



Brand Performance Check

Haglofs AB

This report covers the evaluation period 01-01-2021 to 31-12-2021

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 year's 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 COVID-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.

Brand Performance Check Overview

Haglofs AB

Evaluation Period: 01-01-2021 to 31-12-2021

Member company information	
Headquarters:	Stockholm , Sweden
Member since:	
Product types:	Outdoor products; Outdoor wear
Production in countries where Fair Wear is active:	Cambodia, China, Indonesia, Turkey, Viet Nam
Production in other countries:	Portugal, Sweden
Basic requirements	
Scoring overview	
% of own production under monitoring	92%
Benchmarking score	83
Category	Leader

Summary:

Haglöfs has shown advanced results on performance indicators and has made exceptional progress. With a benchmarking score of 83, Haglöfs is once again placed in the Leader category. Although the monitoring threshold does not determine the category this year, Haglöfs has fulfilled the monitoring requirements at suppliers providing 92% of its production volume.

Corona Addendum:

While in 2021 Haglöfs experienced increased demand for outerwear during the pandemic, COVID-19 continued to seriously impact the member's supply chain. With more than 60% of its total FOB placed in Vietnam, Haglöfs' production planning was seriously impacted during the lockdowns in the country between July and October, and the member was faced with increased orders while dealing with very unpredictable and reduced production capacity.

The situation in Vietnam did not make it possible to visit, audit or train the suppliers. Next to that, there were also limitations to auditing Chinese suppliers, due to power cuts in autumn. To continue its monitoring, the member increased its contact with its suppliers and when and where possible had its agent in Vietnam visit suppliers. When its suppliers had to shut down, Haglöfs immediately informed them that orders would not be pulled or moved outside of Vietnam. The member offered flexibility by extending lead times and paying for air shipment and was in constant dialogue with suppliers about how orders could best be spread out. Planning of orders needed to be adjusted on a weekly basis as the situation changed from week to week.

In 2021 the member continued its strong due diligence and pro-active attitude that it already showed during the first year of the pandemic. When factories closed in Vietnam, the member immediately started gathering information about local regulations. By requesting its suppliers to fill in a thorough questionnaire, that Haglöfs shared with other Fair Wear members, it collected detailed information about wage payments and government subsidies that workers received. It identified which factories were at highest risks for below legal minimum wage payments, and took appropriate action. Next to that, it prioritized complaints that were related to the pandemic and showed that for complaints as well as CAP issues a root cause analysis is done, in order to not only remediate non-compliances, but also work towards prevention.

All in all, the member has shown that with strong systems in place, it could respond responsibly to the pandemic and be a reliable partner for its suppliers.

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.	58%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

Comment: Haglöfs works with a total of 35 CMT suppliers. The member has a leverage of at least 10% at 15 of those production locations, responsible for 56% of its total production volume. Consolidation and the importance of working together with strategic suppliers are part of the member's sourcing strategy.

Recommendation: Fair Wear recommends Haglöfs to further work on consolidating its supplier base where possible and increase leverage at main production locations to effectively request improvements of working conditions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	15%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	2	4	0

Comment: In 2021, 15% of Haglöfs' production volume was purchased from production locations where it buys less than 2% of its total production volume.

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.	73%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: Haglöfs has a business relationship existing for at least five years with factories, representing 73% of its total production volume. This is a significant increase from the year before when the percentage was 56%.

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: A formal system is used to ensure all new production locations are required to sign and return the questionnaire with the CoLP before first bulk orders are placed. In 2021 Haglöfs started with five new Vietnamese suppliers and two Chinese suppliers. Signed questionnaires with the Fair Wear Code of Labour Practices were uploaded and shown for all but one Vietnamese production location. Haglöfs used this location during summer 2021 when Vietnamese factories temporarily closed during the lockdown and the member had to shift orders between them. The location, owned by one of Haglöfs' main suppliers, takes up less than 1 % of Haglöfs' total placed FOB. Given the exceptional circumstance, the member is awarded full points on this indicator.

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

Comment: Haglöfs has a strong due diligence process in place. Prior to entering a new sourcing country, Haglöfs carries out a country risk assessment, using external sources, such as FWF country studies, NGO reports, etc, to evaluate possible risks and offset these against the resources available to conduct proper due diligence. Several ratings are included in the country assessment, such as corruption index, UNICEF index, FoA ratings, and BSCI analysis. In 2021, no new sourcing countries were added to Haglöfs' production base.

To enter new suppliers, Haglöfs has a written Factory Approval process, detailing the steps that need to be taken before onboarding a new supplier. A clear list of steps is followed, including requesting a previous audit report and health and safety checks. Normally, if there is no report available or information is insufficient, Haglöfs will arrange a Fair Wear audit before proceeding. Visits are also part of the due diligence process. However, due to the pandemic audits nor visits were possible in 2021, the member had to rely more on existing audit reports and virtual meetings. The decision to approve a new factory is taken jointly between the sourcing, sustainability, quality and operations teams. The member's Policy of Engagement sets out the minimum requirements regarding human rights, labour standards, corruption, occupational health and safety, and environmental practices and is one of the key elements of the Terms of Agreement which all new suppliers must sign.

These steps have been followed for six new suppliers. Not all of these steps have been followed for the one new supplier, which was temporarily added in 2021 to help the member out during the months of lockdown in Vietnam. This location did sign the questionnaire.

In 2021 the pandemic was at its worst in Vietnam, which is Haglöfs' most important sourcing country with more than 60% of the member's FOB. From mid-July onwards, factories in the covid high-risk provinces were requested by the government to work under the 3-on-site policy (which meant that workers temporarily lived within the factory premises and could not go home), or otherwise had to close temporarily. Meanwhile, some factories in the non-high-risk provinces worked under reduced capacity. Haglöfs identified the main risks for workers were loss of jobs, payment of wages, and health and safety risks related to the 3 onsite policy. Next to that, because of increased order volume and reduced production capacity the member identified an increased risk for excessive overtime. Frequent contact was maintained via its sourcing agent in Vietnam and the member gathered detailed information about the situation of each supplier. See for more information indicator 1.9.

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

Comment: Haglöfs has a thorough system in place to evaluate suppliers' compliance with Code of Labour Practices. A clear scoring system is used and was shown during the performance check. Besides evaluating general vendor criteria, topics such as CAP findings, filed complaints and the supplier's willingness to remedy, are integrated into this scorecard. If a supplier scores comparatively bad, it is informed that it may end up on Haglöfs' phase-out list. Similarly, in case a supplier has improved its scoring on CSR and other criteria, the supplier will be considered a strategic partner and the member could demonstrate this leads to significantly increased orders.

When exiting suppliers Haglöfs gives advance notice, gradually reduces orders and reviews the impact on workers. When the member has high leverage, exiting completely can take a few years. In 2021 Haglöfs left one important supplier in China. The member already started phasing out this supplier in the previous year, given its unwillingness to follow up diligently on complaints and CAP issues. The vision was to phase out gradually, given the high leverage of the member. However, the exit was fast-tracked in 2021 as a result of a complaint that was filed about significantly delayed wages. Haglöfs responded by advancing its order payment, under the condition that this was used to pay workers' wages. When a few months later a similar complaint was filed and suppliers' management proved unwilling to tackle this, the member informed the factory it had breached the CoLP and exited. Haglöfs approached the other buyers of the factory to take up the responsibility of wages being paid on time, but to no avail. Haglöfs also exited two other suppliers where it only buys a small share of the total production volume.

When in July the Vietnamese government announced lockdowns, Haglöfs' management immediately reached out to the management of its suppliers, ensuring them that its orders would wait until after they could reopen. The member decided to not move orders outside of Vietnam, and only shifted orders between Vietnamese suppliers, depending on available capacity.

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

Comment: Haglöfs has a strong and long-term production planning system in place and has improved this even further in 2021. One of the bigger lessons of the first year of the COVID-19 crisis was that Haglöfs' suppliers heavily rely on the brand's forecast. When the member asked its suppliers how it can better support reasonable working hours, the answer was unequivocally the same; by allowing even more time for production. Therefore, when developing a new go-to-market plan, all deadlines, from sales meetings to material forecasting were shifted to 2,5 months earlier. The planning is shared with suppliers and the result of a two-way conversation, based on available capacity. The new go-to-market plan was first used in autumn last year.

The biggest challenge in 2021 related to production planning was the increased demand for outerwear combined with unpredictable and reduced production capacity because of the lockdown in Vietnam. The member was in continuous dialogue with suppliers regarding delivery times, providing flexibility and paying for air shipment. Where needed, orders were reprioritized. Delays were inevitable, and Haglöfs informed its retailers early on about this.

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

Comment: In 2021 only one Fair Wear audit was conducted. This audit showed that inconsistencies in timekeeping were not improved. In general, CAP findings keep coming back in audits of this supplier, and the member has therefore informed the supplier that is now included on Haglöfs' phase-out list.

Audit reports from 2020 and 2019 also show either excessive overtime or inconsistent timekeeping, and the member expects that with the measures already taken in 2020 and the extra production time allocated (see 1.6) most issues can be resolved. However, due to the pandemic, it was not possible to conduct audits in Vietnam in 2021 to prove this.

To take away pressure during peak season, one-third of Haglöfs' orders are placed outside the peak season, compared to one quarter in 2020.

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

Comment: Haglöfs specifies in detail the costs of each style, nominating all materials and trimmings. There are only a few cost sheets that specify labour costs however, and even in those cases, it is not clear how they are calculated. The exact labour minutes remain difficult to calculate for highly technical products and is still work in progress. Going forward, Haglöfs asks new suppliers whether they are willing to share fact based costing, before onboarding.

Regarding linkage to wages, Haglöfs shares wage analyses from Fair Wear audits during monthly staff meetings. According to Haglöfs, the type of product drives the wages; for the more technical styles, the wages seem higher, compared to the more competitive styles. Audits confirm that suppliers pay minimum wage, and many suppliers have wage levels around one of the living wage benchmarks.

During COVID-19, Haglöfs did not negotiate for discounts. Suppliers did not ask for higher prices to cover COVID-19 related costs, but some asked for shorter payment terms (see 1.10).

Recommendation: Fair Wear encourages Haglöfs to continue the dialogue about fact-based costing with the suppliers which are not yet open to it. The Fair Wear team can possibly help in furthering this dialogue.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	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: An audit in 2021 showed no wage ladder as there were inconsistencies with timekeeping. Therefore there were some questions about whether all workers received legal minimum wage. Haglöfs followed up to clarify and later conversations with the auditor proved that minimum wage was paid.

As described in detail under indicator 1.5, the member received a complaint about wages being delayed by several months. Haglöfs took immediate action and all invoices were advanced to immediately pay out workers. This was verified by Fair Wear's local team. When a few months later the same complaint was filed, Haglöfs again prepaid all invoices. When the supplier could not show any commitment to resolve cash flow problems, the member decided to stop the relationship.

During the lockdown in Vietnam, Haglöfs identified a high risk for payment below legal minimum wage. Government regulations required factories to continue the payment of wages for the first two weeks of closure in July. After mid July it was up to an agreement reached between management and worker representatives, and suppliers could request government subsidies for their workers. Haglöfs immediately reached out to its suppliers, emphasizing that at least the legal minimum wage should be paid. To request detailed information about wage payments, Haglöfs created a thorough questionnaire, that Fair Wear showed as a good example to other members. Haglöfs took the initiative to collaborate with other members sourcing from Vietnam, to get clarity about governmental regulations and the kind of information to collect. With the collected data the member created an overview showing the situation per supplier per month; when the supplier was closed, implementing 3 onsite, paying legal minimum wage, or arranged for governmental subsidy. As in September, the governmental subsidy was reduced (dependant on how long factories were already closed), the member identified this month as the highest risk for workers not having received legal minimum wage.

Haglöfs identified one supplier where the gap between the received wages/ subsidies and the legal minimum wage was evident. By the time of this performance check the factory made cash payments to workers to cover the difference, for which it invoiced its buyers. These payments, and the exact amounts received by workers during the lockdown, will be verified in an audit later in 2022.

Recommendation: The member is encouraged to continue its efforts to close the gap for other Vietnamese suppliers where workers may have ended up with below legal minimum wage payment last summer.

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

Comment: There was no evidence found of late payments to suppliers by Haglöfs. The member company has a payment term of 30-60 days. Next to the advance payments in response to the complaint about delayed wages, the member also shortened its payment terms for another supplier upon request.

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: In 2021 Haglöfs has conducted groundwork such as reviewing internal processes for the living wage strategy but has mostly focused on ensuring legal minimum wage payment in Vietnam during the lockdown. As usual, the member conducted a wage analysis, where it compared per supplier the paid wages in relation to minimum wage and different living wage benchmarks. Factories that work on technically complicated styles have higher wages than those that work on basic products. Due to the limited possibility to conduct audits in 2021, the analysis is based on data from 2020 and 2019. An analysis of wage levels across the supply chain has been published by Haglöfs.

Haglöfs stayed in touch with the suppliers about the payment of wages throughout the COVID-19 pandemic. Further implementation of identifying root causes of wages lower than living wage was delayed, because of the focus on pandemic-related issues.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	6	0

Comment: Haglöfs publishes wage levels of its suppliers in order to show commitment to increase wage levels. Due to the pandemic, the member did not embark on living wage work. It evaluated its previous efforts on living wage, and has restarted to define a new living wage strategy, that is needed to answer questions such as where the money comes from and how increased prices can benefit wage increases.

Recommendation: In determining what is needed and how wages should be increased, it is recommended to involve worker representation. The member should discuss with higher management a strategy to finance wage increases.

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.	25%	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: Previous audits in 2020 and 2019 done at three Vietnamese suppliers show wage levels that are above those set by the Global Living Wage Coalition. These production locations represent 25% of Haglöfs' total production volume.

Recommendation: Fair Wear recommends Haglöfs use the audits planned for 2022 to again compare wage levels with living wage benchmarks, and define new target wages where needed. We encourage Haglöfs to show that discussions and plans for wage increases have resulted in the payment of a target wage or to prove that it pays its share of living wages through transparent prices.

Purchasing Practices

Possible Points: 52

Earned Points: 35

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	90%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	2%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	92%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: The CSR manager is responsible for implementing Fair Wear requirements. The CSR manager reports to the Head of Sustainability, who is part of the management team. The CSR manager prioritized work related to the monitoring of suppliers and focused on COVID-19 related risks.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: Fair Wear audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

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

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

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

Comment: Haglöfs uses CAP findings, and complaints, to define a proactive approach for each supplier, focused on remediation and prevention. When there are repetitive CAP issues or complaints, a root cause analysis is conducted. The member also takes input from other teams and brands into account.

Due to the limited possibility to conduct audits in 2021, only one audit was conducted by Fair Wear last year. The CAP that was shown includes a column with root cause analysis, to be filled in by factory management. Though some important issues were followed up, some more structural issues were not improved since the previous audit. The member has put the supplier therefore on its phase-out list.

The member could show that for previous audits the majority of findings were resolved or in process of being remediated (for instance with training). For some previously audited factories, the root causes that were identified were a lack of social dialogue and understanding of labour law. As part of the remediation, Haglöfs enrolled the suppliers in Fair Wears WEP Communication module, and ensured an internal grievance mechanism was set up. All in all, the member could demonstrate a holistic approach in following up on CAP issues, where root cause analysis and prevention are key.

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 2021.

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

Comment: External audit reports are collected particularly in the initial assessment of a new factory. External audit reports are assessed with the quality assessment tool and CAPs have been set up for those and implementation was shown. Depending on the outcome of the analysis, it is decided whether or not to request a Fair Wear audit.

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

Comment: Turkey

In 2021, Haglöfs worked with one supplier in Turkey, for which the company could show a diligent following of Fair Wear's guidance. Haglöfs is aware of the risks regarding Syrian refugees in Turkey. In the past, the member trained its agent on Fair Wears risk policy and the main issues related to Syrian refugees employed by Turkish factories. The agent visited the printing subcontractor of Haglöfs' supplier. The factory has a CSR manager, who is qualified to conduct training on labour rights and did so in 2020.

China and Vietnam

Haglöfs is aware of the country-specific risks, such as freedom of association, excessive overtime. The member tries to work on social dialogue by organizing WEP training. Haglöfs' sourcing policy explicitly bans production from the area of Xinjiang and cotton from China in general. The member participated in research about forced labour, and one production location was found to be at higher risk. The member immediately notified top management about this concern and investigated further by enlisting the supplier for an audit. The auditor confirmed there are no records of ethnic minority workers, nor was any other evidence of potential bonded labor found.

In Vietnam, Haglöfs continues to enroll factories in the WEP Communication module, with a fifth supplier added end of 2021. With regard to excessive overtime, Haglöfs continues to be in dialogue with the suppliers and taking steps to minimize the risks, see indicators 1.6 and 1.7 for more information.

Indonesia

Haglöfs is aware of the main risks in Indonesia; health and safety, freedom of association and wages. Haglöfs is working on these issues via the CAP of Fair Wear audits. One of the Indonesian production locations is part of the Better Work programme. In preparation of Fair Wear's phasing out in Indonesia, the member set up third-party complaints handling together with Asics.

COVID-19

Haglöfs responded actively when the pandemic worsened in Vietnam and factories had to close down or implement the 3 onsite policy. Action mostly needed to be taken on ensuring legal minimum wage payment, see indicator 1.9 for more information.

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

Comment: Haglöfs shares 11 factories with other Fair Wear members. For those that have CAPs, Haglöfs actively cooperates on CAPs with other Fair Wear members. During the pandemic, Haglöfs was also in close touch with several other member brands to see where they could support their suppliers together.

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.	98%	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: For its two Portuguese suppliers, Haglöfs could show it fulfilled the monitoring requirements. The Swedish location has not been visited for some years now and therefore is excluded from this percentage.

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: Over 2019 and 2020, Haglöfs organised Fair Wear audits at six suppliers in its tail-end.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	0%	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	0	3	0

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	Yes, and member has information of production locations	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	1	1	0

Monitoring and Remediation

Possible Points: 32

Earned Points: 30

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	9	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.	3	
Number of worker complaints resolved since last check.	6	

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

Comment: The CSR manager is designated to address worker complaints and was involved in the handling of the complaints received in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Haglöfs has a standard procedure to inform suppliers on CoLP and complaints hotline. In preparation for factory visits, the staff is briefed by the CSR manager on CSR-related issues and are asked to take a picture of the Worker Information Sheet. All suppliers have posted the Worker Information Sheet, evidence is uploaded in Fair Wears system.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

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: As with CAP issues, Haglöfs always identifies root causes of complaints that it receives. Complaints are considered to provide valuable input for the profile of each supplier, which is then used to decide on the best long-term remediation and prevention programme. In 2021 Haglöfs received nine complaints of which six are resolved or closed and two still need verification and continued to follow up on several outstanding complaints. The member prioritized the complaints that were related to the pandemic, either about unfair dismissal, the 3 onsite policy, or delayed wages (described under 1.5 and 1.9).

One of these complaints was filed by a group of workers working under the 3 onsite policy. In accordance with the governmental regulations they were not leaving the factory premises, but then discovered some of them were at high risk of being contaminated with COVID-19. Haglöfs reached out immediately to the factory for clarification. It seemed that lack of communication was at the heart of the workers' concerns. The factory was requested to inform and update workers frequently, as well as make them clear what the on-and-off duty hours are.

With regard to the complaints about unfair dismissal, the member ensured workers received the outstanding payments, but also called a meeting with senior management. It identified the root causes of the complaints as being a lack of social dialogue and a forceful environment. To address these root causes, the supplier was enrolled in the WEP Communication module, of which the first session took place end of 2021.

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: Haglöfs actively cooperates with other customers is shown in addressing worker complaints at shared suppliers in both Vietnam and China. The standard practice for shared suppliers is that any brand that has higher leverage or closer communication takes the lead.

Complaints Handling

Possible Points: 11

Earned Points: 11

4. Training and Capacity Building

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

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

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

Comment: Haglöfs has monthly social compliance meetings for staff that are in frequent contact with the suppliers; all members of the buying, development and sourcing teams attend these meetings. Audit results are systematically reviewed and coordinated, as well as complaints status, new suppliers approval, and itineraries during bi-weekly sourcing meetings. This did not change during the pandemic.

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

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility to conduct training, this indicator is not applicable in 2021. Four production locations have been enrolled in ILO Better Work and five are participating in the Fair Wear WEP Communication module, together covering 44% of Haglöfs' total production volume.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	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.	N/A	2	0

Comment: Since Fair Wear does not provide reports between the sessions of the WEP Communication module, and none of the training modules have been finished, Haglöfs could not yet conduct follow-up.

Training and Capacity Building

Possible Points: 5

Earned Points: 5

5. Information Management

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

Comment: Haglöfs maintains a file with detailed information of all suppliers of which the content is regularly updated. For Haglöfs, disclosure of supplier details including subcontractors is part of the terms of agreement the company signs with each supplier. This information is cross-referenced with a number of sources to verify: onsite quality inspection during factory visits, audit results, discussions with the factory, discussion with other brands, and gaining an understanding of the production processes in the factory.

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

Comment: All information regarding production locations is saved on a shared drive, accessible for all relevant staff. In addition, CSR staff meets monthly with the buying, sourcing, and development teams. Since 2021 the Head of Sustainability is part of management, which ensures management is frequently updated about working conditions at production locations.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

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

Comment: Haglöfs publishes information about Fair Wear Foundation and its membership commitments on its website. No problems regarding communications requirements were found.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

Comment: Haglöfs has disclosed production locations. 100% of production volume is disclosed to other members in Fair Force and on the Fair Wear website. A full list of Haglöfs' suppliers is disclosed on the company website.

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

Comment: Given the fact that the member has published its social report on the website in the past years, Fair Wear has agreed the member will publish the social report after the performance check date because the performance check was conducted exceptionally early in the year.

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: The annual evaluation is done with the involvement of Haglöfs' CEO, results of each Brand Performance Check, and overall membership progress is discussed as part of the sustainability strategy of the company. The director of Product and Operations joins the monthly social compliance meetings occasionally. Per 2021, the Head of Sustainability is part of the management team, which makes CSR a weekly topic during management team meetings.

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

Guidance during major incidents: There were two major things that happened in production countries; the lockdowns in Vietnam, and; electricity power cuts in China. Both of the times Haglofs had to request multiple times to Fairwear for more information. The biggest benefit of being Fair Wear member is having eyes on the ground. This was not utilized when it was in most need. Lack of organised guidance in these cases.

Improvements needed in the level of service for paid services such as audits and training: Reports are very slow to be delivered, in the case of WEP communication module Haglofs has not received any information for over a year. Lack of service coverage e.g. advanced training in major sourcing countries such as China, Indonesia, and Cambodia.

Flexibility in accepting factory internal training: where factories have training conducted by qualified internal staff members Fair Wear does not accept it as meeting their standard due to the lack of presence of an NGO. This does not encourage factories to take proactive responsibility for continuous improvement and does not recognise qualified staff members' capability or expertise in the area.

Approval of external audit: Current process makes it difficult to make an audit plan as it is not predictable what audit formats will be accepted. A standardised list of accepted audit formats is needed.

Need improvement in sharing Fair Wear updates with member brands: Brand performance check change was informed too late – particularly in terms of expectations on how it should be applied. Lack of clarity on how feedback from brands is addressed when input is requested. Requests for brands to participate in different activities but a lack of follow-up on results e.g. TIWW, Global Works, etc.

Lack of transparency on auditing protocol: Unclear how audits issues are allocated severity rating and how questions are put to workers. There is no consistency in closing meetings with factory management.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	35	52
Monitoring and Remediation	30	32
Complaints Handling	11	11
Training and Capacity Building	5	5
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	96	115

Benchmarking Score (earned points divided by possible points)

83

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

15-03-2022

Conducted by:

Niki Janssen

Interviews with:

Jiwon Jang - CSR manager

Elaine Gardiner - Head of Sustainability

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

Frederik Ohlsson - CEO

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