



Brand Performance Check

ODLO International AG

Publication date: January 2022

This report covers the evaluation period 01-07-2020 to 30-06-2021

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

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

Brand Performance Check Overview

ODLO International AG

Evaluation Period: 01-07-2020 to 30-06-2021

Member company information	
Headquarters:	Hunenberg , Switzerland
Member since:	2008-09-17
Product types:	Sports & activewear
Production in countries where Fair Wear is active:	Cambodia, China, India, Indonesia, Myanmar, Romania, Sri Lanka, Thailand, Turkey, Viet Nam
Production in other countries:	Albania, Germany, Italy, Poland, Portugal, Slovenia
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	98%
Benchmarking score	87
Category	Leader

Summary:

ODLO has shown advanced results on performance indicators, resulting in a benchmarking score of 87. This means ODLO remains in the Leader category. Odlo improved its monitoring threshold in the past financial year. It has 98% of its own production under monitoring.

Corona Addendum:

ODLO International AG (ODLO) has a split financial year. For this performance check, we looked at the period between 1 July 2020 and 30 June 2021. During this period, ODLO experienced the closure of retail stores in different consumer markets. This made it difficult for the brand to understand demand patterns and do accurate forecasting. For Spring/Summer 2021, the company received only 60% of orders. While for Fall/Winter 2021, orders almost doubled, resulting in 110% of normal orders, while the company had forecasted for less. This required constant communication with all its production locations to make sure ODLO could meet its customers' requests. ODLO did not cancel any orders. For Spring/Summer 2021 orders, it could order more Never Out of Stock items. The main locations affected by this reduction were ODLO's own production in Romania and Portugal and one large supplier in Thailand.

From the start of the COVID-19 pandemic, ODLO had monthly calls with all its production locations, checking in on the business and addressing the main high-risk issues: health and safety measures, wages and the freedom of association situation at the location. In addition, ODLO continued to ask for proof that the Worker Information Sheet was (still) posted. During these monthly check-ins, ODLO also discussed available capacity and possible solutions when problems occurred.

In addition, in order to remediate internal company findings related to integrity and company code of conduct within its own production locations, the company decided to close down its Portuguese factory and change the supply chain set-up of its own production locations. It ensured proper compensation for all affected employees. ODLO reorganised its production location in Romania and focused on changing the culture. It has had extensive discussions with workers and worker representatives. In the past financial year, ODLO continued its efforts to raise wages in its own production location. It changed the wage system in Romania based on workers' input to better reflect skills and seniority.

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.	81%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In the past financial year, ODLO sourced 32% of its production from its own factories in Romania and Portugal, which manufacture exclusively for ODLO. In total, 81% of ODLO's production volume was produced at suppliers where ODLO buys at least 10% of production capacity.

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.	11%	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: The manufacturing structure, including a decrease of production partners and reduction of the tail-end, is a key area for ODLO. In the last financial year, 11% of the production volume came from production locations where ODLO buys less than 2% of its total FOB. The brand was able to reduce its 'tail end' for production, compared to 19% last year. These suppliers mostly produce accessories or other specialised products with limited order volumes.

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.	88%	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: 88% of ODLO's production volume comes from production locations where the brand's business relationship has existed for at least five years, compared to 74% last year. Maintaining stable relations with suppliers is included in ODLO's sourcing strategy.

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: ODLO has a process in place which ensures all new production locations sign and return the questionnaire with the Code of Labour Practices before bulk orders are placed. In the past financial year preparations were made for production at new locations in Vietnam and Sri Lanka, the questionnaires for these locations were signed and returned.

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: ODLO has a strong due diligence process in place. When planning to select a new supplier in a new production country, a country factsheet is produced assessing possible risks using Fair Wear country studies as well as information by ILO and NGOs.

Normally, ODLO staff visits potential new production locations, conducts an internal assessment to check Fair Wear CoLP compliance, collects existing audit reports and discusses Fair Wear requirements in the first visit. In the past financial year, the brand started production at a number of subcontractors in Sri Lanka, Vietnam and Turkey, to accommodate capacity issues at its main supplier. It collected existing audit reports and discussed Fair Wear requirements with the factory before placing orders.

Related to COVID-19, ODLO continued to keep an overview for all its production locations with information on health & safety measures, the wage and freedom of association situation and proof that the Worker Information Sheet was posted. ODLO checked in with all its locations monthly to update this information. Information provided by Fair Wear and other organisations was used to determine the standard questions asked and to highlight specific country risks.

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	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.	1	2	0

Comment: ODLO has a formal supplier evaluation process where social performance has been integrated. The evaluation process has two main categories: 1) performance and 2) attractiveness. Social compliance focuses on audit results and is included as a KPI in the category 'performance'. Currently, all KPIs have the same weight. ODLO did not make any order decisions based on this supplier evaluation.

In the past financial year the company decided to close its own facility in Portugal, and as a result stop producing at all its subcontractors. This was already planned, but was expedited due to the fact that fraudulent behaviour was discovered. In response, ODLO discussed this with all workers and offered everyone proper compensation. Because there was no trade union in the facility, ODLO negotiated severance pay with each employee individually.

Throughout the past financial year, ODLO kept in regular contact with all production locations to closely monitor production. Some companies had limited capacity due to lockdowns. When this happened ODLO discussed the possibility to move orders to another facility within the same company or to subcontractors. In Myanmar, due to political unrest, some production was shifted to a Thai location which is part of the same group. All production continued to be monitored by ODLO.

Recommendation: Fair Wear recommends ODLO to not only include audit results in the supplier evaluation, but also include a suppliers' responsiveness and willingness to change as part of the evaluation, and incorporate the results into 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: ODLO has strong systems in place to plan production in a way that supports reasonable working hours. The brand shares styles per order, has a system in place with forecasting, is aware of production capacity for most suppliers and discusses and agrees on lead time with suppliers. ODLO has a system to place and track orders for materials and production. This allows ODLO to detect possible problems and set production priorities with the supplier.

Working hours were part of the regular check in between the brand and the factory to ensure ODLO production was not causing any excessive overtime.

In the past financial year ODLO experienced a lot of delays in production - only 40% of production was on time and some products were delayed over 300 days. Through close discussions with production locations the company prioritised orders, airfreight orders or offered discounts to customers, which have not been pushed onto suppliers.

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: Six out of eleven audits indicated findings related to excessive overtime. For all these audit findings ODLO identified the root causes. The main reasons identified are late fabric, unplanned orders or too low orders forecasted by other customers. The brands is responsible for sourcing fabric and makes sure it is at the production location on time. This is also included in the brand's production planning process. Also, the brand has clarified the rules regarding changes to the product to ensure these do not interfere with the planning process and do not cause excessive overtime.

At one factory, ODLO was initially contributing to excessive overtime and has closely monitored the effect of the changes they implemented regarding ordering of materials and the reduction of unplanned orders. During the past financial year, ODLO realised that the overtime hours remained at the same time level. The company continued to discuss this and realised overtime was caused by other customers. Therefore ODLO continued the discussion to make clear it was an unwanted situation. The factory therefore increased capacity, by building another facility.

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

Comment: ODLO uses detailed costing sheets for all suppliers. For its own production locations, ODLO knows the exact wage share per style. For other production locations, ODLO has insight into labour costs. The brand has an automated system for calculation and updating in their Product Lifecycle Management (PLM) system. For subcontractors, the cost sheets are also distributed and collected. Part of the costing sheet is insight into labour costs. For most locations ODLO also has insight in the minutes needed per product. Based on this information, ODLO made the link between prices and wages and make sure prices are enough to pay legal minimum wage. This information is cross-checked with information from factories.

One production location has not yet shared this information because they feel it is part of their intellectual property. For this location, ODLO conducts a plausibility check on the link between prices and wages based on their knowledge from other 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: None of the audits in the past financial year indicated problems related to payment of legal minimum wage. ODLO closely monitored the wage situation in all production locations and did not come across any problems. One Turkish factory shared the results of a well-being survey, where a small percentage of workers indicated they were unhappy with their wages. ODLO immediately followed up with the factory to discuss how this could be remediated and continued to check on progress.

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 the past financial year ODLO paid all suppliers 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: ODLO has analysed wage data from ten strategic production locations and now has an overview of the gap between the current wage and the living wage in its production locations. They identified which suppliers are already close to a living wage and where it would need a bit more work. The company used this information to discuss raising wages with different suppliers, however ODLO feels these discussions seem to always come back to discussing the concept of living wage rather than the root causes.

Due to the COVID-19 situation the discussion around raising wages to a living wage level has been paused and substituted by discussion on maintaining current wage levels.

Recommendation: Fair Wear encourages ODLO to continue discussions with suppliers about different strategies to work towards higher wages.

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).	32%	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: ODLO owns one production location in Portugal and one in Romania. Both produce exclusively for ODLO.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Advanced	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.	6	6	0

Comment: In its own production location in Romania, ODLO started to calculate costs and determined to increase wages and has developed a strategy on how to finance this from the company's HR budget. Worker representation was involved and specific local circumstances were included for the calculation. The company continues to adjust the target based on the consumer price index. In the past financial year the target wage floor was set at 2300 RON. While raising the wage floor, the company used worker input to also change the wage structure to better reflect workers' skill levels and seniority and include a productivity bonus. This has been implemented and is reviewed quarterly. ODLO was able to show it has been able to raise wages.

For other suppliers, ODLO is currently developing a process on how to proceed with living wages. Although the costs related to increasing wages at several main suppliers are not yet calculated, there is some idea on how to finance wage increases, for example through larger purchase orders or invest in the skills of the workers. For some products, ODLO aims to increase consumer prices and is confident that this will create an added benefit for the consumer.

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.	15%	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.	2	6	0

Comment: ODLO realised the payment of its target wage for all employees at its own production location in Romania, totalling 15% of their total FOB volume.

Recommendation: ODLO is encouraged to roll out their approach to other suppliers.

Purchasing Practices

Possible Points: 52

Earned Points: 44

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	78%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	21%	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:	98%	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 Sustainability Manager is responsible to follow up on problems identified by the monitoring system. They closely cooperate with the Supply Chain Director.

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: ODLO makes use of Fair Wear audits and/or external audits only

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: In the past financial year ODLO had one Fair Wear audit. ODLO shares audit reports in a timely manner with the supplier. The CAPs are shared with the worker representatives, except where the CAPs are not available in the local language.

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.	Basic	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.	4	8	-2

Comment: Due to COVID-19 ODLO checked-in on a monthly basis with all production locations. During these calls and email exchanges ODLO collected information on health & safety issues, whether the Worker Information Sheet was posted and whether there were issues related to wages, hours and freedom of association. Although it closely monitored the possible high-risk at all production locations, ODLO did not include detailed follow-up on outstanding CAPs during these calls and could only show basic remediation efforts during the performance check.

Recommendation: Fair Wear recommend ODLO to combine the systems to track progress on high-risk issues related to COVID-19 and outstanding CAPs, to make sure remediation addresses all outstanding issues.

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: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2020/2021 for all Fair Wear members.

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

Comment: ODLO has collected existing audit reports from its production locations and assessed the quality of those audits. During the performance check, ODLO showed active, albeit basic, follow-up on corrective actions.

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	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: MYANMAR

ODLO has one production location which is shared with another Fair Wear member. For this production location, ODLO did extensive due diligence and risk assessment before production started. The location was audited and has participated in a WEP Communications training and the supplier seminar on age verification. ODLO visited the supplier in December 2019 and has actively supported the factory to have a functioning union. The wage ladder of the production location has been included in ODLO's social report. During the past financial year, ODLO maintained close contact with the factory to also monitor the circumstances related to the military coup. The factory was able to continue production and pay wages to the workers.

TURKEY

For Turkey, ODLO showed proof that suppliers are informed about the risks related to the working conditions of Syrian refugees and showed supplier declarations on refugees. All production locations have been audited and visited. At two locations the risk of migrant workers is limited because the process is highly automated and these locations have active policy on refugees. The third location is actively working with UNHCR to provide a safe place for refugees and is closely cooperating with a local NGO to ensure all rights are respected. None of the factories have had additional training.

COVID-19

ODLO did a risk assessment based on general and country-specific information provided by Fair Wear. For non-Fair Wear countries, ODLO used information from other sources such as ILO and an overview provided by other Fair Wear members. Based on this risk assessment, ODLO identified wages, H&S and FoA as main risks related to COVID-19. Therefore the company closely monitored these aspects with all suppliers, indifferent of the country. This meant that during the regular update calls suppliers were asked for information on whether wages were paid, what the COVID-19 situation was at that time in the factory and in the country/region and whether the factory need to take additional measures. Factories were asked to provide evidence, such as photos of health and safety measures and wage data. Also, ODLO checked every time whether the worker information sheets were still posted, to ensure workers would know about their rights and possibility to reach out for help. Information from these calls was also shared on management level, during weekly COVID-19 updates, to ensure different department activities would be aligned.

Recommendation: Fair Wear recommends ODLO to make sure that its Turkish suppliers have sufficient knowledge about the COLP and Fair Wear's approach. ODLO should make sure that supplier knows about effective management-worker communication and grievance mechanism. Fair Wear suggests to enrol its Turkish factories in training programmes.

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: At six shared production locations ODLO has active cooperation with one or more other members with regard to supplier discussions and CAP follow up.

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.: Yes (1)

Comment: For 100% of production in low-risk countries the requirements are fulfilled, including visits to all production locations. In addition to this, one production location was audited.

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: ODLO did audits at eleven tail-end production locations.

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

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

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

Monitoring and Remediation

Possible Points: 26

Earned Points: 23

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	1	
Number of worker complaints resolved since last check.	1	

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

Comment: ODLO has designated staff resources and defined clear responsibilities to handle 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: During the monthly check-ins with all production locations ODLO checked and suppliers provided proof that the Worker Information Sheet was still posted.

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.	68%	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: Three production locations have participated in Fair Wears Workplace Education Programme basic module.

In Sri Lanka local trainers conducted the WEP Violence and Harassment Prevention module. Six factories received the first part of this training, which includes awareness of the Fair Wear CoLP.

In addition, ODLO shared videos for workers explaining their rights related to COVID-19 with five production locations. ODLO collected proof that they have been watched by workers.

ODLO raised awareness of the Fair Wear CoLP and complaints hotline at production locations responsible for 68% of FOB (excluding low-risk countries).

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: During the past financial year ODLO received one complaints from its own factory in Romania. Besides actively responding to the actual complaints, ODLO also addressed additional issues, such as the role of worker representatives in preventing complaints. During the performance check, ODLO shared an overview of all complaints, the steps taken, conclusions and the internal lessons learned.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	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.	N/A	2	0

Complaints Handling

Possible Points: 15

Earned Points: 13

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: All new employees receive a detailed introduction training on Sustainability at ODLO including the Fair Wear Code of Labour Practises. On the first day of the financial year, ODLO organised a sustainability day with a focus on a holistic integration and embedding within the organisation.

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: Sustainability staff is regularly updating teams that are in direct contact with suppliers on audits and complaints. In addition to the development and sourcing teams, now local quality control staff is trained in support with Health and Safety checks, social compliance checks and CAP follow-up.

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.	61%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

Comment: Fair Wear trained factory trainers to conduct trainings on Violence and Harassment Prevention in Sri Lanka. These trainings took place in September 2020 at two factories.

Three locations in Vietnam and one location in Myanmar participated in the WEP Communications and in Romania the brand organised a training for worker representatives. All locations together account for 61% of FOB (excl. low-risk).

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: During the performance check ODLO was not able to show active follow-up on training programmes.

Requirement: Fair Wear requires ODLO to discuss the outcome of advanced training with their supplier and agree on next steps such as regular dialogue or committee meetings.

Training and Capacity Building

Possible Points: 11

Earned Points: 9

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: ODLO has a strong system in place to identify all production locations and has made agreements whether, and if so, which subcontractors can be used. For its own production locations, the brand is aware and visiting subcontractors. For the production locations that are not owned by ODLO, (local) ODLO staff visits production locations regularly and checks for subcontracting.

In the past financial year it had discussions with several production locations on possibility to subcontract to increase capacity. ODLO managed this process closely to ensure all locations were known and checked prior to production.

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: Staff from both sourcing and product development is involved in sustainability activities and have bi-weekly meetings. Supplier calls are documented and shared. ODLO staff and suppliers have access to a joint database with relevant information and updates are shared at supply chain meetings and sustainability panel events.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

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

Comment: All ODLO's communication materials and channels contain information about Fair Wear membership in the correct wording. As a Fair Wear leader brand, ODLO uses on-garment communication on hang-tags and product boxes, in addition to the website, brochures, press releases and catalogs. ODLO introduced the new Fair Wear visual identity.

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: The most recent Brand Performance Check report has been published on ODLO's website and production locations are disclosed in ODLO's sustainability report. In addition, ODLO has signed the Fair Wear transparency policy and discloses the production locations responsible for 98% of its FOB.

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	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.	1	2	-1

Comment: The 2020/2021 Sustainability report has been submitted to Fair Wear. It will be published on ODLO's website later.

Transparency

Possible Points: 6

Earned Points: 5

7. Evaluation

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

Comment: The ODLO sustainability strategy is integrated into the company's overall strategy. To ensure progress, status and achievements are reported quarterly to the Executive Management Team.

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

Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

ODLO would recommend to better organise all the information available regarding due diligence related to COVID-19. At the moment it is difficult to find relevant information and use it to base next steps on.

ODLO would recommend Fair Wear to evaluate its audit methodology to ensure it is fit to uncover economic fraudulent behaviour.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	44	52
Monitoring and Remediation	23	26
Complaints Handling	13	15
Training and Capacity Building	9	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	103	119

Benchmarking Score (earned points divided by possible points)

87

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

09-12-2021

Conducted by:

Anne van Lakerveld

Interviews with:

Daniel Mulvie - Supply Chain Director

Eva Garcia - Supply Chain Specialist

Victor Massonneau - Sustainability Manager

Andrin Zinner - Finance

Didier Montes - Communications & Media Manager