



**Brand Performance Check**  
**Outdoor & Sports Company Ltd.**

**Publication date: June 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](http://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

## Outdoor & Sports Company Ltd.

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

Member company information	
Headquarters:	Cheshire , United Kingdom
Member since:	2012-05-30
Product types:	Sports & activewear
Production in countries where Fair Wear is active:	Bulgaria, Cambodia, China, India, Indonesia, Myanmar, Viet Nam
Production in other countries:	Hungary, Philippines, Portugal, Serbia, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	95%
Benchmarking score	75
Category	Leader

## Summary:

Outdoor & Sports Company Ltd. (hereafter referred to as OSC) has shown advanced results on performance indicators. The benchmarking score of 75 means that Fair Wear has again awarded OSC the 'Leader' status. Although the monitoring threshold does not determine the category this year, OSC has fulfilled the monitoring requirements at suppliers responsible for 95% of its production volume.

## Corona Addendum:

When COVID-19 hit the UK, a 3-month lockdown started from March 2020; OSC put their staff on furlough with salary cuts. The member had to accept order cancellations and potential bad debt from their customers. At the start of the pandemic, production delays did not heavily impact OSC. The member had received its summer 2020 stock and shipped it to its customers. For the rest of the year, the member had to re-work production planning. COVID-19 influenced the production cycle as suppliers had to face lockdowns and lose weeks of production at different points. OSC did not cancel but had to postpone 15%-20% of orders, to manage cash flow within the company. Factories continued to deliver around 80% of the forward order commitments and had to postpone the balance to 2021. The member made arrangements with the raw material suppliers to stock the fabric to ensure that cost linked to the postponement did not burden the factories. Where needed, the member paid in full or 50% of the cost. The member contacted individual suppliers regularly, checked whether they were working or in lockdown, and submitted a revised planning proposal.

To stay apprised of the supplier situation and impact of COVID-19, the member sent out questionnaires to most of its suppliers. The questionnaire informed the member on time periods (when the factory was closed), impact on working hours and wages, and Health & Safety (H&S) measures implemented by the factory. Few factories also sent videos of the production lines, photos of H&S measures and vaccination initiatives. The member resumed conducting audits when possible. Suppliers of OSC did not report any specific issues requiring follow-up or remediation.

The brand has engaged closely with its suppliers and supported them with flexible planning, delivery, and on-time payments. However, OSC has not explicitly discussed the additional costs incurred by suppliers for COVID-19 measures and has not reflected it in the pricing or offered any financial assistance.

## 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.	57%	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:** In 2020, the percentage of the production volume from production locations where OSC buys at least 10% of the production capacity decreased from 75% to 57%. This decrease can be attributed to the member's consolidation efforts also requiring the gradual lowering of orders to phase-out certain suppliers.

**Recommendation:** Fair Wear recommends OSC continue to consolidate its supplier base where possible, and increase leverage at main production locations to effectively request improvements of working conditions.

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.	19%	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:** With 19% of the production volume from production locations where OSC buys less than 2% of its total FOB, the brand has a relatively long 'tail end' for production. But this is less when compared to the last 2 years (22% & 28%). OSC has a robust internal process to limit the number of production sites. OSC did an analysis of all factories used for the different brands per product group to create synergies between brands. That apart, the member reviews the tail-end periodically, suppliers are categorized as – 'specialized', 'one more season to go', 'last orders placed' etc. to allow the member to review their progress on supply chain consolidation. The member is in the process of ending relationships with 8 factories, to further support consolidation efforts in 2020/21. Due to COVID-19, the member had to continue and could not completely phase out a few suppliers.

That apart, some tail-end suppliers will continue to remain as OSC orders relatively small quantities and has several carry-over styles, which require specific skills or machinery to fulfill quality and safety standards.



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.	69%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** The sourcing strategy of the member is focused on long-lasting partnerships with suppliers to consistently deliver high-quality products. 69% of OSC's production volume comes from production locations where the member's business relationship has existed for at least five years.

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

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

In 2020, OSC started sourcing at two new production locations. OSC could show the signed questionnaire for these factories.

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

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

OSC is working directly with all their suppliers and in general visits new production locations at least once before orders are placed. Due to COVID-19, no factory visits were possible in 2020. During the sampling and pricing stages, OSC establishes whether the supplier conforms to supplier guidelines and meets its ethical requirements. Existing audits are analyzed, a preliminary CAP is established. Fair Wear membership requirements and the factory's willingness to be audited by Fair Wear's audit team are also discussed. The company aims to work with production locations and suppliers offering multiple support processes, to support consolidation efforts and shorten the supply chain.

In 2020, the Fair Wear COVID-19 dossier and webinars were used by the member to understand country-specific risks. Additionally, to stay apprised of the supplier situation and impact of COVID-19 the member sent out questionnaires to a majority (but not all) of its suppliers. The questionnaire informed the member on:

1. Time periods when the factory was closed
2. Impact on working hours and wages
3. H&S measures implemented by the factory

The brand also requested monthly attendance sheets from the factory to check if there were any visible changes in worker numbers/ factory capacity and working hours. Most suppliers reported that there were no dismissals. When the brand found a decrease in worker numbers, the brand engaged with the supplier (along with another FairWear member) to gather more information. Few factories also sent videos of the production lines and photos of H&S measures and vaccination initiatives. The brand has created individual folders for each supplier to document and track COVID-19 specific updates and information.

The brand resumed conducting audits when possible and conducted audits at 4 supplier locations. All planned audits took place later in 2020 (for more on audit follow-up please refer to chapter 2). These reports did not specifically cover the impact of COVID-19 on the factory. Despite the brands' efforts, the lack of COVID-19 information in the audit reports limited the brands' ability to get a deeper insight on the situation, leaving the brand to solely depend on information shared by the suppliers.

OSC started relationships (sample and trial orders) with 2 new factories, one in China and one in Vietnam. The China factory is part of the same group as another factory the brand is already sourcing from. OSC staff visited the headquarters of the supplier in 2019 and has received a walkthrough of the factory and details through a presentation. A factory visit was not possible in 2020. The member collected a BSCI audit report (2019) to understand risks, which informed them of the presence of excessive overtime. The Vietnam supplier (also shared with another Fair Wear member) was visited in 2019. The brand engaged closely with the other Fair Wear member on complaint remediation and Fair Wear audit findings (from 2019).

**Recommendation:** If OSC receives an existing audit report it is advised to check the follow-up status of the issues mentioned in the report. This can give an idea about the suppliers' commitment to remediate CAP findings.

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:** In general, OSC has a supplier appraisal twice a year: a spreadsheet provides a score to each factory on product specifics, quality, logistics and follow-up/ communication on Fair Wear requirements. This spreadsheet is visualized with issues colour coded to immediately flag low scores. For a score lower than 3, the member asks the concerned team to provide specific examples of instances leading to the low score, to offer suppliers objective feedback. The appraisal currently does not include scoring on remediation. The supplier appraisal informs the member's supplier consolidation process. A positive appraisal is rewarded with extra orders.

When exiting suppliers OSC follows Fair Wear's responsible exit policy. OSC stopped working with one Chinese supplier in 2020, which was done through a process of several years of open engagement and gradual phasing out. The small order size of OSC was not longer viable for the factory. The exit process was concluded in 2020.

The brand was in constant contact with its suppliers to keep track of the impact of COVID-19 on them. OSC did not cancel but had to postpone 15%-20% of orders because of COVID-19, to manage cash flow within the company. This was done in close engagement with suppliers and raw material providers. Factories continued to deliver around 80% of the forward order commitments and the balance had to be postponed to 2021. Arrangements were made with the raw material suppliers to stock the fabric to ensure that factories were not burdened with the cost linked to the postponement, where needed the brand paid full/paid 50% of the cost. The brand worked to ensure that factories were not left with raw materials or any outstanding payments. The brand supported a supplier in the Philippines by accepting a delay of one year, as the supplier had to close the factory multiple times.

**Recommendation:** OSC is encouraged to make more explicit how social compliance in the supplier rating system in which quality, relationship, price, and planning are assessed is weighted and how compliance with CoLP leads to production decisions.

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

**Comment:** OSC has a strong, integrated production planning system. Lead times are between 100 and 120 days. OSC gathers forecasts of retailers, and orders early on to communicate order quantities to its production locations. The member works with a critical path schedule and splits orders for suppliers to spread out the production until the final delivery. Deadlines are determined in partnership with suppliers. The discussions include updates on available capacity, possible increases in order and how this can be managed, and order increases of other clients, and how OSC can accommodate those by staggering or moving its orders forward.

After every season there is an evaluation to discuss how the production went and if there are areas that can be improved. Once samples are approved there are no further changes made to the product designs. Production of the never out of stock (NOS) items and bestsellers is planned during factories' downtime with the aim to mitigate overtime issues.

OSC allows flexibility on delivery timelines when necessary. If the factory has difficulty with the agreed production timelines, OSC and the supplier will jointly determine options, such as splitting the delivery of the order, etc.

COVID-19 influenced the production cycle as suppliers had to face lockdowns and lose weeks of production at different points, for example, the UAE and Philippines locations were closed 6-8 weeks. At the same time, the brand also had to rework on orders placed. OSC did not cancel but had to postpone 15%-20% of planned orders because of COVID-19, to manage cash flow within the company. This was done in close engagement with suppliers and raw material providers. The brand was not heavily impacted due to production delays at the start of the pandemic, the brand had received its summer 2020 stock and also shipped to its customers. For the rest of the year, OSC had to re-work production planning. The brand contacted individual suppliers regularly, checked if they were working/ in lockdown, and submitted a revised planning proposal. The suppliers offered feedback, including for example,

- They have the colored fabrics, capacity and could start production,
- They do not have the fabric in stock or the factory is in lockdown hence production might be delayed,
- They have other priority customers and might not be able to get the order in for the season (this order at a Philippines supplier was moved to summer 2021).

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

**Comment:** OSC consistently discusses the former season's production run with factories to identify possibilities to improve the process in order to reduce overtime. In three Fair Wear audits and one external audit conducted in 2020 at production locations in China, excessive overtime was found. At three factories the brand has relatively low leverage and is exiting one of the suppliers.

The brand is aware of the linked 'low wages' issue leading to demand for overtime by workers. Additionally, the brand believes that factories are not resilient to fluctuations in production volumes season to season, tend to take orders without reflecting on capacity, and later try to fit them in. In general, the brand has been advocating suppliers to plan based on 80% capacity to ensure there is no need for overtime.

The Fair Wear audits were organised at shared supplier locations, where other Fair Wear members took the lead in follow-up. Nevertheless, the member discussed excessive overtime with the factories. For one location they realized that a large American customer had booked capacity, leading to reduced capacity and excessive overtime. The factory suggested moving the member's orders to another location in Myanmar as a solution. But OSC believes with the new situation in Myanmar in 2021, this issue probably will not be remediated.

The external audit at the factory location in China (where the brand has more than 10% leverage) indicated the root cause of overtime to be related to workforce capacity planning at the factory. While OSC could demonstrate discussions with the supplier on this finding, the brand missed following -up on the root cause indicated in the audit report.

**Recommendation:** OSC should focus on the root causes of excessive overtime (especially when clearly indicated in the audit report), investigate which steps can be most effective to reduce overtime, and is encouraged to use the Fair Wear guidance on Overtime. The brand should discuss with factory management the causes of excessive overtime and provide support to manage overtime. If necessary, OSC could hire local experts to support the factory in workforce capacity planning and other root causes identified. Fair Wear could recommend qualified persons upon request.

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

**Comment:** Further to the member's efforts in 2018 to collect an overview of wages and open costing at most supplier locations, in 2019 and 2020, the member started working on labor minute value calculations for a number of styles. While prices are still negotiated based on experience and knowledge of the price of fabric, design, and workmanship, the labour minute value data offers the design team insights on additional costs that come with added design specifications. OSC has not yet connected the labour minute value calculations to wage levels at production locations. Because of COVID-19 and OSC Staff being on furlough with reduced working hours, much progress could not be made on this indicator in 2020.

In the process of price negotiations, OSC tries to reduce the complexity of technical specifications to meet a target price rather than pushing the factory to reduce prices. OSC is consistent in paying the agreed price, including for late deliveries or repeat orders. Based on feedback from the suppliers the member reviews and incorporates fluctuations in raw material costs, overhead costs, and others with increased prices.

While the brand has engaged closely with the supplier and supported the supplier with flexible planning, delivery and on-time payments, OSC has not explicitly discussed with the supplier the additional costs for COVID-19 measures and hence has not reflected it in the pricing.

**Recommendation:** Fair Wear recommends OSC to check whether its suppliers included COVID -related costs in the prices in 2021. Furthermore, Fair Wear recommends OSC to continue its efforts to connect the labour minute value calculations to wage levels at production locations.

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:** OSC is actively monitoring its supply chain to ensure payment of legal minimum wages. In 2020, in three factories audited by Fair Wear issues pertaining to payment of wages and benefits were found.

For one factory, wages could not be verified due to the falsification of wage records. The brand together with other Fair Wear members is following up on this issue. As the audit report was shared with the brand in December 2020, this will be reviewed in the next performance check.

That apart, findings at the other two locations related to payments pertaining to overtime premiums and entitled leaves. The brand followed up on this finding, collected wage sheets to check wage calculations, which seemed fine but on comparison with timesheets the hours did not tally. The finding is still being reviewed and yet to be remediated. For one production location, follow-up could not be done as the brand exited the factory.

**Recommendation:** For production locations where wages could not be verified in the audit, Fair Wear strongly recommends OSC to always verify whether legal minimum wage issues have actually been resolved in case factory management claims so. OSC could plan a monitoring visit of Fair Wear's auditors to check whether the issue has actually been resolved.

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:** OSC fully paid for orders and did not negotiate discounts because of COVID-19. There were no changes made to payment terms and all payments were made on time (30-60 days on receipt of the invoice).

**Recommendation:** To support the liquidity at their suppliers, OSC could consider prepayments.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

**Comment:** OSC compares the wage levels of production locations, using information from audit reports and wage data collected. With the factories that are closest to minimum wage, OSC actively discusses this topic to make factory management aware that workers' wages should be enough to cover basic needs, even if workers do not make overtime. Because of COVID-19 and OSC Staff being on furlough with reduced working hours, much progress could not be made on this indicator in 2020.

**Recommendation:** Fair Wear encourages OSC 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.	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	6	0

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

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

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

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

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

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

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

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

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## **Purchasing Practices**

**Possible Points: 52**

**Earned Points: 32**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	90%	
% 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	
Requirement(s) for next performance check		
Total monitoring threshold:	95%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of 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:** OSC has a dedicated CSR staff member to follow up on problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case 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 Plan (CAP) findings are shared with factory management. The CSR manager keeps track of the status of the findings. Issues are prioritised and when an urgent follow-up is needed OSC ensures that the supplier responds in a timely manner.

Worker representatives are not systematically involved after the audit to find solutions for identified issues or monitor implementation. The CSR manager asks the factories to inform worker representatives but does not check if they are informed and involved in CAP remediation.

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

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

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

Despite the COVID-19 pandemic, audits were conducted at 4 suppliers in 2020. The CAPs from these audits were followed up by sharing a timebound work plan with the suppliers. This working document was e-mailed back and forth with supporting documentation (photos, copies of safety protocols, etc.) to show proof of remediation. For complex findings, for example, related to the living wage, over time much progress could not be achieved and is still being discussed with the supplier.

Additionally, the brand proactively scoped for information on COVID-19 risks and gathered information from all suppliers in line with Fair Wear Guidance.

OSC documented the impact of the pandemic for each of its suppliers. Few factories also sent the brand videos of the production lines and photos of H&S measures and vaccination initiatives. Additionally, to stay apprised of the supplier situation and impact of COVID-19 the member sent out questionnaires to a majority (but not all) of its suppliers. The questionnaire informed the member on:

1. Time periods when the factory was closed
2. Impact on working hours and wages
3. H&S measures implemented by the factory

The brand also requested monthly attendance sheets from the factory to check if there were any visible changes in worker numbers/ factory capacity and working hours. Most suppliers reported that there were no dismissals. When the brand found a decrease in worker numbers, the brand engaged with the supplier (along with another FairWear member) to gather more information. That apart, suppliers of OSC did not report any specific issues requiring follow-up or remediation.

The brand has created individual folders for each supplier to document and track COVID-specific updates and information. Despite the brands' efforts to know more about the impact of COVID, the lack of information in the audit reports limited the brands' ability to get a deeper insight, leaving the brand to depend on information solely shared by the suppliers.

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

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

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:** By the end of 2020, OSC's China quality team could visit the supplier locations. But to limit the need for interaction/ movement in the factory (for Health & Safety reasons) the brand did not ask the team to do H&S checks or verify CAP findings.

This indicator is not applicable for all members due to the travel restrictions in 2020.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

**Comment:** Though OSC mainly relies on Fair Wear audits the member has collected external audit (BSCI) report for one supplier in 2020. The quality of these audits has been assessed, and OSC could demonstrate follow-up on findings.

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

Includes local stakeholder information

Includes (offsite) worker interviews

Includes management interviews

Includes a document check

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under 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	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	Intermediate			3	6	-2

**Comment:** OSC monitors and analyses common risks for their sourcing countries and products using the information provided by Fair Wear (country studies, stakeholder information) as well as other non-governmental organisations. For example, for sourcing in Cambodia the brand referred to information sources from ETI and Human Rights council.



## COVID-19

While the brand found it challenging in terms of time with CSR staff working limited hours, yet diligently followed all Fair Wear's COVID-19 guidance, attended webinars organized in 2020 and collected supplier surveys. Additionally, the brand did its own supplier questionnaire to identify specific risks at the suppliers to understand measures taken by suppliers on COVID-19 Prevention and control (at 23 supplier locations). OSC reviewed measures taken from photos and videos to comprehend the health & safety measures being taken. The brand stayed in constant dialogue with suppliers also aside from this questionnaire, the CSR and buying teams could demonstrate e-mail contact during the performance check. Suppliers of OSC did not report or flag issues requiring remediation or follow-up. The brand ensured that no orders were canceled, there were no late payments, covered costs of raw materials for orders that were postponed, and no factories were dropped for COVID-19 reasons.

## Myanmar

The brand is cognizant that additional due diligence is required in relation to production in Myanmar, and hence worked with existing supply chain partners who had started production in Myanmar. The brand visited the factories multiple times before placing its first order in 2019. OSC works with 2 factories in Myanmar where other Fair Wear members are also sourcing. The production locations have been audited by Fair Wear in the last three years. In cooperation with other Fair Wear members, the brand actively worked on addressing complaints and audit findings. The member worked closely with the factory and the supplier management on issues concerning worker representation. The member has published the wage ladder of this factory in its social report. OSC enrolled one production location in the Fair Wear WEP communication training, but due to COVID the module is yet to be completed.

## Other risks:

OSC has identified specific risks and focuses on them when reviewing audits and following-up on CAPs –

- China - overtime and rights concerning migrant workers;
- Vietnam - social dialogue, payments pertaining to social security, severance, benefits and overtime;
- Serbia - Wage calculation, hire procedures, and overtime payment calculation.
- UAE – Long working hours (migrant workers seeking longer hours)
- Overall supply chain – Payment of Living Wages

**Recommendation:** OSC is advised to discuss with its suppliers which support they can provide in implementing OHS measures in response to COVID-19.

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

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	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:** OSC sources in two production locations in low-risk countries, responsible for 5% of its total FOB. The member has a senior technician based in the Hungarian production location. The UK location is visited by OSC sales, production, and quality staff who confirm the placement of the Worker information sheet. The production volume of these two production locations counts towards the monitoring threshold.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	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 the last 3 years, Fair Wear audits were conducted in seven tail-end production locations in China and one tail-end production location in Indonesia and Vietnam.

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:** OSC has four external brands and collected information pertaining to production locations of their order from these brands. One of the locations is also a supplier for OSC.

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:** OSC has four external brands but they are not members of any other credible initiative.

**Recommendation:** OSC is encouraged to ensure progress towards an external supplier base that is covered by either Fair Wear or have another acceptable system in place for monitoring its supply chain.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

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## Monitoring and Remediation

**Possible Points: 31**

**Earned Points: 26**

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### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	4	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	2	
Number of worker complaints resolved since last check.	2	

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 responsible to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	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:** OSC requests photos from all suppliers to ensure that the worker information sheet is posted in factories. During factory visits, this is checked.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	46%	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:** Fourteen production locations have participated in the Fair Wear Workplace Education Programme basic module in 2018-2020. The production locations are located in China, Myanmar, and Vietnam. Fair Wear produced COVID-19 workers' rights videos for several Fair Wear countries, including India and Bulgaria. The brand has not shared the COVID-19 workers' rights videos for the production location in Bulgaria and India (where it has less than 1% FOB).

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

**Comment:** In 2020, four complaints were received, two in China one in Vietnam, and one in Myanmar.

One complaint in China pertaining to excessive overtime has been closed based on improvements in overtime hours verified from factory-provided documentation, though the complainant could not be contacted. The complaint at the Vietnamese supplier related to dismissal and severance payments has been resolved with the complainants confirming receipt of entitled payments. The complaint in Myanmar that pertains to OSH and Freedom of Association (FoA) has been partially resolved. The union shared feedback that the OSH issue has been improved but further remediation measures concerning FoA as of 2021 has been paused as the military coup has dramatically impacted the situation in the region. One another complaint pertaining to a retroactive payment of social security is still being followed up by the brand, but the response from the factory has been impacted by COVID-19 as the factory has to prioritise other matters.

In all four complaints, the CSR manager was actively involved in the remediation through discussions with factory management, collecting of evidence from the production locations. In case of the complaint at the location in China pertaining to overtime, preventative steps focussed on engaging in an active dialogue process with the supplier to reduce working hours and to avoid excessive overtime.

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

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## Complaints Handling

**Possible Points: 17**

**Earned Points: 15**

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## 4. Training and Capacity Building

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

**Comment:** In general, the CSR manager provides Fair Wear training to new staff informing them about the CoLP and OSC's commitment to Fair Wear membership. That apart Fair Wear related information is included in sales launches.

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

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

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

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



Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	11%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	2	6	0

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

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

That apart, OSC enrolled one production location in Myanmar in the Fair Wear WEP communication training, but due to COVID the module is yet to be completed.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No 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.	0	2	0

**Comment:** OSC collects training reports and reviews the topic with suppliers. But the member is yet to use the information to actively follow up with the supplier on the next steps to support transformative processes related to human rights.

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

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## Training and Capacity Building

**Possible Points: 11**

**Earned Points: 5**

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## 5. Information Management

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

**Comment:** OSC has direct relationships with all suppliers and prohibits subcontracting in their supplier contracts. The local China Quality team visits the factories at different stages of the production, which allows them to check the production locations for unauthorized subcontracting. In 2020, this was only possible in the last months of the year due to the pandemic. Locations in Serbia and Ukraine are visited by the technical lead in Hungary.

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

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

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:** In general, the CSR and sourcing teams share travel plans which allow the CSR manager to update staff to follow up on corrective action plans and pending areas during factory visits. But as there were no travels possible in 2020, the sourcing teams were informed of issues and CAP findings to check with suppliers during online meetings. The local Quality team in China could not be actively involved in follow-up for health and safety reasons. Information about working conditions at production locations is accessible to all.

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## **Information Management**

**Possible Points: 7**

**Earned Points: 7**

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## 6. Transparency

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	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:** OSC discloses 73% of its suppliers on the Fair Wear website and publishes the Brand Performance Checks and social report. While the member indicates countries and number of production locations per country in its social report it does not disclose specific information about production locations.

**Recommendation:** Fair Wear recommends OSC disclose 100% of production locations to other Fair Wear members in Fair Force and on the Fair Wear website.

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

**Comment:** OSC has submitted its social report to Fair Wear and is in the process to publish the 2020 report on its website.

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## Transparency

**Possible Points: 6**

**Earned Points: 6**

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## 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:** Brand Performance Check score and recommendations are discussed with management and also shared with the Board.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	50%	In each Brand Performance Check report, 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:** OSC received three requirements during its last Brand Performance Check, one pertaining to a supplier in Vietnam not being transparent about wages and hence verification of payment of legal minimum wage not being possible. This has been addressed by the member by reviewing the wage data collected from the production location. While the member has started working on living wage the other two requirements pertaining to - setting a target wage for its production locations, and developing a strategy to finance the costs of wage increases continue to remain to be addressed.

**Requirement:** It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check:

- setting a target wage for its production locations,
- developing a strategy to finance the costs of wage increases

**Recommendation:** If a supplier is not transparent about wages, after document checks OSC can verify remediation by requesting a monitoring visit by Fair Wear audit teams.

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## **Evaluation**

**Possible Points: 6**

**Earned Points: 6**

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## Recommendations to Fair Wear

- 1)The member recommends Fair Wear to review wording in audit reports, specifically pertaining to findings written as 'falsification of records'.
- 2)The member would like to see both 'disclosure' and 'monitoring threshold' information on the FairWear website and believes sharing only disclosure information is misleading.
- 3) The member would like follow-up on specific issues through a flexible approach. Fair Wear could consider offering short time-bound verification services.
- 4)To reduce audit fatigue the member recommends that Fair Wear continue engagement with SAC and Higg to have a list of acceptable audits.
- 5)The member hub information is hard to navigate.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	32	52
Monitoring and Remediation	26	31
Complaints Handling	15	17
Training and Capacity Building	5	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	97	130

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

75

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

26-04-2021

Conducted by:

Supraja Suresh

Interviews with:

Hamish Dunn - ME Product Director

Kevin Offer - CSR Manager

Sarah Forte - Logistics Director

Steve Rothwell - Sourcing Director

Richard Talbot - Marketing Director

Smita Lad - Accounts

Pam Jones - Brand Marketing Manager