



Brand Performance Check

Haglofs AB

Publication date: May 2021

This report covers the evaluation period 01-01-2020 to 31-12-2020

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.

This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.

Brand Performance Check Overview

Haglofs AB

Evaluation Period: 01-01-2020 to 31-12-2020

Member company information	
Headquarters:	Bromma , Sweden
Member since:	2012-04-17
Product types:	Outdoor products;Outdoorwear
Production in countries where Fair Wear is active:	China, Indonesia, Turkey, Viet Nam
Production in other countries:	Cambodia, Estonia, Poland, Portugal, Sweden
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	97%
Benchmarking score	84
Category	Leader

Summary:

Haglöfs has shown advanced results on performance indicators and has made exceptional progress. With a benchmarking score of 84, once again places Haglöfs in the Leader category. Although the monitoring threshold does not determine the category this year, Haglöfs has fulfilled the monitoring requirements at suppliers providing 97% of its production volume.

Corona Addendum:

Haglöfs first heard of COVID-19 developments in January 2020, during ISPO. After a few weeks, COVID-19 hit Europe, and they took all the standard measures, such as a home office. Most of Haglöfs' staff working hours were reduced, yet they did not cut the CSR budget. The management team cut its salary voluntarily.

The online sales continued, and priority was given to digital activities, as all brick and mortar shops were closed. Retailers requested discounts, and Haglöfs tried to provide as much support as possible. Later in the year, as lockdowns eased, Haglöfs experienced a return of orders, as consumers discovered a newfound appreciation of the outdoors. By the end of the year, Haglöfs gave all employees a Christmas bonus in recognition of the extra effort put in by everyone.

On the production side, Haglöfs' suppliers in China were facing restrictions due to the initial outbreak, which disrupted material supplies. Quickly followed an unprecedented collapse in orders as retail stores were closed worldwide, resulting in waves of job losses and factory closures. Haglöfs stayed in close touch with its suppliers to stay updated on the specific situations and needs of each supplier. Its Vietnamese suppliers were not hit as badly as those in China, as the number of COVID-19 cases was lower in Vietnam. Nevertheless, factories were in lockdown for several weeks.

Limitations in travel disrupted Haglöfs' regular factory monitoring and approval processes. Online meetings were held on a frequent basis and in some cases, local agents were able to cover parts of the monitoring processes. Four Chinese suppliers were audited, along with a CAP follow-up as usual. Haglöfs kept an overview of the situation at all suppliers in one file, which is in line with Haglöfs' general approach to human rights due diligence.

To uphold principles of responsible business conduct, Haglöfs worked closely on a case-by-case basis with each supplier taking individual circumstances into account. A close dialogue was held with each supplier, to understand developments and to investigate possibilities of postponing planned orders. Several planned orders were postponed during the pandemic, depending on whether fabrics were already ordered for example. Haglöfs' suppliers were in the lead to indicate what was possible. Furthermore, Haglöfs accepted and paid full price for goods in transit or production, and it took responsibility for materials costs. Extended payment terms were requested where possible. Haglöfs paid for airfreight in those cases necessary and did not negotiate any discounts. Some orders were reduced but compensated later in the year. Haglöfs did not end any supplier relationship due to COVID-19, and no suppliers went bankrupt.

Haglöfs was well-informed of the Fair Wear COVID-19 guidance and prioritized work with a clear focus on monitoring the suppliers. In one factory, Haglöfs was made aware through the worker helpline that workers did not receive the legal severance payments. Together with Fair Wear and the factory, Haglöfs resolved the complaint, and all workers have received the amounts due.

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.	51%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

Comment: Haglöfs works with a total of 33 CMT suppliers. The member brand has a leverage of at least 10% at 14 of those production locations, good for 51% of its total production volume.

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.	12%	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.	2	4	0

Comment: In 2020, 12% of Haglöfs' production volume was purchased from production locations where it buys less than 2% of its total production volume.

Recommendation: Fair Wear recommends Haglöfs to continue consolidating its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Haglöfs should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	56%	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: Haglöfs has a business relationship existing for at least five years with factories, representing 56% of its total production volume. With these factories, a stable, long-term relationship is maintained. This percentage remained stable in the past couple of years.

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

Comment: Haglöfs placed orders at two new production locations and approved another three to be used in the next financial year. Signed questionnaires with the Fair Wear Code of Labour Practices were uploaded and shown. A formal system is used to ensure all new production locations are required to sign and return the questionnaire with the CoLP before first bulk orders are placed.

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

Comment: Haglöfs has a strong due diligence process in place. Part of the on-boarding process is requesting a previous audit report. If there is no report available or information is insufficient, Haglöfs will arrange a Fair Wear audit before proceeding. The decision to approve a new factory is taken jointly between the sourcing and sustainability teams. The member's Policy of Engagement sets out the minimum requirements regarding human rights, labour standards, corruption, occupational health and safety and environmental practices and is one of the key elements of the Terms of Agreement which all new suppliers must sign to ensure shared values and commitment to respecting international labour and human rights.

Prior to entering any new sourcing country, Haglöfs carries out a country risk assessment, using external sources, such as FWF country studies, NGO reports, World Bank reports, etc, to evaluate possible risks in countries where it plans to source from. In case a supplier is suggested that is located in a new country for Haglöfs, this risk analysis is conducted to assess whether it has the resources available to conduct proper due diligence. Several ratings are included in the country assessment, such as corruption index, freedom rating, UNICEF index, FoA ratings, BSCI analysis and Fair Wear guidance.

During 2020, the risk of potential forced labour in production associated with the Xinjiang region of China was taken into account during monitoring activities. Through monitoring measures, Haglöfs confirmed that no production takes place in the region, nor is cotton bought from the region. The member brand could show proper monitoring of any new developments.

In 2020, no new sourcing countries were added to Haglöfs' production base. To enter new suppliers, Haglöfs has a written Factory Approval process, detailing the steps that need to be taken before on-boarding a new supplier. A clear list of steps is followed, including health and safety checks. Normally, visiting a potential new supplier is part of the due diligence process. Due to the COVID-19 related travel restrictions, this was not possible in 2020, however additional meetings were held with suppliers and where possible local agents used to visit factories. Furthermore, four Fair Wear audits were conducted. Some were postponed due to the pandemic, but could be conducted later in the year.

In regards to the crisis, Haglöfs could show a systematic way of tracking COVID-19 related risks in its production countries. Monitoring during COVID-19 was disrupted, as visits and audits could not be done. This was replaced by increased remote contact and meetings with suppliers to understand the changing situation. As soon as travel restrictions were loosened, both initially planned audits and training were rescheduled and conducted. During COVID-19, information was acquired through factory surveys, Fair Wear and other NGOs' input, as well as information from Haglöfs' local agents. A clear overview was created to be able to highlight the main risks in each country. The sourcing and CSR team was in continuous dialogue with the suppliers. Fair Wear's guidance was used and key areas such as health and safety and payment of wages have been part of the discussions with suppliers and followed up by photographic evidence and other files provided. Through various complaints filed, Haglöfs found issues regarding payment of wages after layoffs. More about this can be found in chapter 3 of this report.

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

Comment: Haglöfs has a thorough system in place to evaluate suppliers' compliance with Code of Labour Practices. A clear scoring system is used and was shown during the performance check. Besides evaluating general vendor criteria, topics such as CAP findings, filed complaints and the supplier's willingness to remedy, are integrated into this scorecard. If a supplier scores comparatively bad, it is informed that this may impact the outcome of the consolidation process. Similar, in case a supplier has improved its scoring on CSR and other criteria, the supplier will be favored in Haglöfs' consolidation process. Monthly social responsibility meetings between the sustainability, sourcing, development and buying teams help to ensure policies are understood, processes are aligned, and there is visibility across all teams of the status of factories and production plans. In case of changes in supplier's performance, a specific factory report is created and shared with the management team to update and discuss the situation.

Despite Covid-19 crisis, Haglöfs was able to continue to follow its sourcing strategy, including integration of CSR related scoring into supplier scorecards, supplier consolidation, identification of strategic partners for development and increasing orders. The impact of Haglöfs' sourcing strategy on orders at strategic partners has been starting to show; those who are committed to CSR have been receiving increasing orders.

During the pandemic, Haglöfs' management assembled a committee to closely follow the developments of the crisis and to ensure that both security of workers and the health of the business was taken into account. Haglöfs was in constant contact with its suppliers and support was offered by Haglöfs. The situation of wage payment was checked and none of the suppliers indicated it needed help with this. More on this in the next indicators in this chapter, focusing on wages. Developments throughout the crisis were kept on file, both emails and reports were shown during the performance check.

The possibility of postponing and canceling planned orders was investigated case by case, keeping the security of workers and the health of business at brand level and supplier level in mind. Several orders were postponed during the pandemic, in close dialogue with the suppliers. This mainly depended on whether fabrics were already ordered for example. Suppliers were in the lead to indicate what was possible. For the postponed orders, materials were paid in advance by Haglöfs. Through a letter from Haglöfs' CEO, the suppliers were requested to prolong payment terms. In most cases, an additional 15 days was requested. Clear dialogue with suppliers could be shown. Furthermore, Haglöfs was flexible on delivery and rescheduled to offseason production in order to get as much of the orders still moving at its suppliers.

The Fair Wear survey outcome was used to follow up and to identify high risks. Various other platforms were consulted to understand risks and updates, recommendations and available resources were shared with each team during biweekly meetings. The Fair Wear conversation framework, articles by Clean Clothes Campaign, FLA and Fair Wear meetings were the main resources.

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

Comment: Haglöfs has a strong and long-term production planning system in place, taking into account the risks related to peak seasons and late changes. Commitment is shown of all staff involved and clear communication with its suppliers. Haglöfs maintains a development cycle of two years, in which all suppliers are monitored from the early stages. The timeline includes sample development, material order deliveries, and product delivery by sea. Production planning starts nine months ahead of due delivery dates. Supplier capacity, as well as greige fabric bookings, are considered in the process. More information on Haglöfs' general planning system can be found in the previous performance check reports.

COVID-19 impacted Haglöfs' production cycle in all of the production countries, as well as the destination countries; retail orders dropped at the same as capacity on the production side dropped. This enabled an open conversation in which both the suppliers and Haglöfs were committed to be flexible towards the standard terms generally agreed upon; Haglöfs accepted later delivery dates and most suppliers accepted a prolonged payment term, of about fifteen days.

For Haglöfs, the first issue was delay of material, which was solved by using air freight in several cases. Other delays were solved by rescheduling. Haglöfs' decision to decrease number of styles and increase volumes benefited Haglöfs' situation in this time of crisis, as Haglöfs was able to adjust planning smoothly.

Each of the buyers had weekly, and in some cases daily, contact with the factories. Overall, every planning decision was taken in dialogue with the suppliers. One supplier requested to produce a specific order in low season and ship earlier for cashflow purposes. Haglöfs approved this.

One of the bigger lessons throughout the COVID-19 crisis was that Haglöfs' suppliers heavily rely on the brand's forecast. Already before the COVID-19 crisis, the planning department has included a 'stop' on increasing or changing orders when planning is already agreed on by all parties.

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: During three Fair Wear audits done in China in 2020, excessive overtime occurred. For each of these suppliers, Haglöfs could show dialogue on the topic of working hours and a clear effort to understand root causes and finding solutions. Improvements were shown on timekeeping and Haglöfs had already identified root causes for excessive overtime; late changes and peak seasons are the main root causes. A close dialogue with each relevant supplier was shown and remediation steps were made where possible in 2020.

Despite the crisis, Haglöfs could show that ongoing efforts were made to reduce peaks and to avoid late changes. A new production planning was created at the end of 2019 and 25% of all orders are produced outside of peak season in 2020. After the lockdowns, Haglöfs was in close touch with its suppliers and showed flexibility in terms of planning, to avoid excessive overtime; earlier/later shipments have been accepted, low season orders were placed for any leftover production.

The general production planning has been severely disrupted throughout 2020, due to the pandemic, so progress on developing this project has been limited; the sudden drop of orders and exceptional timings of orders during this year have made it challenging. Nevertheless, during the pandemic, it was proven that the long-term planning of Haglöfs is effective and provides room to move production without causing higher overtime risk. Revised delivery schedules have all been accepted without penalties.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: Haglöfs specifies in detail the cost of each style, nominating all materials and trimmings. During the performance check, a cost break down was shown, including labour costs. The exact labour minutes remains difficult to calculate for highly technical products and is still work in progress, mostly delayed due to COVID-19.

Regarding linkage to wages, Haglöfs shares wage analyses from Fair Wear audits during monthly staff meetings. According to Haglöfs, the type of product drives the wages; for the more technical styles, the wages seem higher, compared to the more competitive styles.

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

During COVID-19, Haglöfs did not negotiate for discounts and any price increase was taken in towards the consumer to avoid any wage risks. Further wage increase plans were put on hold due to the pandemic.

Recommendation: Fair Wear recommends Haglöfs to check whether its suppliers had any COVID-19 related additional costs that will be included in the prices in 2021. Furthermore, Fair Wear encourages Haglöfs to continue the dialogue about open costing with the suppliers which are not yet open to it. The Fair Wear team can possibly help in furthering this dialogue.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

Comment: In 2020, four audits were conducted by Fair Wear and no legal minimum wage issues were found. A risk was identified in the initial audit of one Chinese factory, where handwriting timekeeping instead of an automated fingerprint system was used. Haglöfs required immediate action to adopt fingerprint timekeeping in order to ensure the workers are paid correct wages. This issue was resolved immediately. Both planning and production teams were kept up to date on the risks regarding wage payment of workers in the case prolonged payment terms were accepted. The actual payment of legal minimum wage was checked after factory lockdowns mainly through the audit reports of 2020. The remediation of several complaints was another way of checking documents to monitor payment of at least legal minimum wage.

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: There was no evidence found of late payments to suppliers by Haglöfs. The member company has a payment term of 30-60 days and always pays on time, audit findings confirm this as well. Conversations on order payments during COVID-19 were shown during the performance check. Through a letter from Haglöfs' CEO, the suppliers were requested to prolong payment terms. In most cases, a total of 15 days was requested. Clear dialogue with suppliers could be shown. Each delay was discussed and handled in close dialogue with the suppliers. Orders already made or in production were paid for in full. For planned orders that could be canceled or delayed, material costs were paid in advance. CSR team was closely involved to take into account risks on wages of workers. Haglöfs did not negotiate price discounts.

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: The topic of living wages has been discussed with Haglöfs' strategic suppliers. The first steps have been made during the past couple of years. Haglöfs has been focusing on understanding the current situation of wages in factories. With Fair Wear audit findings, Haglöfs analyzes the wage levels at each supplier. The audits, helpline, and factory visits help to identify opportunities for improvements in worker representation and, during 2020 Haglöfs started supporting some of the strategic suppliers with advanced training in social dialogue. Also, an analysis of wage levels across the supply chain has been published by Haglöfs.

Haglöfs stayed in touch with the suppliers about the payment of wages throughout the COVID-19 pandemic. Further implementation of identifying root causes of wages lower than living wage was delayed, as health, safety and general payment of wages have been a priority during COVID-19.

Recommendation: Fair Wear encourages Haglöfs to discuss 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: The living wage project at one of Haglöfs' Vietnamese suppliers was put on hold due to restructuring of the business.

In 2020, Haglöfs published wage levels for the first time in order to show commitment to raising wage levels. Haglöfs reevaluated the approach to Living Wage and had planned to work on defining the project and selecting specific target suppliers for 2020, but this was delayed due to COVID-19; suppliers did not have time or resources to engage in such advanced projects, as all attention was needed to staying afloat. Defining a living wage strategy will be part of 2021.

Therefore, the recommendation that was given to Haglöfs in the previous year, to integrate wage increase in its own systems, will remain valid.

Recommendation: Fair Wear strongly recommends Haglöfs 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.	26%	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: Audits done at four Vietnamese suppliers show wage levels that are above those set by the Global Living Wage Coalition. These production locations represent 26% of Haglöfs' total production volume.

Recommendation: We encourage Haglöfs to show that discussions and plans for wage increases have resulted in the payment of a target wage.

Purchasing Practices

Possible Points: 52

Earned Points: 38

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	92%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	5%	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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	97%	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: The CSR manager is responsible for implementing Fair Wear requirements. The CSR manager reports to the Head of Sustainability, who is a part of the management team. Despite the COVID-19 pandemic, the working hours of the CSR manager were not reduced, neither was the overall CSR budget. The CSR manager prioritized work related to the monitoring of suppliers and focused on COVID-19 related risks.

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: Haglöfs shares the audit reports and Corrective Action Plan findings with factories and internally with all relevant departments in a timely manner. Findings are requested to be shared with worker representation where applicable, but the involvement of worker representation is not yet actively taken up by Haglöfs.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Advanced	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.	8	8	-2

Comment: In 2020, four audits were conducted by Fair Wear on behalf of Haglöfs. Furthermore, one audit conducted on behalf of another Fair Wear member was shared in 2020. All of these audits were originally planned early in the year, but were postponed to the end of the year due to COVID-19 pandemic.

For those reports that still came in before the closing of the year, Haglöfs has shown active engagement with the suppliers to resolve Corrective Action Plans and remediate problems.

A clear tracking sheet was shown to coordinate follow-up of the various CAPs. An active dialogue was shown between brand, factories and agents.

Normally, corrective actions are discussed with factory management during yearly on-site visits. This was not possible due to the pandemic. During this year the online meetings were therefore intensified to be able to follow up. In case of severe issues, Haglöfs involves its management in the discussions. A CAP is used as a working document between brand and factories. Actions are written in the file and supporting documents such as picture were shown for each audited factory. The status of each CAP is monitored in a tracking sheet, which is frequently shared with relevant staff.

Due to COVID-19, Haglöfs faced difficulties regarding follow-up and remediation; organizing internal training, fire drills and worker meetings was very restricted, delays at local authorities to arrange certificates. Tracking improvements was difficult due to COVID-19 restrictions. For example, a huge reduction in excessive overtime occurred as a result of order collapse. It has been found difficult to monitor any real improvement of working hours in those cases. The situation around COVID-19 has been systematically monitored by Haglöfs through a central sheet. The main COVID-19 related risks in Haglöfs' supply chain were health and safety and wage payment (especially after layoffs). The frequently updated file containing main risks and follow up is shared with staff during the monthly meetings and CSR manager encourages staff to report on any specific changes noted during contact with the suppliers.

Despite the challenges regarding follow-up and remediation, Haglöfs did conduct a root cause analysis for repetitive issues found through audits and complaints in 2019 and 2020. The outcome was shared with the management of the suppliers and preventive measures were discussed.

At one supplier in Vietnam repetitive issues were found in relation to employment termination in both of its two production locations. At one of the locations, Haglöfs noted repetitive issues related to employment termination, in both audit reports and complaints. Issues related to freedom of association and factory communication were found at both of the production locations of this Vietnamese supplier.

Through a root cause analysis, Haglöfs found that lack of social dialogue, insufficient understanding of labour legislation and lack of proper internal grievance mechanism were important factors.

Haglöfs worked on a remediation plan, which has been agreed upon by factory management.

Recommendation: COVID-19 related issues can be included in outstanding CAPs to facilitate monitoring.

Once COVID-19 has passed, Fair Wear also recommends Haglöfs to gradually ensure more factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: Due to the pandemic, travel was restricted and therefore this indicator is not applicable in 2020 for all Fair Wear members.

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: External audit reports are collected particularly in the initial assessment of a new factory or where the factory is in the tail end of Haglöfs' supply chain to avoid over auditing. Audit reports were collected from other sources in 2020 for a total of five factories. External audit reports are assessed with the quality assessment tool and CAPs have been set up for those and implementation was shown. Depending on the outcome of the analysis, it is decided whether or not to request a Fair Wear audit. During the pandemic, this alternative source of information has been helpful in several cases, as audits had to be postponed.

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 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.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: Haglöfs maps and addresses risks that are specific to the brand's supply chain. Information provided by Fair Wear and other resources is used and included in Haglöfs' country risk profile sheet, its onboarding process and factory monitoring process.

COVID-19

During the pandemic, Haglöfs immediately started to collect information from suppliers about additional COVID 19 related risks. The member brand followed Fair Wear's COVID-19 guidance and kept an overview of the available information per country and per supplier. Information was shared frequently with staff, agents and suppliers. Most risks were related to the impact on workers' job security and wages as a result of reduced orders and factory closures. Also, assessment of existing issues became more difficult due to the lack of regular access (visits, audits).

Haglöfs focused on mitigation of these risks by reducing orders only in those cases where supplier's circumstances made it possible. Also, NOS orders were booked earlier to use the spare capacity caused by order decrease due to lockdown. The online contact with suppliers was intensified to better understand the changing situation at the factories and follow-up of complaints related to COVID-19 was prioritized.

Haglöfs' agent in Vietnam was asked to carry out some visits on behalf of Haglöfs, even to factories that were not covered by this agent. In this way, the health and safety measures could be monitored.

All suppliers were offered help in case of difficulties regarding wage payment and other financial obligations, but none of the suppliers indicated such.

Turkey

Haglöfs is aware of the risks regarding Syrian refugees in Turkey. The Fair Wear risk policy is followed and under normal circumstances, all locations in Turkey are visited. Due to COVID-19 the usual visits could not happen in 2020. Alternatively, a Turkish agent was requested to visit a new printing subcontractor. This agent was informed about the risk policy and main issues related to Syrian refugees employed by Turkish factories. In 2020, Haglöfs worked with one supplier in Turkey, for which the company could show a diligent following of Fair Wear's guidance.

China and Vietnam

Haglöfs is aware of the country-specific risks, such as freedom of association, excessive overtime. The member brand tries to work on social dialogue by organizing WEP training. When information started to come through in March 2020 on the increased risk of forced labour in the Xinjiang area in China, Haglöfs completed a full due diligence assessment for Tier 1 and Tier 2 of its supply chain. The potential risk of forced labour is closely monitored and the risks are shared with senior management. Haglöfs' sourcing policy and material policy is updated to explicitly ban production from the area of Xinjiang. A thorough due diligence framework was shown during the performance check. This framework is adopted and shared with all relevant staff and agents.

In Vietnam, Haglöfs continues to enroll factories in the Workplace Education Programme to raise workers' awareness. Three suppliers in Vietnam were enrolled in the Communication training in 2020, focusing on social dialogue. With regard to excessive overtime, Haglöfs continues to be in dialogue with the suppliers and taking steps to minimize the risks.

Indonesia

Haglöfs is aware of the main risks in Indonesia; health and safety, freedom of association and wages. Haglöfs is working on these issues via the CAP of Fair Wear audits. One of the Indonesian production locations is part of the Better Work programme.

Various lobbying efforts were shown in Indonesia: Haglöfs' mother company ASICS is a signatory of the Freedom of Association (FOA) protocol in Indonesia. A letter to the Indonesian government against the adoption of the new Omnibus Law enacted for job creation, was signed by Haglöfs. The letter outlines concerns about the negative impact around certain (environmental) protection measures affected by the Omnibus Law.

Recommendation: The member is encouraged to verify the information that came up through the additional monitoring tools with audits. Fair Wear recommends Haglöfs to continue remediation of the COVID-19 related issues. For Turkey, Fair Wear recommends Haglöfs to enroll its supplier in WEP programme.

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: Haglöfs shares 11 factories with other Fair Wear members. For those that have CAPs, Haglöfs actively cooperates on CAPs with other Fair Wear members. During the pandemic, Haglöfs was also in close touch with several other member brands to see where forces could be joined to support 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.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Member undertakes additional activities to monitor suppliers.: No (o)

Comment: Haglöfs could show fulfilment of monitoring requirements for all production locations in low risk countries.

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: In 2020, Haglöfs conducted three audits at suppliers in their tail-end; all three in China.

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	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.	2	2	0

Comment: Haglöfs has been reselling one external socks brand since 2018. Instead of receiving the signed questionnaire back, Haglöfs received a Code of Conduct that is similar to FWF. All socks are being produced in USA.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	0%	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.	0	3	0

Comment: The external brand that is resold by Haglöfs is not a member of Fair Wear or another credible initiative.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	Yes, and member has information of production locations	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.	1	1	0

Comment: Asics is a licensee and this company is also the owner of Haglöfs.

Monitoring and Remediation

Possible Points: 32

Earned Points: 29

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	8	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.	2	
Number of worker complaints resolved since last check.	7	

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 CSR manager is designated to address worker complaints and was involved in the handling of the complaints received in 2020.

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: Haglöfs has a standard procedure to inform suppliers on CoLP and complaints hotline. In preparation of factory visits, staff is briefed by the CSR manager on CSR-related issues and are asked to take a picture of the Worker Information Sheet. All suppliers have posted the Worker Information Sheet, evidence is kept on file. During COVID-19 visits did not happen, yet several agents could visit production locations and they were briefed prior to the visits.

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.	45%	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: In the past three years (2018, 2019, 2020), Haglöfs enrolled production locations representing 45% of the total production volume in training programmes to raise awareness; WEP Basic.

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: Haglöfs received eight complaints in 2020 from workers at factories in China and Viet Nam. During this pandemic year, complaints related to COVID-19 were prioritized by Haglöfs. All complaints related to COVID-19 have been resolved and significant effort was shown by Haglöfs to identify and address root causes to agree on next steps for remediation. In terms of preventive steps, Haglöfs showed that training on communication, as well as the setup of a proper policy and procedure on termination and layoff, was thoroughly discussed with the suppliers at stake.

At one production location in Vietnam, three complaints were received on layoffs, all directly linked to COVID-19. An onsite visit was arranged to investigate the layoff process and Fair Wear found that it was done improperly. Haglöfs organized a series of meetings that was attended by Haglöfs' senior management involved as well, to have the factory understand the root causes and seriousness of the cases. It was agreed to make the severance payment as suggested by Fair Wear. As social compliance issues remain a risk, the supplier agreed to participate in training, which will be done in the next financial year because of COVID-19.

At another supplier, complaints were filed on severance payment issues. As the law has changed on severance payment in Vietnam, there has been a lot of misunderstanding on this topic. Haglöfs' Head of Sourcing was closely involved in the remediation process, as well as Fair Wear staff. The issue has been resolved.

Another complaint was filed by a worker at a production location in China. This complaint was related to social security. Haglöfs showed active follow-up, in line with Fair Wear's complaints procedure. The CSR manager consulted Fair Wear and social security payments have been made retroactively. Due to COVID-19, the process at the local labour office to retrieve relevant documents have been difficult and Haglöfs is still waiting for several files to be able to resolve the issue.

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: Active cooperation is shown in addressing worker complaints at shared suppliers in both Vietnam and China. Cooperation to address complaints is standard practice for Haglöfs at all shared suppliers.

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: Haglöfs actively informs all staff of Fair Wear membership requirements. Annual training is implemented for new staff and staff that regularly visit production locations. During the monthly team meetings and product meetings, CSR will often share updates on Fair Wear. During the sales meeting, all sales staff is informed about Fair Wear membership. In 2020, the majority of meetings took place online.

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: Haglöfs has monthly social compliance meetings for staff that is in frequent contact with the suppliers; all members of the buying, development and sourcing teams attend these meetings. The COVID-19 guidance of Fair Wear was shared during this meeting as well.

Audit results are systematically reviewed and coordinated, as well as complaints status, new suppliers approval, and itineraries during bi-weekly sourcing meetings. This did not change due to COVID-19.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	2	2	0

Comment: All agents and intermediaries are informed about Fair Wear's Code of Labour Practices. Haglöfs prefers to have direct contact with production locations to ensure CoLP implementation. However, the agents help Haglöfs chase suppliers for returning the questionnaire and posting the WIS. Also, the agents check whether issues in the CAP are addressed. During 2020 Haglöfs had more regular contact with all agents to keep up to date with the changing situation. Haglöfs' main agent in Vietnam visited several production locations during COVID-19, to follow up on CAPs and monitor health and safety measures.

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.	33%	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.	4	6	0

Comment: Four of Haglöfs' suppliers are part of ILO Better Work. Four other production locations participated in the Fair Wear WEP Communication module. These eight cover 33% of Haglöfs' total production volume. Budgets for training were not cancelled during COVID-19. Unfortunately, two planned trainings were cancelled due to COVID-19 (one in China and one in Vietnam).

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: Haglöfs follow up after training programs as per Fair Wear guidelines. For WEP training, reports are shared with the factory and reviewed for issues raised that Haglöfs is not already aware of and working on from audits or complaints. Attendance evidence and photographs are sent after the training. In the case of shared suppliers, Haglöfs collaborates with other member brands on follow-up.

Training and Capacity Building

Possible Points: 13

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: Haglöfs maintains a file with detailed information of all suppliers of which the content is regularly updated. For Haglöfs, disclosure of supplier details is part of the terms of agreement the company signs with each supplier. This information is cross-referenced with a number of sources to verify: onsite quality inspection during factory visits (this was in 2020 done by the agent in both Vietnam and Turkey), audit results, discussions with factory, discussion with other brands, and gaining an understanding of the processes in the factory.

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

Comment: All information regarding production locations is saved on a shared drive, accessible for all relevant staff. In addition, CSR staff meets monthly with the buying, sourcing and development teams and whenever Haglöfs' staff visits a production location they are informed about relevant issues to check upon. After each visit, information is shared with CSR staff again to keep track of progress. In addition, the CSR manager holds biweekly sourcing meetings with senior sourcing and buying management to share detailed follow up of the new factory approval process, factory exits, factory issues.

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: Haglöfs publishes information about Fair Wear Foundation and its membership commitments on its website. The new FWF logo is used in compliance with Fair Wear communications policy. No problems regarding communications requirements were found.

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: A full list of Haglöfs' suppliers is disclosed on the company website. In addition, a comprehensive sustainability report including aggregated audit results and the most recent Brand Performance Check is published.

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: A complete and accurate report is submitted to Fair Wear. This report is part of Haglöfs' broader sustainability report, published on the company's website.

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

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

Comment: Annual evaluation is done with the involvement of Haglöfs' CEO, results of each Brand Performance Check and overall membership progress is discussed as part of the sustainability strategy of the company. The director of Product and Operations joins the monthly social compliance meetings occasionally. Per 2020, the Head of Sustainability is part of the management team, which makes CSR a weekly topic during management team meeting.

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.	No requirements were included in previous Check	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.	N/A	4	-2

Comment: No requirements were included in the previous Brand Performance Check report.

Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

- Haglofs feels that the current process of only approving audits from other standards after the audit report has been issued makes planning and budgeting a yearly auditing programme more difficult. A standardised list of accepted audit formats is requested by the member.
- The length of time between audits (as well as training sessions) and issuing of the report to the brands could be improved.
- Availability of advanced training options across all main sourcing countries could be improved to provide consistent level of support to brands.
- Haglofs argues that there continues to be a lack of transparency on how audits issues are allocated severity ratings.
- According to Haglofs, some areas of brand performance check seem to lend themselves to exercises in checking boxes to get points rather than genuinely encouraging improved behavior e.g. requirements on subcontractors or external brands provide the incentive not to disclose rather than losing significant points for minor issues which Fair Wear has no way to confirm.
- Inconsistency is experienced by Haglofs in how complaints are handled by various complaints handlers. Haglöfs recommends Fair Wear to ensure more alignment internally on how complaints are handled. It has also been found that working through the country managers rather than direct with local complaints handlers adds unnecessary layers as the country managers often have insufficient view of the details of the issue causing confusing and delays in resolution.
- The scoring for 3.3 lends itself to checking boxes to achieve points. For example, when conducting training for suppliers who have a systematic social compliance program in place, typically who already have gone through WEP basic training a few rounds. Haglofs feels that a supplier who is going through a WEP comm training would not go back to WEP basic training, unless a significant amount of time has passed. This means the more WEP Comm training Haglofs suppliers take, the % of suppliers taking WEP basic training will decrease unless we choose to do additional WEP basic training for the sake of the points. Haglofs recommends Fair Wear to take a close look at how to deal with this.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	38	52
Monitoring and Remediation	29	32
Complaints Handling	15	17
Training and Capacity Building	11	13
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	108	129

Benchmarking Score (earned points divided by possible points)

84

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

15-04-2021

Conducted by:

Hendrine Stelwagen

Interviews with:

Jiwon Jang - CSR manager

Elaine Gardiner - Head of Sustainability

Paul Cosgrove- Product Director (product/sourcing/quality)

Frederik Olsson - CEO

Hedvig Axberg - Operations Director (Logistics, supply chain, buying)