



**Brand Performance Check**  
**VAUDE Sport GmbH & Co. KG**

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

## VAUDE Sport GmbH & Co. KG

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

Member company information	
Headquarters:	Tettnang , Germany
Member since:	2010-11-15
Product types:	Outdoor products;Sports & activewear;Outdoorwear
Production in countries where Fair Wear is active:	Cambodia, China, Myanmar, Viet Nam
Production in other countries:	Austria, Germany, Lithuania, Portugal, Republic of Korea, Taiwan, Ukraine
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	100%
Benchmarking score	87
Category	Leader

## Summary:

"With a benchmarking score of 87 points and a monitoring threshold of 100%, Vaude is again awarded the 'Leader' status.

## Corona Addendum:

Throughout the pandemic, Vaude's philosophy has been to "act like normal". This meant keeping in close contact with suppliers on regular CSR matters, as well as checking in on the extended regulations and enhanced risks that occurred as a result of COVID-19. Some departments were on furlough at headquarters, but there was no reduction in working hours for the Vendor Management Team.

Vaude did not experience a drastic drop in sales, and some product groups even increased in demand. Initially, Vaude forecasted a 10% decrease in order volume, but this was later adjusted to a slight increase compared to 2019.

Vaude did not cancel orders already in production and made all its planning decisions in collaboration with suppliers. It discussed personally with some manufacturers about extending the payment terms. The orders in question belonged to the autumn/winter season 2020 and amounted to two per cent of the purchasing volume. The reason to be asking for extended payment terms was cash-flow problems at Vaude's customers. All orders were paid in full and within the agreed time frame. Pre-payment were done to one supplier.

Vaude kept in close contact with all of its suppliers. A questionnaire was crafted and used at strategic moments to gain insight into the health and safety situation and to check up on its suppliers' financial state and the ability to keep paying workers. Its local representatives in China and Vietnam helped the company stay up-to-date with the situation at suppliers and enabled Vaude to keep up much of its regular monitoring activities and conduct training.

Vaude demonstrated several good practices throughout 2020 and supported one manufacturer by issuing a letter of credit in order for this supplier to obtain a loan when a customer cancelled a large order right before its planned shipment. Also, at the request of suppliers, Vaude moved some orders to the next season. Cancellations from other brands required a stable order flow in the low season, and Vaude did its best to accommodate this.

All-in-all, Vaude has acted in a responsible way towards its suppliers in 2020.

## 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.	78%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** Vaude has above 10% leverage at suppliers which combined account for 78% of its total production volume. This figure has remained the same for several years and the company has reached a point where it feels its supply chain cannot be consolidated further due to the wide variety of product groups being produced.

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:** 19% of the production volume comes from suppliers where Vaude buys less than 2 % of its total FOB. This relatively long "tail-end" is mainly there due to the great variety of products in Vaude's assortment. Some manufactures are being used to produce only one, highly specialized product and other manufactures are being used only for one single order. This makes the purchase volume at certain suppliers relatively small, but Vaude has accepted this level and feels the range of products cannot be further reduced.

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.	78%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

**Comment:** The total production volume from suppliers where Vaude has a long-term business relationship of five years or longer is relatively high, and has remained around 80% in the most recent financial years. (78% in 2020)

Having a sourcing strategy built upon a long-term business relationship is well explained in the Vaude Guidebook. The Vaude Guidebook is internally and externally binding for suppliers.

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:** During the performance check it could be verified, via uploads in the Fair Wear data management system, that all questionnaires had been received and that all Worker Information Sheets were posted in active factories, before the first bulk orders were placed. This included a Vietnamese subcontractor where the business relationship with the main supplier started in 2020, and with no direct relationship between this supplier and Vaude.

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:** Based on its vendor management system, Vaude conducts due diligence at new suppliers focusing on environmental, social and quality standards. As part of the assessment, local staff of Vaude visits all new production locations and conducts a detailed walk-through inspection to verify the health and safety conditions. Discussions with the management focus on the environment, social and quality standards in the factory. The Fair Wear Code of Labour Practices is presented in detail and the willingness of manufacturers to cooperate on implementing improvements is assessed.

Moreover, when considering a new production location, Vaude collects existing audit reports and makes inquiries with other clients sourcing at the factory. In case another Fair Wear member is working with the factory, it is considered a significant advantage to start the business relationship. Vaude will then reach out to the other Fair Wear member and request it to share further information.

Vaude requires suppliers to be transparent on subcontractors; preferably all processes are done in-house. If this cannot be the case, the subcontractors are included in the monitoring system for implementing the Code of Labor Practices. This is mainly checked by Vaude's local staff before the start of production. Fair Wear audits are not done prior to production as part of the due diligence process. Vaude commissions audits after the start of production, including all sewing subcontractors.

Vaude used multiple channels to stay on top of the COVID-19 impacts and the risks that occurred as a result. Its main channels were the direct frequent communication via the head office, visits by its two local representatives and the supplier questionnaires. This way Vaude learned about one supplier, who had difficulties paying its workers due to the cancellation of a large order from another customer, and Vaude was able to provide support to this factory by issuing a letter of credit.

Vaude made extensive use of Fair Wears country pages, the Fair Wear guidance on "Wage and Job loss Remediation", the discussion sheet on "Occupational Health and Safety", and studied the country pages on the Fair Wear website. It also participated actively and the numerous webinars and joint brand calls arranged by Fair Wear. Along with the local representatives in China and Vietnam, Vaude was able to stay well-informed on COVID-19 related impacts on country level and successfully link these to its suppliers.

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:** Vaude has a strong and systematic evaluation system for assessing supplier's compliance with the Code of Labour Practices.

Suppliers are evaluated on a yearly basis and involves all Vaude staff dealing with the manufacturers. Suppliers are evaluated based on a set of indicators related to six aspects: (1) sustainability; (2) innovation; (3) production; (4) purchasing and logistics; (5) quality and; (6) cooperation and communication. Tier 1 and tier 2 suppliers are treated the same in this appraisal process. Depending on sales of the products concerned, factories that did not demonstrate willingness to improve on social issues will not receive increased order volume, while suppliers that performed well would be eligible to receive more orders.

Best practices and lessons learned are shared with all suppliers during the annual vendor meeting which is held at Vaude's headquarters. During this meeting, the supplier evaluation and future business relation is discussed with each of the suppliers. Suppliers are asked to evaluate and give feedback about the cooperation and business relationship with Vaude. Due to the COVID-19 pandemic there was no such meeting held in 2020. Although the regular practices of increasing order volume at suppliers based on social compliance was not realistic in 2020, Vaude did engage in redistributing orders to support factories and help them keep production lines running.

As a result of COVID-19, Vaude developed a detailed questionnaire that was shared with suppliers on a regular basis. Rather than sharing it in fixed intervals, with the risk of overburdening suppliers, Vaude closely monitored its suppliers by keeping in contact and re-shared the questionnaire at strategic moments, to verify the situation when there would be a greater likelihood of change.

With the supplier questionnaire, Vaude was asking into relevant topics related to factories ability to handle the COVID-19 impacts.

It covered:

- The order situation in terms of its customers order placements, possible cancellations, possible payment delays and shipping status etc.
- The operational state in terms of capacity planning, lock-down implications, over-time status, ability to pay workers, contingency plan for possible laid-off workers, the health state of workers in relation to COVID-19 cases, etc.
- The situation concerning the suppliers to the factories, which could in turn affect the operations of the main factories as a result of problems at their supplier level not being able to finishing orders due to a lack of raw materials and trimmings or even payment issues.

Another section was dedicated to the factory's level of preventive measures implemented to protect workers from getting infected including all the appropriate recommendations of wearing facial masks, measuring body temperature, using hand sanitizer, social distancing, Occupational Health and Safety trainings and access restrictions.

The questionnaire sent to European suppliers were handled from the Vaude's HQ by the vendor management staff, while those sent to production locations in China and Vietnam were handled by the local vendor management team who distributed and analysed the questionnaires and reporting the results back to Vaude HQ.

During the performance check Vaude could show randomly selected questionnaire series filled in by its suppliers.

Vaude entered into dialogue with all its suppliers. At a number of suppliers (amounting to a total of two percent of its total purchasing volume) Vaude asked for extended payment terms on selected orders for the winter of 2020. The extended period amounted to an extra 30 days of credit. This happened as a result of liquidity problems at Vaude's customers. The extensions were always a result of mutual agreement with the factories and no unilateral decisions were taken.

**Recommendation:** Fair Wear encourages Vaude to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Such a system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints.

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:** Vaude has a strong integrated system in place to support reasonable working hours.

Approximately nine months before delivery, Vaude and the supplier agree on order quantities per style and the estimated delivery date. The forecast is agreed upon with suppliers according to capacity. Vaude double checks its suppliers capacity in pieces per season. Vaude wants to know precisely how many of the, to be ordered styles the suppliers can do per season and per month. The manufacturers indicate whether the proposed shipment dates are feasible including time needed for fabric to arrive. If not, a new date is agreed upon.

The communication with the factory is documented in the forecast sheet which was shown and explained in detail during the brand performance check, where factories can reply and provide comments to the planning team. Manufacturers often ask for production in low season and Vaude tries to accommodate this as much as possible. In order to allow maximum time for production, orders are often split between multiple delivery dates. When deliveries are late, Vaude uses air freight so that there is no additional pressure on workers.

In the times of COVID-19, Vaude stayed in continuous dialogue with its suppliers and where it was when-ever possible it tried to even out orders to ensure a sufficient flow to keep the factories running.

No orders that were already in production were being cancelled. As a part of the performance check Vaude could show examples of correspondences with its suppliers, where it made sure to check the status of the main materials, so that no orders which were already in production would be part of the cancelled styles.

**Recommendation:** Fair Wear recommends VAUDE to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

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:** According to Vaude, excessive overtime is a common non-compliance in the garment sector. Vaude indicates that the main cause is related to fabric delays and the fact that suppliers book their available production capacity based on sixty hours per week.

Issue were found at 13 production locations that were audited in late 2019 and during 2020, which clearly shows that overtime is something that still requires significant attention.

To overcome the occurring overtime, Vaude has several instruments in place to mitigate the risk: a flexible planning system with their own warehouse that allows it to adjust the delivery dates to the retailer when needed; the option to prioritize orders, or split the delivery of orders. A last resort is air freight. Upon receipt of the audit reports, Vaude discussed with suppliers why overtime keeps occurring at the production sites. In most cases it was due to unpredictable orders of other clients to the production sites.

In 2018 Vaude started an overtime project that was rolled out at one supplier per year in China and Myanmar. The supplier is selected based on leverage. Over a period of one year (hence including two peak seasons) the production site will have to fill in hours worked on a very detailed level. Together with Vaude local staff, the data is analysed and corrective actions worked out. Some corrective actions were on Vaude to improve such as late delivery of fabrics. Other overtime issues came up because of organizational matters at the production site and other brands sourcing at the site. In 2020 the project was put on standby due to the impacts of COVID-19 and as a result overtime not being the most important issue facing the suppliers. It is the experience of Vaude that rather than causing overtime, the orders that were placed, did essentially count towards covering just the regular working hours at most suppliers. It was for this reason delivery times were pushed back on several orders at the request of the suppliers.

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:** Vaude's product manager works with a technician and designer to establish a retail price and buying price for a certain style (taking fabric costs into account). Once there is an internal agreement, the full package is shared with the manufacturer who is asked to agree to the buying price. The manufacturer verifies whether it is possible to make the product for the proposed price point and suggests adjustments when needed. Adjustments can be either on the price itself or in the construction of the product. In case of disagreement, technicians have the possibility to simplify the design in order to reach the target price. In case that is not possible, a decision needs to be taken internally whether or not to accept a higher price and increase the retail price for the product.

Vaude does not calculate labour minutes per style which would allow sufficient insight into the labour cost per product style (although this could vary in case one style is produced at different production sites). It, therefore, has no possibility of knowing exactly whether the prices it pays suffice for payment of legal minimum wages.

Vaude is working on getting better insight. A pilot was started together with one factory in Myanmar where three different products were selected. On some products payment of a living wage would seem feasible while on other products it would not. Due to lack of internal capacity the project had to be put on hold in 2020, but Vaude plans to roll out the project in the coming year.

To gain insight into wage levels, Vaude conducts its own wage surveys where wage data is collected annually and compared to the Anker benchmark. Wage data is thoroughly analyzed and Vaude was able to show the collection sheets during the performance check. One of the issues Vaude is facing here, is the lack of reliable regional wage benchmarks, but it is trying to work around this in its models.

During COVID-19 Vaude used its questionnaires as described under indicator 1.5 to gain insight into the COVID-19 measures taken at supplier level. In these same questionnaires the question was asked whether the supplier needed support from Vaude, but there was no explicit investigation into the costs of implementing COVID-19 measures at suppliers and this was not calculated into the buying prices.

**Recommendation:** Fair Wear recommends Vaude to expand their knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. Fair Wear's labour minute value and product costing calculator also enables suppliers to include any COVID-19 related costs. Priority would be to make sure this level of transparency can be achieved with their suppliers.

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:** In 2020 there was a complaint (877) related to delay of wage payments. This complaint was remediated with the involvement of Vaude.

In the mists of COVID-19, one of Vaude's suppliers landed in severe financial difficulties when a US client at the factory cancelled an order for 100.000 pairs of shoes that were ready to be shipped. To help out the factory, Vaude issued a letter of credit that enable the factory to secure a loan and it was able to pay its workers and stay in business.

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:** In a previous audit report at a Chinese supplier there was a finding made related to late payments from the side of Vaude. In a follow-up audit in August 2020 this finding had meanwhile been remediated and the company had improved its practices in relation to this supplier to ensure that payments were done on time.

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:** To have a deeper understanding of wage levels, Vaude analyzed and compared all Fair Wear wage ladders from the audited factories over the past years. A detailed analysis has been made by comparing wage levels per factory with living wage benchmarks of the Global Living Wage Coalition (also referred to as the Anker benchmark) and minimum wage per law. Vaude found that mode regular wages of sewing operators at its factories in Vietnam are close to or above the Anker benchmark.

In eight audits conducted in 2020 there were findings showing that the wages paid to most workers for a regular working week was below the living wage benchmarks Fair Wear collected from its local stakeholders. Findings regarding wages being lower than a living wage were not explicitly addressed with manufactures in 2020 as the Vaude wanted to give them room to focus on getting their businesses safely out of the COVID-19 crises. The work towards paying living wages is expected to continue in 2021.

**Requirement:** Vaude must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. Vaude is expected to take an active role in discussing living wages with its suppliers. The Fair Wear wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

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).	15%	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.	1	2	0

**Comment:** Vaude has its own production location at its head office in Tettang. The facility provides employment for several refugees.

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:** Vaude has analysed how the current wages paid in its factories in Vietnam relate to the living wage benchmark put forward by the Global Living Wage Coalition (also known as the Anker benchmark). It concluded that several suppliers already pay close or above this benchmark. This is partly due to Vaude's selection of suppliers in Vietnam (factories are of a relatively high standard) and also due to worker shortages in Vietnam (factories have to offer competitive wages in order to attract workers). As the wages in Vietnam were already considered high, Vaude has therefore not financed additional wage increases as such.

In 2020 the wage survey efforts continued and a collaboration on a target wage project was started at a supplier in Myanmar together with another Fair Wear member which whom the factory is shared.

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

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.	28%	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:** A calculation based on wages paid to factories in Vietnam showed that at eight locations the paid wages were higher than the Anker Living Wage Benchmark. These eight factories combined constitutes 28 % of the total 2020 production volume.

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

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 41**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	81%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	19%	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:	100%	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 responsibility to implement the Code of Labour Practices (COLP) is integrated within the Vendor Management of Vaude. The company has designated staff in Germany and full time staff in both China and Vietnam to coordinate the CAP follow up process. In addition, Vaude QC staff frequently visit the production locations and have shared responsibility 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

**Comment:** Vaude does not have its own auditing system and makes use of Fair Wear audits and/or external audits.

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 findings are shared with factory and worker representation where applicable. Improvement timelines are established. In the follow up of corrective actions, Vaude includes local staff and has a clear protocol determining what kind of findings are discussed and to be resolved in what time.

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:** Vaude has a strong system to document and monitor improvements made after an audit. Already in 2015/16, Vaude introduced a new system that explains how CAPs should be followed up by relevant Vaude staff from headquarters and locally based. The system categorizes findings with the required follow-up actions within a clear time-frame. Critical findings require immediate response (within three weeks) from factory by email and are followed by two on-site visits. Vaude's top management is involved in case an audit reveals critical problems. Non-critical findings can be handled through desktop follow-up, and a yearly visit by local staff. Furthermore, feedback from the factory management on the implementation status of improvements, is cross-checked by Vaude's local staff who visits the production sites regularly. Worker interviews are conducted to verify whether the statement of implementation from factory management is correct.

In case the factory management response varies from the answers from the workers, Vaude takes up the topic again with factory management to see how to ensure full CAP implementation. Dependent on the audit findings, Vaude will arrange training at the factory in order to address the issues. Any CAP status update, or new findings, identified during the training, will be immediately integrated in the CAP and followed up through the system.

The process of implementation of all CAPs is analysed per factory on a yearly basis and progress is documented in a separate sheet by means of ranking the implementation; this forms the basis for prioritizing and marking which issues should be discussed with general management. This analysis is discussed with the factory management during factory visits. Meaningful efforts (documents, pictures, on site visit and meeting reports) are shown to realize improvements, particularly in the area of health and safety which is checked on an annual basis. To this end, a yearly Basic Health and Safety Check is done at all of Vaude's suppliers.

In 2020, the work on CAPS continued despite of COVID-19 and Vaude was able to work on this effectively, largely thanks to its local presences in China and Vietnam, since traveling to production locations was not an option for European staff. Examples of active CAPs were shared during the performance check and showed that all important issues had the status of either being in active progress or had been solved in 2020.

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:** During the COVID-19 pandemic Vaude was still able to conduct visits by its local staff in China and in Vietnam. Strict measures were necessary such as working from a separate room inside the factories, from where they would not have direct access to workers in the lines as it would usually be the case when performing the quality control work.

Fair Wear has, due to the worldwide travel restrictions applied in the EU, chosen not have this indicator be a part of the performance checks for brands and the scoring is therefore selected as being not applicable.

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:** Collecting audit reports and assessing the quality is part of the onboarding process of new suppliers. For this Vaude uses the Fair Wear Quality Assessment Tool. If only a BSCI audit is available, then Vaude will commission a Fair Wear audit as soon as possible to verify working conditions. Meanwhile the corrective action plans (CAPs) are followed up diligently and Vaude could show proof of this during the performance check.

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

**Comment:** Myanmar:

Vaude sources at three factories in Myanmar. The first business relationship started in 2003, and in 2019 two additional suppliers were added. Vaude adhere to the enhanced monitoring requirements for Myanmar. The situation related to COVID-19 was intensively monitored.

Several tools were used:

- The current country information on the Fair Wear website.
- The joint calls arranged by Fair Wear.
- The questionnaires sent out to suppliers at strategic moments to closely monitor the situation related to financial stability and the state of health and safety at the supplier level.

Vietnam and China:

Main production for Vaude is done in Vietnam and China. In Vietnam, Vaude considers the lack of social dialogue between management and workers to be among the key risk areas.

Besides the absence of workers' right to Freedom of Association and limited social dialogue, Vaude considers that the main risk in China is related to overtime, which is mostly caused by a shortage of workers. Vaude local staff in China has been trained to train more workers at the production sites on country-specific risks. A root cause analysis on excessive overtime has also been conducted by Vaude local staff, which identified steps for remediation.

COVID-19 Risk identification and follow-up:

With local representatives in both Vietnam and China, Vaude was able to keep a direct eye on factories also in 2020 and monitor if the risks related to COVID-19 were sufficiently dealt with. The local representatives distributed and analysed the questionnaires for the Asian countries and reported the findings back to Vaude HQ.

Vaude did not explicitly investigate the added costs for suppliers for implementing COVID-19 protective measures and the decreased productivity, and it did not factor these costs into its buying prices. This was done implicitly by asking the suppliers via the COVID-19 questionnaires if financial support was needed. Support was given to several suppliers but not in the form of adjusted buying prices. The support provided came in form of prepayments when needed and there was an example of Vaude issuing a letter of credit to one supplier, to secure a loan that would keep the factory in business and secure workers wages.

Vaude demonstrated clearly during the performance check that it was well aware of COVID-19 related risks and that sufficient steps were taken to monitor the situation and to relate the risks to concrete action at supplier level.

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:** Vaude is actively working together with several other Fair Wear member companies in resolving corrective actions at shared suppliers.

**Recommendation:** Fair Wear recommends Vaude to check up on the monthly dialogue meetings between management and workers, which are required by law in Vietnam, to ensure that there is a meaningful dialogue happening. This can be done via minutes of the meetings or videos of the meetings.

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.	90%	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:** Approximately 19% of Vaude's 2020 purchasing volume came from areas that are classified by Fair Wear as low risk. Monitoring requirements are fulfilled for production in low-risk countries. Except for three production sites in Portugal (with a total of 0,51% FOB), all suppliers in low-risk countries have been visited in the past three years. Those three production sites in Portugal have technically not been visited by CSR staff in 2019 as they were planned in to be visited beginning of 2020 (in a tour with all other low-risk suppliers). Colleagues from the technical department have checked health and safety issues during their visits.

Factory visits and meetings with management follow a certain protocol and are documented. A walk through inspection including a health and safety check is part of the protocol. For the majority of 2020 travel restrictions were in place, and this prevented Vaude from visiting its suppliers.

Vaude also checks whether the CoLP is posted. Signed questionnaires are on file for all supplier. This also counts for the three production sites which have not been visited in 2020 due to travel restrictions.

In 2020 low-risk monitoring was included in the questionnaires Vaude sent out to all its suppliers.

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:** Vaude conducts audits at all their sewing production sites. There is no differentiation between a main supplier and a subcontractor. All sewing facilities are audited regardless of their size.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	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:** Vaude works together with one licensee who produces some of Vaude's apparel collection and sells these products in the Chinese market. The contract between the licensee and Vaude has been signed long before Vaude joined Fair Wear. Adding social standards to the contract means changing the overall contract with the licensee which Vaude finds difficult. Vaude is aware of all six production sites which have completed and signed the Vaude/Fair Wear supplier questionnaire. Nevertheless, Vaude is not monitoring the working conditions at these factories, which could carry a reputational risk.

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## Monitoring and Remediation

**Possible Points: 27**

**Earned Points: 28**

### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	13	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.	7	
Number of worker complaints resolved since last check.	8	

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:** Both CSR responsible staff at Vaude in Germany and Asia are responsible for handling complaints, which takes place through desktop communication as well as on-site. Addressing worker complaints is seen as a shared responsibility which is best addressed face-to-face with the factory management. Whenever the factory management is in Europe, meetings take place to discuss follow up of complaints (and audits).

In addition, local staff which is trained on social standards is involved in the daily business following up on corrective actions and handling of 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:** Local Vaude staff visits the production sites regularly. Checking the posting of the Worker Information Sheet (WIS) is part of every visit. In order to verify that the phone number displayed on the WIS's, visitors from Vaude makes a call to the number during every visit. In addition Vaude asks all suppliers to take pictures of the posted WIS and send it as proof.

At all production sites audited in 2020 the audit team found the Fair Wear Code of Labour Practice posted correctly.

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.	51%	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:** Counting the three latest financial years (2018, 2019 and 2020), the purchase volume (FOB) from countries excluding low-risk countries amounts to 81% of the brands total FOB. In these countries Vaude has actively raised awareness of the Fair Wear Code of Labour Practices and Fair Wear complaints helpline with WEP Basic or comparable training efforts at factories with a FOB amounting to 41% of the brands total FOB.

Vaude has raised awareness at production locations responsible for 51% of FOB (excluding low-risk)

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:** Vaude always takes immediate action when complaints come in. Vaude shares information about complaints and remediation steps taken with Vaude staff and with other factories in order to prevent similar problems occurring at different factories.

All complaints are filed in a separate complaints document which Vaude analyses yearly to double check whether certain complaints double or to draw conclusions on possible root causes.

In 2020 Vaude received a total of 13 complaints coming from production sites located in China, Vietnam and Myanmar.

Eight complaints has been resolved since the previous performance check. All details concerning the below complaints can be found on the Fair Wear website. ([www.fairwear.org](http://www.fairwear.org))

In China a total of three complaints were received. Two of these were related to a "legally binding employment relationship." One was resolved while one is still pending a solution. The third complaint was deemed inadmissible since Vaude stopped sourcing at this production facility in 2018.

In Myanmar there were seven complaints. Three were related to "safe and healthy working conditions." Another three were related to a legally binding employment relationship. Finally there was one related "employment being freely chosen" While four of these complaints have been resolved, three are still pending a resolution due to the military coup currently going on in the country.

In Vietnam there were three complaints. Two related to "employment being freely chosen" and one related to "living wage". All three were resolved.

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:** In 2020 there was active cooperation with other Fair Wear members in resolving 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:** New staff at Vaude receive an orientation training which includes Fair Wear membership requirements. Information is furthermore shared through the Intranet and Internet. Once a year a training is organized for sales staff. Top management discusses Fair Wear membership requirements at least twice a year, but also on an ad-hoc basis whenever needed. Furthermore, the CEO of Vaude speaks very often about Fair Wear through participation in panels and interviews. This is also shared with all employees at Vaude headquarters.

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:** Every two weeks, the CSR team, consisting of relevant staff responsible for sales, QC, innovation, marketing and materials come together to discuss new developments. Such meetings include audit results, complaints, information from the Partnership for Sustainable Textiles (PST) or Fair Wear. In addition, all staff that visit factories have a responsibility to follow up on specific CAP findings.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	12%	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:** Over the past three years, Vaude enrolled three supplies in training programmes that are counted towards this indicator.

One factory in Vietnam was enrolled in a training by ILO Betterwork in 2018. Another factory in Myanmar was enrolled in a Fair Wear WEP Communication module in 2018.

A factory in Myanmar completed a training offered by the SMART programme in 2018. The training aims at building capacity on social compliance, Human Resources management and cultural differences between (foreign) management and workers.

In 2020 there was supposed to be a follow up training conducted on age verification, but this training could not take place due to COVID-19.

**Recommendation:** Fair Wear recommends Vaude 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, VAUDE Sport GmbH & Co. KG can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

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

**Comment:** The SMART training in Myanmar has been actively followed up. Vaude could demonstrate that findings of non-compliances mentioned in the training report had been integrated into the existing corrective action plan (CAP) and followed up as part of normal CAP follow-up and remediation.

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## Training and Capacity Building

**Possible Points: 11**

**Earned Points: 7**

## 5. Information Management

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

**Comment:** Vaude local staff conducts regular in-line inspections at all of its suppliers. Frequent presence in factories makes it possible to closely monitor where production takes place. In other countries Vaude staff discusses and follows up on the issue of subcontracting during visits.

Twice a year suppliers are asked to indicate whether any subcontractors are being used. If so, subcontractors are required to sign the questionnaire and post the Fair Wear Code of Labour Practices.

Vaude requires suppliers to be transparent on subcontractors; preferably all processes are to be done in-house. If this cannot be the case, the subcontractors are included in the monitoring system for implementing the Code of Labor Practices.

Before an audit takes place, Vaude actively discusses the potential use of subcontractors with management and analyses production capacity and workforce during visits. In case an audit shows that the manufacturer uses subcontractors, Vaude investigates whether they are used for Vaude orders. Subcontractors are also visited by CSR staff in case they are located on-site and are part of the quality control visits if they have an essential role in product quality.

Cut/Make/Trim suppliers (CMT) are part of the regular monitoring of Vaude, including audits and Corrective Action Plan follow-up. Vaude is expanding this to also include subcontractors engaged in embroidery and printing. Also in 2020 a complete list with all the subcontractors was available and has been shared with Fair Wear during the performance check for verification.

During COVID-19 the work to identify subcontractors continued uninterrupted as Vaude's local staff were still working in factories, however with more limitations on their in-house movements than usually. In countries with no local representatives the follow-up was done verbally during virtual meetings and calls with suppliers.

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

**Comment:** Everybody at Vaude, including local staff, has access to the server where all information with regard to labor conditions at the production sites is kept. Information is shared proactively with staff in contact with production sites and communication is documented.

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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:** Communication about Fair Wear membership and the leader status adheres to the Fair Wear communication policy. Fair Wear membership is communicated through the company's website, on catalogs, on social media, youtube and through company presentations. Fair Wear is actively communicated within the dealers network through a dealers newsletter and workbook. The Leader status is part of the company's PR strategy and mentioned in several press clippings.

Vaude is actively involved in the German Partnership for Sustainable Textiles (PST) and other stakeholder platforms where it regularly informs the public and its stakeholders about Fair Wear membership. The CEO of Vaude also frequently shares information about Fair Wear membership during panels and interviews.

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:** Vaude publishes its supplier list on its website since a few years. It has also started a pilot with Trustrace. Through a link information about the materials used, location of the production site and audit status is given. In 2019 Vaude has implemented this system for its 30 best selling products. Plan is to include all products step by step.

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

**Comment:** The social report of Vaude is submitted to Fair Wear and published on Vaude's website as part of the sustainability report based on the Global Reporting Initiative (GRI standards).

## 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:** Vaude set out to be the most sustainable outdoor company. Vaude is of the view that Fair Wear membership offers the most fair and objective standard, and mechanisms, to support Vaude in realizing this ambition. Its ambition is also reflected through other initiatives, e.g. Vaude played a strong role in developing the sustainability charter and council at the European Outdoor Group (EOG).

The Fair Wear membership is well integrated within Vaude. It has dedicated staff at its headquarters and in Asia who takes the responsibility the implementation of membership requirements.

Top management is involved to systematically evaluate Fair Wear membership on a bi-yearly basis. Audit results are regularly discussed during production meetings. The CSR project team includes production and management staff to ensure an integrated approach.

The performance check results are shared with management and sales staff as well as with the local staff to see where improvements can be made.

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:** Vaude had no requirements in the last years Brand Performance Check report.

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## Evaluation

**Possible Points: 2**

**Earned Points: 2**

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## Recommendations to Fair Wear

The CEO of Vaude is disappointed about the content of the German Fair Wear Website. More content should be translated into German. Fair Wear acknowledges this and is working on enhancing its presence on the German market.

Fair Wear was criticized for having too much focus on Living Wage as being just one of the Code of Labour Practices and not enough focus on other parts that are also important.

On the supplier legislation currently being discussed in Germany, Vaude is missing a clear voice from Fair Wear and for Fair Wear to take a clear stand. Vaude recommends Fair Wear to become more political and dare to give bolder statements to the public about relevant topics, which would help highlight the benefits of membership and the work of current members.

Fair Wear is encouraged to engage more in a consolidation process with other initiatives such as the PST as there needs to be better cross recognition of the work members are doing in different initiatives, when they are part of more initiatives.

Fair Wear was praised for its good reputation as well as increasingly involving members in the core work as is the case now with the Members Expert Group (MEG) of which Vaude is a member.

Fair Wear is further encouraged to move into tier 2, as this is becoming increasingly important to brands to secure compliance beyond tier 1 of their supply chains.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	41	52
Monitoring and Remediation	28	27
Complaints Handling	15	17
Training and Capacity Building	7	11
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	106	122

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

87

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

27-04-2021

Conducted by:

Peter Jahns

Interviews with:

Anika Mauz, Vendor Management

Pascal Erath, Vendor Management

Susanne Medesi, Head of Vendor Management

Antje von Dewitz, Chief Executive Officer (CEO)

Jan Lorch, Chief Sales Officer (CSO) / Sustainability & CSR Manager

Thomas König, Head of Purchasing and Planning

Hucky Hu, Vendor Management Asia

Mary Minh, Vendor Management Asia