as if minimum wages have not been paid. OSC is required to start an investigation into the causes of the incomplete data, discuss this with the supplier and collect evidence of payment of legal minimum wage. Factory visits with a documents check or additional verification by Fair Wear may be needed to verify remediation.

Recommendation: For Myanmar, OSC is recommended to investigate the wage levels at supplier factories to ensure that at least the legal minimum wage i.e. no payment at trainee (50% of LMW), or probation period (75%) levels, is paid to workers.

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: OSC compares the wage levels of production locations. With the factories that are closest to minimum wage, OSC actively discusses this topic to make factory management aware that workers' wages should be enough to cover basic needs, even if workers do not make overtime. OSC supports this by smoothening out orders.

Recommendation: Fair Wear encourages OSC to discuss with suppliers about the root causes of lower wage levels and explore different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

Fair Wear encourages OSC to involve worker representatives and local organisations in assessing the root causes of wages lower than living wages.

It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	6	0

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

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

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

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	0

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

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

Purchasing Practices

Possible Points: 52

Earned Points: 31

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.	15%	
% of production volume where Fair Wear audits took place.	75.8%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	4.14%	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.)
% of production volume where an audit took place.	81.24%	
Member meets monitoring requirements for tail-end production locations.	No (implementation will be assessed next performance check)	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check		
Total monitoring threshold:	95%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: OSC has a dedicated CSR staff member to follow up on problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: Audit reports and Corrective Action Plan (CAP) findings are shared with factory management. The CSR manager keeps track of the status of the findings. Issues are prioritised and when an urgent follow-up is needed OSC ensures that the supplier responds in a timely manner.

Worker representatives are not systematically involved after the audit to find solutions for identified issues or monitor implementation.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: OSC systematically addresses CAP follow up. The sourcing and CSR teams discuss the follow-up of the CAPs with their suppliers during on-site visits and through emails and virtual meetings. The CAP issues are ranked with a color code that indicates the status of the remediation process. The member also collects document evidence to cross-check progress during visits. During the Brand Performance Check, OSC could demonstrate an on-going follow up of CAPs at various suppliers. At a few suppliers where the brand's leverage was small, while OSC had access to the updated status of CAPs but had not verified them.

The member does not yet have structured a system in place to ensure issues identified at one supplier are prevented or addressed at comparable production locations. Worker representatives are not systematically involved in remediation.

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

Fair Wear encourages OSC to continue its efforts to analyze root causes, explore prevention mechanisms and strengthen the verification process when document-based evidence is shared by suppliers. Fair Wear also recommends OSC to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

For situations where the member realises that the supplier does not have the necessary mindset/ awareness of the audit process, OSC is encouraged to work more closely with the supplier to reiterate that the audit is not aimed at 'fault finding' but to work together on improvements.

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.	88%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: OSC visited 88% of the production locations in 2019. During the visits by technicians from UK or the China Quality team, OHS issues are checked and specific items from the CAP are discussed.

When sourcing and CSR staff visit, they follow up on CAPs and meeting agenda points include Fair Wear Code of Labour Practices requirements.

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: Though OSC mainly relies on Fair Wear audits the member has collected external audit reports for six suppliers. The quality of these audits has been assessed, OSC could demonstrate that corrective actions are implemented.

Recommendation: In countries where Fair Wear is not active, the member company needs to invest additional efforts to ensure that apart from covering the Fair Wear COLP, quality of the audit methodology meets the following requirements:

Includes local stakeholder information

Includes (offsite) worker interviews

Includes management interviews

Includes a document check

Includes a visual and document check for occupational health and safety (OHS) issues.

Fair Wear recommends to have own audit teams trained by Fair Wear staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Intermediate			3	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: Myanmar: OSC works with one factory in Myanmar where other Fair Wear members are also sourcing. The production location was audited by Fair Wear. The member was proactive in working together with other Fair Wear members in responding to the findings. The member worked closely with the factory and the supplier management on issues concerning worker representation, documentation, and management system pertaining to age verification. The brand also encouraged the supplier to attend training on 'cross-culture' to address findings pertaining to workplace harassment- rude behavior of supervisors towards workers. This factory underwent training on the WEP communication module of Fair Wear and participated in the first testing of the age verification guidance which we organized at the factory in 2017. The factory has not participated in subsequent supplier seminars on age verification that Fair Wear organized.

The member has published the wage ladder of this factory in its social report and has been active in addressing complaints.

Other risks:

OSC has identified specific risks and prioritizes them when reviewing audits and CAPs - for China, this includes addressing risks pertaining to overtime and rights concerning migrant workers; and for Vietnam, risks pertaining to legally binding employment contracts and overtime are important focus areas of OSC.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

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

In addition to this, OSC has active cooperation with other brands as part of their due diligence approach when identifying new suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

Comment: OSC sources in 2 production locations in low-risk countries, responsible for 4 % of total FOB. The member has a senior technician based in the Hungarian production location.

The UK location is frequently visited by OSC sales, production, and quality staff who confirm the placement of the Worker information sheet.

The production volume of these two production locations counts towards the monitoring threshold.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

Comment: Fair Wear audits were conducted in two tail-end production locations in China and one tail-end production location in Indonesia.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	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: 32

Earned Points: 26

Additional comments on Monitoring and Remediation :

OSC is responsible for more than 10% of the production locations capacity of one Bulgarian supplier but has not done any audits at this supplier location.

3. Complaints Handling

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	75%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

Comment: Fourteen production locations have participated in the Fair Wear Workplace Education Programme basic module in 2016-2019. The production locations are located in China, Myanmar, and Vietnam. That apart the brand took additional efforts to print and send out the worker information cards to 8 more locations, so that every worker received the information card from the factory and understands the 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 + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: In 2019, four complaints were received in Myanmar, China and Vietnam about, amongst other, overtime, working days, non-payment of wages, working conditions. When OSC receives a complaint, the member contacts the factories directly and follows-up on the issues. In all four complaints, the CSR manager was actively involved in the remediation through discussions with factory management, collecting of evidence, and visits to the production locations. In case of the complaint at the location in China, preventative steps focussed on using audit results to further engage with the factory in an active dialogue process to reduce working hours and to avoid excessive overtime.

Recommendation: For complaints where the root causes also link to process gaps or lack of awareness among workers, it is recommended that OSC continue to actively engage with the factory on prevention measures.

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: Two of the complaints are from shared factories where OSC worked together with another Fair Wear member to address complaints.

Complaints Handling

Possible Points: 17

Earned Points: 17

4. Training and Capacity Building

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

Comment: The CSR manager provides Fair Wear training to new staff informing them about the CoLP and OSC's commitment to Fair Wear membership. All OSC staff receive regular updates in the quarterly newsletter.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: The CSR manager shares updates with the sourcing team about Fair Wear requirements. A sourcing meeting occurs every 6 weeks, where supplier appraisal, CAPs, and supplier consolidation is discussed.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	N/A	2	0

Comment: While the member places orders in Myanmar and China through a buying office based in Taiwan, OSC directly engages and interacts with the factories on all matters. Hence this indicator is rated as (N/A)

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.	10.2%	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.	2	6	0

Comment: One China supplier participated in the ILO SCORE Training modules covering:

- Module 1: Workplace cooperation: a foundation for business success
- Module 2: Quality - Managing continuous improvement

That apart, the factory in Myanmar underwent the communication module training of Fair Wear

Recommendation: Fair Wear recommends OSC 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 change and long-term structures to improve working conditions. To this end, members can make use of Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. Fair Wear guidance on good quality training is 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: As some of the trainings are ongoing modules, OSC collects training reports, reviews, discusses the topic with suppliers. But the member yet to use the information to actively follow-up with the supplier on the next steps to support transformative processes related to human rights.

Recommendation: To retain this score for the next year, Fair Wear recommends OSC to discuss outcomes of the communication module with their supplier and what steps management is planning to further strengthen dialogue between workers and management. This may include holding an independent worker representative election; regular meetings between worker representatives and management to discuss improvements to working conditions or allowing worker representatives to conduct a worker survey on specific issues. OSC should also investigate how they can contribute to implementing the action plan workers and management have agreed on (e.g. by adjusting sourcing practices).

Training and Capacity Building

Possible Points: 11

Earned Points: 7

5. Information Management

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

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

That apart, with the CSR manager being the gatekeeper to authorise any suppliers to be added in the financial system, a double check is done to ensure the supplier list is kept updated.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: CSR and sourcing teams share travel plans which allow the CSR manager to update staff to follow up on corrective action plans and pending areas during factory visits. The local Quality team is involved in follow up as well. Information about working conditions at production locations is accessible to all.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

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

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

Recommendation: Fair Wear recommends OSC to publish one or more of the following reports on its website: audit reports, supplier information. Good reporting by members helps to ensure the transparency of the member and Fair Wear's work.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: OSC has submitted its social report to Fair Wear in time and is in the process to publish the 2019 report on its website.

Transparency

Possible Points: 6

Earned Points: 5

7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: CSR manager works closely with management on a day to day basis. Progress on audits and Brand Performance Check score is discussed with management.

Recommendation: Fair Wear advises OSC to organise a meeting with management and sourcing staff to specifically discuss Living Wage strategy (commitment, target wages, financing of wages) and use the meeting outcome to formulate future plans pertaining to those indicators.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	50%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: OSC received three requirements during its last Brand Performance Check, one pertaining to publishing wage ladders for Myanmar has been addressed. The other two requirements pertaining to - setting a target wage for its production locations, and developing a strategy to finance the costs of wage increases continue to remain to be addressed.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

- 1) Record keeping related findings in audits - It is difficult to engage with the factory on this finding, as they claim their records are in place. It might be good for the audit team to play a more active role to already inform the member during the audit to see if this can be reviewed while the audit is still in progress.
- 2) Performance on the living wage is spread over multiple indicators which makes it difficult for brands in early stages of work to be recognised.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	31	52
Monitoring and Remediation	26	32
Complaints Handling	17	17
Training and Capacity Building	7	11
Information Management	7	7
Transparency	5	6
Evaluation	6	6
Totals:	99	131

Benchmarking Score (earned points divided by possible points)

76

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

22-05-2020

Conducted by:

Supraja Suresh

Interviews with:

Kevin Offer - CSR Manager

Sarah Forte - Buying Director