



Brand Performance Check

Deuter Sport GmbH

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

Brand Performance Check Overview

Deuter Sport GmbH

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

Member company information	
Headquarters:	Gersthofen , Germany
Member since:	2011-07-31
Product types:	Outdoor products;Promotional wear and accessories;Bags;Luggage & other travel accessories
Production in countries where Fair Wear is active:	China, Myanmar, Viet Nam
Production in other countries:	
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	56%
Benchmarking score	88
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:

Deuter has shown advanced results on performance indicators and has made good progress. The monitoring threshold has not been met this financial year as two planned audits had to be postponed due to the COVID-19 crisis. Both audits were planned for March 2020. However, due to the lockdown in the relevant countries (Vietnam and China), these audits had to be postponed. Together, these two suppliers cover 38% of Deuter's production volume. As Deuter was able to show alternative ways of monitoring during COVID-19, and as the two audits had been conducted by the time this Brand Performance Check took place, Fair Wear decided to use its discretionary power in light of these extraordinary times. With a benchmarking score of 88 and a monitoring percentage of 56%, combined with Fair Wear's leniency, Deuter is awarded once again the 'Leader' category.

Deuter has a dedicated CSR team which has established a strong system to plan production as well as to assess risks and remediate labour conditions along its supply chain. Over 90% of Deuter's production volume comes from its two main factories in Vietnam at which the member has 100% leverage.

Deuter has a supplier base that consists of four main factories and a limited set of subcontractors. The use of subcontractors was decreased from 24 in the previous year to 11 in this financial year, including printing and embroidery subcontractors.

Advanced efforts were shown in the enrolment of the main suppliers into training programmes that support transformative processes; 95% of Deuter's production volume comes from suppliers that are currently following the WEP Communication training programme. Deuter is encouraged to focus on follow up and discuss outcomes of dialogue sessions with each production location.

The strong systems and stable relationships enabled Deuter to respond to the first wave of COVID-19 in an accountable way. CSR staff and the sourcing department worked closely together to assess the country-specific risks related to the pandemic. Health, safety, and proper payment of workers have taken priority in finding good solutions.

Fair Wear recommends Deuter to continue addressing issues pertaining to excessive overtime and living wage. Deuter's partnership model offers unique opportunities to increase wage levels at its production locations towards a living wage.

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.	98%	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: Deuter's supplier base consists of four main factories and several subcontractors. At all suppliers, except for two printing subcontractors and one CMT subcontractor, Deuter has at least 10% leverage. The vast majority, over 90% of Deuter's FOB is bought from production locations with very high leverage, between 90 and 100%.

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.	5%	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.	3	4	0

Comment: 5% of Deuter's total production volume comes from locations where it bought less than 2% of its total production volume. In this financial year, Deuter and its main supplier in Viet Nam managed to decrease the number of subcontractors from 24 down to 11. According to Deuter, their main Vietnamese supplier uses subcontractors that are specialized in assembling specific components. In case of production pressure, the main Vietnamese supplier can use a subcontractor to place an order. More can be read about the subcontractor policy under indicator 1.4.

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.	99%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: The basis of Deuters' supply base is partnership and stability. It has long-term relationships with its Vietnamese and Chinese supplier, and even some of its subcontractors have been utilised for a long period of time.

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: Deuter added one new subcontractor in Viet Nam to its supplier base. A signed and returned questionnaire was shown and evidence was provided of contact and information sharing between Deuter and another Fair Wear member who recently conducted an audit at this production location.

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: Deuter is aware of the specific risks in its production countries Viet Nam, China and Myanmar. The situation is regularly assessed using Fair Wear information and reports from other relevant NGOs.

One subcontractor was added to Deuter's supplier base, at the end of 2019. Prior to placing orders, this production location was audited and visited, following Deuter's onboarding policy.

For Myanmar, Deuter had planned to conduct a re-audit in March 2020 as part of the due diligence process at one of the main suppliers. However, due to COVID-19 related lockdowns, this had to be postponed. Deuter is in close contact with its supplier in Myanmar and is well aware of the specific risks in the country.

At the start of the pandemic, Deuter has drawn up a COVID-19 statement. In this statement Deuter shares about the responsibility it takes in collaborating, communicating and supporting their suppliers and its workers throughout the crisis. In addition, Deuter could show close contact with various other Fair Wear member brands, sharing information on COVID-19 related risks per country on a regular basis. The CSR team of Deuter uses these updates as an important source of information. Also, the updates received from the Partnership for Sustainable Textiles are a valuable input to stay up to date on the constant developments in COVID-19 measures and the risks for workers.

Besides the above-mentioned sources of information, Deuter has monthly meetings with the CSR persons at supplier level in both Viet Nam and China to check areas of risk and to closely monitor the COVID-19 situation with its challenges.

Three audits, one in Viet Nam, one in China and one in Myanmar, were planned for March 2020 and had to be postponed due to COVID-19 travel restrictions. Deuter could show alternative ways of monitoring through its frequent contact with the suppliers as described above. Deuter considers these audits important for continuation of the dialogue on overtime.

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: Deuter continuously evaluates the status of CoLP implementation at its main suppliers and actively supports them to improve. The CSR manager regularly visits the suppliers and discusses follow up, also via email and Skype calls. Other staff, such as the CEO and designers are also involved in following up. The CEO discusses improvements with the suppliers, while the designers check health and safety issues on-site. Due to the limited amount of suppliers, Deuter is able to closely follow each CAP and uses it on a day to day basis.

Deuter has worked with its main suppliers for a long time, based on trust and partnership. The suppliers make specific products that are not interchangeable, hence also do not see a need to add new suppliers. This is also a reason Deuter does not see value in doing a formal evaluation but rather prefers to work closely with suppliers to close issues. Regular updates and notes of discussions are shown during the Brand Performance Check, with a structured agenda covering all necessary issues. It has proven to be working throughout the years of partnership. The CSR team explained that extensive performance evaluation is done bi-annually, during trade fairs and regular factory visits. Thanks to the close relationship with its suppliers and the small base, Deuter is able to be on top of compliance.

At the start of the first COVID-19 wave, Deuter has shown to be responsible, taking its role in monitoring risks and providing support very seriously. It was shown that, immediately after the start of the COVID-19 crisis, Deuter's CEO contacted the management of all main suppliers. In this email it was announced that no orders would be cancelled and extra prepayment was offered to ensure cashflow for the income of the workers. Also, each subcontractor was contacted and dialogue with Deuter was shown. The CSR responsible at each main supplier systematically monitored the situation on subcontractor level and consulted to Deuter.

The Fair Wear supplier survey was used to track the situation per supplier, as well as the ACT tool provided by the Partnership for Sustainable Textiles. Follow up was shown on the relevant issues, related to both economic and health measures.

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: Deuter has a strong, integrated system in place, that supports reasonable working hours. The brand does not work with seasonal collections, hence large peaks can be avoided. The majority of styles are re-developed once in three years. Deuter has a large warehouse next to its headquarter and a warehouse in Vietnam to store the Never-Out-of-Stock products. Based on its stock level, Deuter places orders at its suppliers. This additionally allows for the production and storing of products in the low season.

The long and stable business relationship with its main Vietnamese and Chinese suppliers enables smooth, coherent planning, insight into supplier capacity and long-term forecasting. During the performance check, Deuter has shown its advanced forecasting system with precise forecasting up to 12 months.

With its Vietnamese supplier, Deuter performs a monthly evaluation of the production planning in which adjustments can be made for long-term planning at style level. For this reason, last-minute changes do not happen. In this financial year, Deuter's forecast showed an accuracy of nearly 100%.

Nevertheless, overtime does still happen in several cases. A meeting was held with Deuter's main Vietnamese supplier to discuss capacity and understand what can be done in terms of planning to avoid overtime. The three audits conducted in this financial year confirm that Deuter's planning supports reasonable hours of work.

During the first wave of COVID-19, Deuter managed to rely on its strong planning system and stable relationship with its suppliers. All suppliers were contacted personally by Deuter's CEO, who communicated clearly that orders would not be cancelled. Suppliers that were struggling to meet the delivery dates were not pressured. Rather, Deuter agreed to postpone shipping dates as much as possible.

As Deuter is on the verge of launching its new brand logo, a project that started nearly two years ago, the team came up with an additional plan to avoid order cancellations. Several styles with the old brand logo, that were already in production, got reworked and changed into the new logo styles. In this way, production could continue, without reducing orders. Due to the new brand logo project, a forecast was created for two years, instead of the usual one year. This enabled a smooth rescheduling of production, depending on the supplier's situation. Deuter has a clear overview of capacity, shown by the planning coordinator. This overview is regularly shared with the relevant supplier.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: Deuter continued discussing excessive overtime with its suppliers. While Deuter has a strong production planning system in place, excessive overtime still remains an issue in their supply chain. Two audits done in 2019 showed cases of overtime at production locations in Vietnam.

The recommendations given in the previous performance check report were taken up by Deuter. For their Vietnamese production locations, Deuter has shown an extensive analysis of working hours over the course of three years, in order to monitor progress and understand root causes. It was found that excessive overtime in this financial year occurred at two production peaks: the final order of the new logo products and the 'COVID-19 effect', a production peak before the lockdown in Vietnam. A meeting with the Vietnamese supplier was planned for March 2020, to discuss working hours and measures to take on Deuter's side to minimize overtime. Email communication about this meeting was shown. Due to COVID-19, the meeting had to be postponed, as travel was restricted.

Efforts to mitigate overtime risks on subcontractor level were shown by the setup of Subcontractor Rules in writing for all suppliers. For financial year 2019/2020, subcontractor use was limited to 10 for Vietnam. The goal is to work towards a subcontractor pool with a maximum of five subcontractors that can be better included in the production planning. Overall, a good analysis of root causes could be shown.

For its production locations in Myanmar and China, the process is more difficult. Efforts were shown to understand root causes through dialogue with suppliers; peak seasons and efficiency on the work floor for example. Discussion on these topics is ongoing and focus of Deuter is to understand how the brand can support the suppliers to reduce overtime.

Recommendation: Fair Wear recommends Deuter to continue discussing overtime at its main suppliers. Deuter should further analyze the planning system of both its Vietnamese supplier and those in Myanmar and China. Discussing overtime with the trade union and workers as follow up of the WEP training is recommended as well. With the thoroughly analyzed root causes, it is advised to focus on the mitigation plan for the next years.

Deuter is advised to focus on production planning on subcontractor level when forming a subcontractor pool in the near future, to minimize risk of excessive overtime and layoffs.

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.	Advanced	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.	4	4	0

Comment: Deuter works in close cooperation with its main Vietnamese supplier when setting prices. After product development, Deuter sets an internal target price that is only used internally. Next, a sample and a price are requested. Deuter knows about material and CMT costs. In case the supplier provides a price that does not meet the brand's internal price target, then Deuter takes the product back into development to reduce material costs.

The brand is not aware of the labour minute cost per product but has an estimate of the percentage of labour costs in the overall cost based on historical data. According to Deuter, as backpacks consist of many different components, it is difficult to measure labour minutes. As an alternative, Deuter will address it on a higher level; gaining more insight into personnel costs and material costs and compare this with FOB prices.

Deuter uses audit reports to ensure the legal minimum wage is paid. Prices are discussed twice a year by the CEO and developments such as wage increases, currency changes and increase in material costs are included. As the supplier is the only supplier for backpacks, there is no competition on price resulting in price pressure. Deuter monitors actual wage levels and increases in legal minimum wage rates. Due to the close relationship, wage increases are always clearly explained by the supplier and generally accepted by Deuter.

In China and Myanmar, suppliers follow a similar model, with the difference that Deuter is not the only customer.

Deuter does not have direct contact with the Vietnamese subcontractors, which only contributes to less than 3% of its total production volume. Price negotiations go through the main supplier which offers piece prices to the subcontractors. Deuter does not have insight into the relation between the prices and wages with these subcontractors.

As Deuter was given advanced scoring for abovementioned efforts in the previous financial year, this scoring will remain the same. For the next brand performance check it is important to make progress and show next steps taken.

Recommendation: Fair Wear recommends Deuter to discuss the additional costs due to Covid-19, the effect on wages, etc. for future orders and incorporate additional costs into their prices.

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, 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.	0	0	-2

Comment: Legal minimum wage issues at Deuter's main Vietnamese supplier were followed up on and the most recent audit showed improvements; the records reviewed showed a salary below contract level and the supplier paid a top-up amount to meet the contract level.

Furthermore, two Vietnamese subcontractors were audited. At one, it was found that legal minimum wage was not paid to 15 out of 41 workers. Immediate follow up by Deuter was shown during the performance check. Proof of remediation was provided by the supplier and a verification audit was planned in March 2020. This audit had to be postponed due to COVID-19 related travel restrictions.

At the other audited subcontractor, it was found that the firefighting team did not receive the legally required allowance. This finding was followed up by Deuter and communication with the supplier was shown, yet is still in the process to be fully remediated.

During COVID-19, as described under indicator 1.5, Deuter did not cancel any orders and it assessed whether suppliers were struggling financially. A loan/prepayment of 1.5 million Euros was offered to the main supplier in Vietnam, to ensure smooth cash flow. Management and the CSR team remained in close contact with the suppliers and checked the situation frequently, also the impact on workers' income. The supplier survey was used as a first tool to learn more about the situation and to discuss this topic with the suppliers. Verified insights on the impact were not yet collected during the performance check. However, based on the response of the suppliers, Deuter did not receive any alarming signals so far.

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

Comment: No evidence was found of late payments to suppliers by Deuter. During COVID-19 extra pre-payment was offered by Deuter, in order to secure suppliers' cash flow.

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: While audits showed that the wages at Deuter's suppliers have increased over the past few years, a living wage is not yet paid to the majority of the workers.

Deuter showed progress by the extensive analysis of wages at its main supplier in Vietnam and ongoing dialogue with suppliers on wages. Graphics are created to better understand the development of wages.

For Myanmar, an audit was planned to gain new data and continue the dialogue with the supplier, however COVID-19 stalled this. Continuation of this process was put on hold during the crisis, as both suppliers' and brand level capacity was needed for ensuring the payment of current wages and taking health measures on production location side.

Verified insights on how the COVID-19 pandemic affected wages of the workers are not gathered yet. Based on supplier responses Deuter does expect the crisis to have an impact and it could show conversation about this topic with its main suppliers.

Recommendation: Fair Wear encourages Deuter to continue discussions with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

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: Deuter uses the living wage benchmark presented by the Global Living Wage Coalition (aka the Anker benchmark) to analyse the wages paid in Vietnam and Myanmar.

At the main supplier in Vietnam, the average wage level already meets this benchmark for a part of the workers. Discussing next steps is currently done, yet face to face meetings are essential in Deuter's opinion to come to concrete plans for and financing of wage increases.

With the acquired information, Deuter wants to expand to its supplier in China as well. However, a lack of Anker benchmark for China and the fact that over half of the capacity is taken up by another non-Fair Wear client who is not willing to cooperate on raising wages, makes this step rather difficult. A next audit is planned for November 2020 to collect new data for this supplier.

Recommendation: Deuter is encouraged to internally discuss where money can be found to finance wage increases. While it's good to do this in cooperation with the factory and share the burden, Deuter should also look at its own company. In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

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.	54%	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.	4	6	0

Comment: The Fair Wear audit report at one production location in Vietnam indicated that the mode regular wage is above the Anker benchmark.

Purchasing Practices

Possible Points: 52

Earned Points: 40

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	0%	
% of production volume where Fair Wear audits took place.	56%	
% of production volume where an audit took place.	56%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	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.	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	All factories must be visited by Deuter staff at least once every 3 years.	
Total monitoring threshold:	56%	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: Deuter has two CSR team members working very closely together and are responsible for following up on identified issues.

The CSR teams at Deuter's two main suppliers are highly involved in follow-up and have contact with Deuter's CSR staff on a regular basis.

Deuter recently founded a strategy team, with representatives of management, sales, production and CSR. One of the aims of this new team is to include outcomes of wage and working hour analyses into strategic plans for the longer term.

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

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: Audit reports and Corrective Action Plans are shared in a timely manner with suppliers and worker representatives where applicable. Local CSR teams on supplier level are involved in the follow up of corrective actions.

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: Deuter has a strong monitoring system in place to identify and follow up on problems. Besides on-site visits and meetings at trade fairs, emails and Skype calls are used to discuss remediation. During the COVID-19 crisis, online communication tools were used extensively to compensate for visit restrictions. CSR staff members in charge of CAP follow-up always request documents or other evidence to validate improvements and the filing of this evidence was shown during the Performance Check. Other departments such as production and design are updated about progress and involved when needed. This includes checking improvements during visits.

Deuter audited three production locations of which meaningful follow-up was shown. For one Vietnamese subcontractor, Deuter could show that follow up was done in close cooperation with the CSR responsible of the main supplier. Each of the resolved issues was supported by photographic evidence or other documentation shown during the performance check. A re-audit was done to verify remediation of working hours and wages. In addition, Deuter staff visited the site to check the status of the main findings. The CSR team of Deuter's main Vietnamese supplier is highly involved in follow-up and reports were made and shown of each phone call and factory visit.

The main supplier itself was also audited. Follow up was shown and an electricity-safety training was provided to the installation team of the factory to remediate wiring issues. More follow up will be assessed in the next financial year, as the report came in after the closing of the financial year.

The third audit was at a Vietnamese supplier at which Deuter started sourcing in 2020. The audit was done as a due diligence step and follow up will be assessed in the next financial year.

Deuter worked closely together with its suppliers during COVID-19 to ensure a healthy and safe working environment and proper payment. Regulations per country were frequently monitored and suppliers were asked to share main obstacles. Both wages and health and safety has been the focus for the months of the first COVID-19 wave.

The supplier survey has been a helpful tool for Deuter to enable systemic follow-up. Reporting back by suppliers was supported by sending files, pictures and videos of the situation and necessary follow-up. Deuter has planned to send out the supplier survey in the next year as well, to focus on the second COVID-19 wave. As a result of the Fair Wear webinars offered during COVID-19, Deuter created a COVID statement to make the company's strategy explicit and public towards both suppliers and customers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	91%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: The CSR team usually visits the main suppliers and its subcontractors annually. For other staff members, it is standard procedure to check whether the Worker Information Sheet (WIS) is posted. Due to COVID-19 pandemic, fewer visits were possible during Deuter's last financial year. Nevertheless, the two main suppliers in Vietnam were visited. The production locations in China and Myanmar were planned to be visited, yet this had to be postponed due to COVID-19.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

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	Advanced			6	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: Deuter has a sound risk management system in place and is well informed about risks in their supply chain. Deuter chooses to work only through its current suppliers where risks are identified. When a new country is added a thorough risk assessment is conducted, in which several sources are consulted, such as Fair Wear country studies, MVO risk checker, Better Work and Partnership for Sustainable Textiles sources, but also local trade unions' input.

Deuter follows Fair Wear's Myanmar policy to address and mitigate risks:

- Deuter's main supplier in Myanmar participated in Fair Wear's Communication training to promote social dialogue.
- The two production locations used are published for transparency reasons.
- Age verification is done
- A next visit, to discuss wages, was planned for spring 2020, but this was stifled and postponed due to COVID-19.

In Vietnam, Deuter focuses on gender-based violence, for which a training was organised to raise awareness and promote social dialogue.

In China, Freedom of Association and overtime is found to be the main risk. A WEP Communication training was planned for this financial year but had to be postponed because of COVID-19.

Compliance with COVID-19 guidance: Deuter has realised a system to assess and mitigate risks related to COVID-19, as already described in chapter 1 of this performance check report. The CSR team collaborated closely with the CEO and other departments to find solutions in dialogue with suppliers. The close and longstanding relationship with its main suppliers was beneficial in finding these solutions.

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: Deuter shares one tail-end supplier in China with other Fair Wear members, the brand copies the other members in e-mail discussions with the supplier pertaining to audits and CAPs. Furthermore, Deuter shares one main supplier with two other Fair Wear members who purchase from a sister factory. Deuter actively shares information and cooperates with these two Fair Wear members as well. The lead in a mediation meeting regarding this sister factory was even taken up by Deuter, which shows the level of commitment and collaboration of the company.

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.	No production in low-risk countries	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.	N/A	2	0

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: Deuter has two production locations in its tail-end. One is audited and the other was planned to be audited, but COVID-19 hindered this. Rescheduling is done in the next financial year.

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

Monitoring and Remediation

Possible Points: 25

Earned Points: 24

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	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.	1	

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: The two CSR managers at Deuter's headquarter are responsible to address worker complaints. They work closely together with the CSR team at the main supplier level.

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: Deuter regularly checks at its suppliers whether the Worker Information Sheet is posted. The Vietnamese supplier is responsible for checking whether the sheet is also posted at the subcontractors. The supplier then provides a picture as proof to Deuter.

As visits were not possible to doublecheck in the second half of the financial year, Deuter has asked for videos to show proper posting.

Prior to one of the audits, Deuter shared worker information cards among workers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	2%	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: Deuter has actively raised awareness of the Fair Wear Code of Labour Practices and complaints hotline by providing WEP Basic training to one supplier in China.

More suppliers were scheduled for training, but due to COVID-19, this was postponed.

Follow-up training with the WEP Communication module was offered to suppliers in Vietnam, yet these will be counted under indicator 4.4.

Prior to one audit in Vietnam, Deuter handed out worker information cards to raise awareness of the Code among workers.

This is a good effort to raise awareness among workers, yet during the audit, it was found that none of the interviewed workers was aware of Fair Wear's CoLP and hotline.

Recommendation: Fair Wear recommends Deuter to actively raise awareness about the Fair Wear Code of Labour Practices and complaint hotline among a larger portion of workers.

For those suppliers following the WEP Communication module, Deuter could take up additional activities to raise awareness of labour rights among workers more systematically:

- handing out worker information cards with the payslips
- stimulating peer to peer learning
- using the Fair Wear factory guide
- offering HR training of labour rights and Fair Wear hotline to new employees

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: One complaint was received via the Fair Wear complaint hotline. Deuter showed a follow up in accordance with Fair Wear's procedure. Communication was shown between Deuter CSR team and supplier. As can be read in the published complaint report, the issue was about drinking water which was believed to not be drinkable. Deuter showed pro-active follow up, including several requests for actions to the factory management regarding prevention of such issues. For example, clear communication towards workers when water installations are being updated/fixed. Also, WEP Communication training was suggested and scheduled by Deuter, to work on the improvement of dialogue. A verification audit was done and remediation was confirmed.

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 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.	2	2	0

Comment: The production locations where complaints were filed are not shared with other Fair Wear members. However, Deuter did show active cooperation in the follow up of one complaint coming from a subcontractor location. Deuter does not source from this specific location. However, active cooperation and effort are shown in Deuter's attendance of a mediation meeting, in order to support two other Fair Wear members that source from this location. The meeting was planned for March 2020, extensive preparation was shown, but due to COVID-19, the meeting had to be postponed.

Complaints Handling

Possible Points: 17

Earned Points: 15

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: New employees receive specific CSR training, of which Fair Wear membership is an important part. This training usually offered twice a year, is also open for existing staff to learn more.

Other ways to make staff aware of Fair Wear membership: presentations at sales meetings, particular updates when relevant and monthly meetings with managements level of each department. All Fair Wear related files are accessible on the intranet for all employees.

In May 2020, an elaborate update on the COVID-19 situation in Deuter's production countries was given by the CSR team to all staff members. During the lockdown period, the CSR managers created and shared an impressive video to inform the whole team on social conditions in Vietnam, China and Myanmar.

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: All staff in direct contact with suppliers is well aware of Fair Wear membership requirements and is regularly briefed by CSR staff.

During the COVID-19 crisis, the daily work of CSR and sourcing/production has been very closely linked. Regular meetings were held with CEO and sourcing/production to share information and monitor social conditions.

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, Fair Wear audit findings.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	95%	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.	6	6	0

Comment: Deuter enrolled three of its suppliers in WEP Communication module that supports transformative processes related to human rights. These suppliers cover the vast majority of Deuter's production volume.

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: For one of the trainings, Deuter could show follow up of the training in discussing with factory management the importance of dialogue with workers. More follow up was stalled, partly due to the staff change in management. This staff change asked for relationship building first, to get the new responsible person on board of this project. The other two trainings started at the end of the financial year and follow up will be assessed in the next year.

Recommendation: Fair Wear recommends Deuter to discuss outcomes of dialogue sessions with their supplier and what steps management is planning to further strengthen dialogue between workers and management. This may include encouraging and facilitating 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.

Training and Capacity Building

Possible Points: 11

Earned Points: 11

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: Deuter has a very open relationship with its suppliers and especially its Vietnamese supplier. The supplier shares with Deuter which subcontractors will be used well in advance. For Viet Nam, where several subcontractors are used, Deuter has created a comprehensive subcontractor policy in writing. This file clearly defines the onboarding process for subcontractors and is shared with the suppliers. Limiting the use of subcontractors is important to Deuter and monitored constantly. Subcontractors, including those for printing and embroidery, are identified and visited frequently. This is also the case for the subcontractors of the Chinese and Burmese supplier. Fabric suppliers are traced down as well and visited during production trips. All data is collected and updated in a clear overview, shown during the check. During the COVID-19 crisis, local CSR staff of the main suppliers were still able to visit production locations and assess risks regarding unauthorised subcontracting. Due to cancellations from other customers, the supplier in China was struggling with filling their inhouse capacity, which limited the risk of unauthorised subcontracting.

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 staff and staff involved in the production process align their follow-up to improve working conditions. Deuter uses a Product Lifecycle Management system (PLM) to document and exchange information, in specific cases including audit findings for follow-up by other teams. The CSR team is involved in all sourcing decisions. Furthermore, CSR managers schedule monthly meetings with the heads of each department to ensure updates are shared on a regular basis. During COVID-19, this collaboration is further strengthened, as additional COVID-19 related risks had to be monitored and addressed in this crisis.

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	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: Deuter informs the public about Fair Wear membership through various channels like its website and on online sales stores, the social report, hangtags, catalogue and social media. Moreover, the brand also uses events for communicating about their CSR efforts through the use of props like a CSR booth and pillar (for information sharing). All communication is in line with Fair Wear's communication policy.

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: Overall, raising consumer awareness is an important topic of Deuter's overall communication strategy. This is amongst other ways reflected in the detailed social report, in which Deuter discloses its production locations.

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: Deuter has published its 2019-2020 social report online.

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: CSR staff meets with the CEO once a month to discuss current developments. The CSR team reports directly to CEO and the Brand Performance Check is annually reviewed by a group of staff including top management.

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.	100%	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: Deuter was given one requirement in the previous Brand Performance Check report related to guaranteeing the legal minimum wage. The brand has two audit findings pertaining to non-payment of legal minimum wage. Immediate follow up by Deuter was shown during the performance check. An expert was hired to advise on remediation steps and proof of remediation was provided by the supplier. A verification audit was planned in March 2020. This audit had to be postponed due to COVID-19 related travel restrictions.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

- Deuter suggests to conduct Brand Performance Check on a bi-annual basis.
- For a small supplier base such as Deuter's, it feels that too many projects/topics are suggested to the suppliers. With only two main suppliers, it is difficult to implement it all and participate in each of the training/projects.
- The communication around the CCC fashion checker - Fair Wear did not take a neutral position in Deuter's opinion. CCC only took information without verification and published it on their website. Deuter recommends Fair Wear to maintain the multistakeholder approach in these cases, instead of take CCC's side. Even though the idea was good, but the system of CCC was wrong and Fair Wear was not judging that.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	40	52
Monitoring and Remediation	24	25
Complaints Handling	15	17
Training and Capacity Building	11	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	109	124

Benchmarking Score (earned points divided by possible points)

88

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

09-12-2020

Conducted by:

Hendrine Stelwagen

Interviews with:

Marco Huehn - Head of Quality Management and CSR

Anna Steffen - Quality and CSR

Robert Schieferle - CEO