



## **Brand Performance Check**

# **VAUDE Sport GmbH & Co. KG**

**Publication date: April 2022**

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](http://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

## VAUDE Sport GmbH & Co. KG

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

Member company information	
Headquarters:	Tettnang , Germany
Member since:	2010-11-15
Product types:	Outdoor products; Sports & activewear; Outdoorwear
Production in countries where Fair Wear is active:	China, Myanmar, Viet Nam
Production in other countries:	Austria, Germany, Lithuania, Portugal, Taiwan, Ukraine, Cambodia
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	60%
Benchmarking score	91
Category	Leader

## Summary:

Vaude has a benchmarking score of 91 and has monitored factories responsible for 60% of its FOB using factory audits. As the monitoring threshold does not apply because of the limited possibilities to conduct audits due to the COVID-19 pandemic, Vaude is nevertheless again awarded the 'Leader' status.

## Corona Addendum:

Vaude's systematic approach to human rights due diligence and monitoring gave the company a strong basis to mitigate and remediate risks, including risks related to COVID-19, in 2021. Vaude's sales were not negatively affected by the pandemic. As in 2020, Vaude did not take any unilateral decisions regarding orders in 2021.

Vaude's approach throughout the COVID-19 crisis has been to support its suppliers as much as possible, assessing their needs based on constant dialogue with suppliers. Under normal circumstances, Vaude audits 100% of its suppliers. However, audit possibilities were very limited in Vaude's production countries, and therefore the brand used alternative monitoring tools such as virtual audit meetings and supplier questionnaires. Vaude's local representatives in China and Vietnam kept track of the situation at the main suppliers in Vietnam and China while international travel was still not possible. Instead of Vaude's usual yearly supplier evaluation, during which all suppliers are ranked, the brand had individual video calls with each supplier to discuss what they needed in order to stay afloat. Vaude is encouraged to continue working in partnership with its suppliers but also to implement audits again where possible in 2022, to ensure third-party verification of the alternative monitoring tools.

The 3-on-site scheme in the southern region of Vietnam was a high risk in 2021 for Vaude. Vaude verified that workers at the suppliers in the affected region received at least legal minimum wages, as well as those not willing to work in the 3-on-site scheme or working for factories that were closed. Wages were sometimes lowered compared to regular wages (70%) but did not drop below the legal minimum for the respective regions. Vaude collected wage overviews and wage slips of workers to verify this. Vaude's representative in Vietnam also verified that the conditions at the factories participating in the 3-on-site scheme adhered to the relevant government regulations.

Vaude has created a roadmap to systematically work on living wages in the coming years. Vaude is encouraged to implement the roadmap in a set timeframe.

Overall, Vaude has shown advanced progress on most indicators and has successfully integrated the mitigation of COVID-19 crisis risks into its regular monitoring systems.

## 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.	79%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** Vaude has above 10% leverage at suppliers which combined account for 79% of its total production volume. This figure has remained the same for several years and the company has reached a point where it feels its supply chain cannot be consolidated further due to the wide variety of product groups being produced.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	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:** 11% of the production volume comes from suppliers where Vaude buys less than 2% of its total FOB. This is a decrease compared to the previous financial year. The "tail-end" mainly exists due to the great variety of products in Vaude's assortment. Some manufacturers are being used to produce only one, highly specialized product and other manufactures are being used only for one single order. This makes the purchase volume at certain suppliers relatively small, but Vaude has accepted this level and feels the range of products cannot be further reduced.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	79%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0



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

Having a sourcing strategy built on a long-term business relationship is part of the Vaude Guidebook. The Vaude Guidebook is internally and externally binding for suppliers.

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

**Comment:** During the performance check it could be verified, via uploads in the Fair Wear data management system, that all questionnaires had been received by active factories, before the first bulk orders were placed. In 2021, this included two Vietnamese subcontractors where the business relationship with the main supplier was agreed to be temporary (one year). Vaude generally wants to work with the existing subcontractors the brand already knows. The temporary nature of this collaboration was discussed in advance with the new subcontractors. The main supplier needed to work with these subcontractors because of COVID-19 measures in other factories, which led to a decrease in capacity. The signed CoLP questionnaires for the subcontractors have also been uploaded in the Fair Wear database.

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

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

Moreover, when considering a new production location, Vaude collects existing audit reports and makes inquiries with other clients sourcing at the factory. In case another Fair Wear member is working with the factory, the brand considers this an advantage and reaches out to the other Fair Wear member and request it to share further information.

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

From the beginning of the pandemic in 2020, Vaude used multiple channels to stay on top of the COVID-19 impacts and the risks that occurred as a result. Its main channels were the direct frequent communication via the head office, visits by its two local representatives and the supplier questionnaires. The supplier questionnaires were used specifically at strategic moments, which Vaude determined through its continuous contact with the suppliers. The questionnaire included questions regarding the order situation (cancellations and payment delays); the operational situation at the factory (capacity planning, overtime, payment of wages, safety of workers) and potential delays caused in other parts of the supply chain (fabric suppliers). Vaude continued this way of working in 2021. In 2021, very few audits were possible at Vaude's production locations. Where possible, Vaude conducted virtual factory tours to keep track of risks at the factory floor. Vaude has identified the three-on-site measures (which meant that workers temporarily lived within the factory premises and did not go home between shifts, with the goal to reduce infection rates) in Vietnam as serious risk and followed up on this accordingly (see indicator 2.7). Vaude's local teams in China and Vietnam also have contributed to the continued ability of Vaude to identify risks throughout the pandemic.

In 2021, Vaude also developed a risk analysis matrix in line with the OECD requirements. The matrix includes all ten sector risks and plots them for each country against the scale, scope, irreparability and mitigation already in place. Vaude uses this matrix to create a prioritisation of risks in its supply chain, using a traffic light system to indicate low, medium and high risk. Vaude is actively working on mitigation of all risks identified. Vaude's next step is to do the risk analysis for all its suppliers.

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

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

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

Normally, best practices and lessons learned are shared with all suppliers during the annual vendor meeting which is held at Vaude's headquarters. During this meeting, the supplier evaluation and future business relation is discussed with each of the suppliers.

Due to the COVID-19 pandemic there was no such meeting held in 2021. Instead, Vaude focused on how to support the suppliers stay afloat. The suppliers were asked to fill out a self-assessment document but instead of doing an evaluation and creating a ranking of the suppliers based on this, the brand had individual Teams calls with each supplier. The brand is also asking factories to evaluate the brand and believes the outdoor industry is moving toward a situation of suppliers selecting customers, instead of the other way around.

One supplier ended cooperation with Vaude in the past financial year, because of capacity shortage at the supplier side. The responsible exit strategy did not apply because this was a unilateral decision by the supplier. Vaude has applied a responsible exit strategy in Belarus, where it has been slowly exiting over the past year. This decision was agreed with the top management and based on human rights due diligence, considering the political situation in Belarus. Vaude did not take any unilateral decisions regarding orders during the pandemic in 2021. A short period of extended payment terms was agreed with suppliers at the start of the pandemic in 2020, but this was quickly ended and not applied again in 2021.

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

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

Already in the design phase of the product, a meeting takes place about which factory can produce the product. By involving the product development department in this process, the chances of late design changes occurring are decreased. Vaude requests the capacity of the suppliers in the evaluation process of the supplier. This information then feeds into the strategy for new products. Approximately nine months before delivery, Vaude and the supplier agree on order quantities per style and the estimated delivery date. The forecast is agreed upon with suppliers according to capacity. Vaude double checks its suppliers capacity in pieces per season. Vaude wants to know precisely how many of the to be ordered styles the suppliers can do per season and per month. The manufacturers indicate whether the proposed shipment dates are feasible including time needed for fabric to arrive. If not, a new date is agreed upon.

As Vaude works with two seasons and has many never-out-of-stock (NOS) styles, Vaude makes use of the low season for its production as much as possible. Where possible, Vaude gives long lead times (one year) to manufacturers. This way, the manufacturer can decide when to work on the products and fill up gaps throughout the year. When deliveries are late, Vaude uses air freight so that there is no additional pressure on workers. Vaude fully covers the costs of this airfreight.

**Recommendation:** Once root causes of excessive overtime are known, the brand can use the Fair Working Hours Guide and check what solutions, processes and tools are linked to a particular root cause. The member can then discuss with suppliers what solutions need to be implemented.

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:** Although Vaude's planning system supports reasonable working hours, excessive overtime still occurs at Vaude's suppliers. In 2021, one Fair Wear audit was conducted at a Chinese supplier. Excessive overtime was one of the findings in this audit and also a finding in several audits conducted in 2019, 2020. Two complaints in Chinese factories also were about excessive overtime in 2021. When excessive overtime is found, this is discussed with the supplier and Vaude explains the brand does not want its products to be made using excessive overtime. In 2021, overtime was caused by high demand for outdoor products and delay in fabric supplies.

Vaude's local representatives in China and Vietnam are involved in finding the root causes of excessive overtime in the suppliers. Possible root causes in China are, according to Vaude's local colleague, the internal planning of the factory, short leadtimes, late information about the design, delays in fabric supply. Vaude works on these root causes through its general planning system (see 1.6), for example by ordering up to a year in advance, but finds not all customers are interested in working on this, which can lead to excessive overtime still occurring. Vaude's local colleagues are used to get insight into the capacity of the factories and when they see a supplier is overbooked, they indicate this to Vaude HQ, so the purchasing department can take this into account. The purchasing/planning department is informed of findings of excessive overtime, but is not involved in remediation.

Since a few years, Vaude has a year-round program in place to work on revealing the root causes of excessive overtime, which the brand was planning to implement at one factory per year. This has been put on hold due to the COVID-19 pandemic, which initially led to a decrease in overtime because of many other brands pulling their orders.

**Recommendation:** Fair Wear recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours. Fair Wear recommends reviewing what the purchasing department can do to play a role in remediating excessive overtime.

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

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

Vaude does not calculate labour minutes per style which would allow sufficient insight into the labour cost per product style. It, therefore, has no possibility of knowing exactly whether the prices it pays suffice for payment of legal minimum wages. Vaude does collect information about wage levels at all its suppliers using audits and wage surveys. The brand compares the prevailing wage levels with living wage estimates when available, but struggles with the lack of credible living wage estimates in some of its production countries.

Vaude had started a pilot to get better insight into the labour costs of its products in 2019, but this had to be put on hold due to the pandemic. Vaude has instead worked on an internal living wage strategy which the brand is implementing in the coming years (see indicator 1.11). Creating insight in the labour cost, using the FairPrice app for fact-based costing of its products is a key element of this strategy. Vaude is including the requirement of open costing in its supplier Guidebook.

In the context of COVID-19, Vaude requested information about the wage situation at the suppliers using the supplier questionnaires but the brand did not conduct an explicit investigation into the costs of implementing COVID-19 measures at suppliers and this was not calculated into the buying prices.

**Recommendation:** VAUDE is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown, for example using the FairPrice app. VAUDE could provide suppliers who don't use open costing, training on product costing and how to quote prices including (direct and indirect) labour costs. FairPrice product owners are available to conduct such training in all Fair Wear production countries.

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

**Comment:** Vaude was very aware of the high risk of non-payment of legal minimum wage at its Vietnamese suppliers. Vaude has put in a lot of effort to ensure legal minimum wages were paid to workers at factories which were closed, as well as to workers which did not want to participate in the 3-on-site scheme and instead stayed home. Vaude collected overviews of all wages and samples of wage slips from all factories in Vietnam affected by the situation. Vaude was able to verify that workers received at least legal minimum wages at its suppliers, also if workers did not want to work in the 3-on-site scheme. Wages were often lowered compared to regular wages (70%), but did not drop below the legal minimum for the respective regions.

Vaude followed up with all its suppliers which were affected by the lockdown (mainly southern Vietnam), whether the workers were paid by the factory or were eligible for government support or social insurance. Vaude collected all possible available information about the workers which were employed during this period. Vaude's local representative played a vital role in collecting this information and verifying the legitimacy of the documents. The wage sheets and pay slip samples were shared during the performance check. (For more about Vaude's general response in the Vietnamese situation, see indicator 2.7).

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:** Vaude pays its orders on time and in consultation with the suppliers sometimes prepays (part of) the orders. Because of large delays in fabric supply, factories have to buy materials further in advance than usual. Vaude agreed with one of its suppliers to prepay three months in advance to support the factory in doing this payment. For other products, Vaude is buying the material itself, up to 1,5 years in advance.

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.	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:** Vaude has a clear understanding of wage levels. A detailed analysis has been made by comparing wage levels per factory with living wage benchmarks of the Global Living Wage Coalition and legal minimum wage. Vaude found that mode regular wages of sewing operators at its factories in Vietnam are close to or above the Anker benchmark. This has to do with the shortage of workers in Vietnam, which means factories have to pay competitive wages to attract workers. During the strict lockdown in Vietnam, wages for workers who were not participating in the 3-on-site scheme or who worked at factories which did not offer 3-on-site, received 70% of these wages. They did not drop below legal minimum wage (see 1.9).

In 2021, Vaude has created a 'Living wage roadmap'. The roadmap is an extensive and systemic plan which details the steps the brand needs to take to achieve this goal, following Fair Wear's living wage increase cycle. The plan has been agreed with Vaude's top management.

Vaude started discussing why wages are below living wage with some of its other suppliers, but did not want to put a lot of pressure on this as the factories were focusing on surviving the pandemic in 2021. Vaude has in the meantime focused on what the brand can do by creating a detailed living wage strategy.

**Recommendation:** Fair Wear encourages VAUDE to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. VAUDE is encourage to review the impact of the COVID-19 pandemic on the wage levels at the factories, particularly in Vietnam.

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).	17%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	1	2	0



**Comment:** Vaude has its own production location at its head office in Tettang, Germany. The facility produced 17% of Vaude's FOB in 2021.

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

**Comment:** Vaude has not yet decided target wages for its suppliers outside Vietnam, because the brand finds there are not enough credible benchmarks available. In Vietnam, the wage ladders show that wages are often close to the Global Living Wage Coalition estimates. To be able to determine the costs of increasing wages at suppliers in other countries, Vaude wants to first find out what the correct living wage estimates are in these countries. Defining the living wage estimate is part of Vaude's living wage roadmap (see indicator 1.11).

**Recommendation:** In order not to halt progress on this topic, Vaude is advised to work with target wages building towards a living wage estimate. A target wage can already be set even when the living wage is not yet exactly clear. In determining the living wage estimates, Vaude is advised to use the Fair Wear Living Wage Policy recommended estimates as a starting point, also if these estimates are not for the exact region where the brand is sourcing. Vaude could inquire with Fair Wear's local team what a suitable living wage might be for the region where they are sourcing, and bring this number to the factory. It is important not to set a target wage or living wage unilaterally as a brand, but to involve the employer. In determining what is needed and how wages should be increased, it is recommended to also involve worker representation.

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.	23%	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:** A calculation based on wages paid to factories as Vaude's wage surveys conducted in Vietnam and Myanmar showed that at seven locations the paid wages were higher than respectively the Global Living Wage Coalition Living Wage estimate of 2020 (corrected for inflation) and the CTUM trade union demand of 198,000 kyat. These factories combined are producing 23% of Vaude's total FOB.

**Recommendation:** We encourage Vaude to show that discussions and plans for wage increases have resulted in the payment of a target wage. We encourage Vaude to verify how wage levels at suppliers have been affected by the COVID-19 lockdown in 2021 in Vietnam.

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 41**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	42%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	18%	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:	60%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

**Comment:** The responsibility to implement the Code of Labour Practices (COLP) is integrated within the Vendor Management of Vaude. The company has designated staff in Germany and full time staff in both China and Vietnam to coordinate the CAP follow up process. In addition, Vaude QC staff frequently visit the production locations and have shared responsibility to follow up on problems identified by the monitoring system.

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

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

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

**Comment:** Audit Reports and Corrective Action Plan findings are shared with factory and worker representation where possible. Improvement timelines are established. In the follow up of corrective actions, Vaude includes local staff and has a clear protocol determining what kind of findings are discussed and to be resolved in what time.

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

**Comment:** Vaude has a strong system to document and monitor improvements made after an audit. The system categorizes findings with the required follow-up actions within a clear time-frame. Critical findings require immediate response (within three weeks) from factory by email and are followed by two on-site visits. Vaude's top management is involved in case an audit reveals critical problems. Non-critical findings can be handled through desktop follow-up, and a yearly visit by local staff. Furthermore, feedback from the factory management on the implementation status of improvements, is cross-checked by Vaude's local staff who visits the production sites regularly. Worker interviews are conducted to verify whether the statement of implementation from factory management is correct. In case the factory management response varies from the answers from the workers, Vaude takes up the topic again with factory management to see how to ensure full CAP implementation. Dependent on the audit findings, Vaude will arrange training at the factory in order to address the issues. Any CAP status update, or new findings, identified during the training, will be immediately integrated in the CAP and followed up through the system.

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

During the pandemic, as visits to the factories were severely limited, Vaude used alternative monitoring tools such as regular COVID-19 questionnaires (see 1.4) and virtual factory tours. Vaude systematically kept track of the active CAPs this way and could show that progress had been made and many points had been resolved in 2021. In order to work on more complex findings such as worker awareness, Vaude implements training as much as possible, but the possibilities were limited in 2021 due to the pandemic.

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

**Comment:** During the COVID-19 pandemic Vaude's local staff in China and Vietnam were still able to conduct visits. Strict measures were necessary such as working from a separate room inside the factories, from where they would not have direct access to workers in the lines as it would usually be the case when performing the quality control work. Vaude has visited production locations responsible for a total of 38% of its FOB this way.

Due to the worldwide travel restrictions applied in the EU, this indicator has nevertheless been made not applicable by Fair Wear.

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

**Comment:** Collecting audit reports and assessing the quality is part of the onboarding process of new suppliers. If only a BSCI audit is available, then Vaude will commission a Fair Wear audit as soon as possible to verify working conditions. Vaude could show proof that in the meantime, the corrective action plans are followed up.

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

**Comment:** Myanmar

Vaude sources at three factories in Myanmar. The first business relationship started in 2003, and in 2019 two additional suppliers were added. Vaude adheres to the enhanced monitoring requirements for Myanmar. The situation related to the military coup in Myanmar in 2021 has been constantly monitored.

Prior to the pandemic, the Chinese Vaude representative regularly visited the Myanmar factories. As this was not possible the past two years, different monitoring tools were used, to stay informed about the COVID-19 situation at the factories. These tools, such as regular video calls and supplier questionnaires, have been used also in the context of the coup. Vaude finds manufacturers in Myanmar have not been severely affected by the coup. Vaude has ensured the workers have the right to strike and the workers receive the wages in cash, because of banking issues in the country. Overtime in the factories has decreased as workers cannot return home after curfew. Vaude receives monthly updates about the situation. The lead times have not been affected because they were already very long.

Vaude has not decreased, but also not increased its production volume in Myanmar. Vaude considers it the brand's responsibility to stay in these factories, while conducting the proper human rights due diligence, because workers otherwise lose income. Together with local organisation SMART, Vaude is exploring the possibility of offering more support to the workers, by setting up an in-house medical clinic in one of the factories. Vaude has publicly made a statement on its website condemning the coup and supporting the people of Myanmar in their peaceful protest against the arrests of the de-facto head of government Aung San Suu Kyi and other leading politicians.

#### Other risks

##### Vietnam

Vietnam is one of Vaude's main production countries and was one of the countries where the industry was still severely affected by the COVID-19 pandemic in 2021. The 3-on-site scheme, through which factories were able to keep production going while there was a strict lockdown, was considered a very high risk in Vietnam. Following Fair Wear's requirements regarding legal minimum wage, Vaude verified if workers who did not want to work in the 3-on-site scheme and workers which worked for factories which did not do 3-on-site also received at least the minimum wage (see 1.9). Factories which had 3-on-site, all received a questionnaire to get insight into the way this had been organised. Vaude's local representative in Vietnam checked whether everything was in line with the legal regulations, i.e. the factory conditions, sleeping conditions, air conditioning, number of workers per square meter, etc.. Vaude verified this way that factories acted in line with the government regulations. Vaude collaborated closely with other Fair Wear members sourcing in Vietnam to mitigate the risks in this situation. Together, the group developed a questionnaire and an information sheet to get insight into the wage situation at the factories.

##### China

Besides the absence of workers' right to Freedom of Association and limited social dialogue, Vaude considers that the main risk in China is related to overtime, which is mostly caused by a shortage of workers. Vaude local staff in China has been trained to train more workers at the production sites on country-specific risks. A root cause analysis on excessive overtime has also been conducted by Vaude local staff, which identified steps for remediation. Vaude is aware of the risks related to forced labour and attended Fair Wear's webinar on this in 2021.



## Belarus

Vaude has seized production in Belarus because of the human rights risks in the country, related to the current political situation.

## COVID-19:

With local representatives in both Vietnam and China, Vaude was able to keep monitoring if the risks related to COVID-19 were sufficiently dealt with, also when international travel was restricted. The local representatives distributed and analysed the questionnaires for the Asian countries and reported the findings back to Vaude HQ. For the other countries, Vaude kept using the COVID-19 questionnaires at strategic moments and followed up digitally if issues were identified. Generally, by 2021 the the COVID-19 measures had become common practice and fewer issues arose (aside from those mentioned above, particularly in Vietnam).

**Recommendation:** We advice Vaude to make an explicit statement to its suppliers that, as a brand, it does not want to be involved with any forced labour in its supply chains, including subcontractors.

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

**Comment:** Vaude is actively working together with several other Fair Wear member companies in resolving corrective actions at shared suppliers. Also for non-Fair Wear (external) audits.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	90%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

**Comment:** Approximately 20% of Vaude's 2021 purchasing volume came from areas that are classified by Fair Wear as low risk. Except for five production sites in Portugal (with a total of 2% FOB), all suppliers in low-risk countries have been visited in the past three years. For the majority of 2020 and 2021, travel restrictions were in place, which prevented Vaude from visiting its suppliers in the past financial year. For all other production in low risk countries, monitoring requirements are fulfilled.

Signed CoLPs and posted WIS are on file in the Fair Wear database for all low risk suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	Yes	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	2	2	0

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

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

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

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

**Comment:** Vaude works with one licensee who produces some of Vaude's apparel collection and sells these products in the Chinese market. The contract between the licensee and Vaude has been signed long before Vaude joined Fair Wear. Changing this contract and adding social standards to it, is a big change. Vaude realises the risk of not having the licensee included in its social risk assessment. Therefore, in 2021 Vaude has created a time-bound plan to make the needed steps and has planned the first meeting about this online, as travel is still not possible. Vaude is planning to support the licensee in adhering to these requirements and plans to finalise the new agreement by the end of 2022, adhering to Fair Wear's updated licensing policy.

## Monitoring and Remediation

**Possible Points: 27**

**Earned Points: 28**

### 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.	7	
Number of worker complaints resolved since last check.	10	

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

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

In addition, local staff which is trained on social standards is involved in the daily business following up on corrective actions and handling of complaints.

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

**Comment:** Local Vaude staff visits the production sites regularly. Checking the posting of the Worker Information Sheet (WIS) is part of every visit. In order to verify that the phone number displayed on the WIS's is correct, Vaude staff makes a call to the number during every visit. In addition Vaude asks all suppliers to take pictures of the posted WIS and send it as proof.

Pictures of the WIS being posted have been uploaded in the Fair Wear database for all Vaude's suppliers.

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

**Comment:** Vaude has conducted training to actively raise awareness of the Fair Wear CoLP at suppliers responsible for 49% of Vaude's FOB in high-risk countries in the past three financial years.

Because of COVID-19 restrictions in 2021 that limited the possibility to conduct training, this indicator is considered not applicable in this check.

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

**Comment:** Vaude always takes immediate action when complaints come in. Vaude shares information about complaints and remediation steps taken with Vaude staff and with other factories in order to prevent similar problems occurring at different factories. Vaude uses the Fair Wear database to keep track of all incoming complaints, communication about follow-up, feedback from the complaints handler, factory and complainant.

Vaude received ten complaints in 2021. Seven complaints are still in the process of being resolved. Ten complaints have been resolved, including some complaints which were filed before 2021. One complaint at one of the Vietnamese factories is recurring repeatedly. According to several workers, the factory refuses their resignation when handed in. The complaint about this filed in 2021 has been resolved. Another complaint in Vietnam also related to resignation procedures, it was about a pregnant worker being forced to sign her own resignation. This was in line with a factory policy, which Vaude found to be illegal. This complaint is still in progress. Vaude has already done a training about the resignation procedure at this factory, but the topic keeps coming back in the complaints. Vaude plans to do another training at its Vietnamese suppliers about this when the pandemic allows.

Vaude also received two complaints in Myanmar, one of which was related to living wage and legally binding employment. The other was about reasonable hours of work and health and safety. Due to the coup in Myanmar, follow-up on these complaints was paused for part of 2021. One of the complaints has been resolved nevertheless, the other is still in progress.

In China, three complaints were received, two about excessive overtime (still in progress) and one about living wage, which has been resolved.

Vaude analyses all complaints received every year to make a plan how to work on root causes and recurring issues.

**Recommendation:** It is recommended to assess another time why similar complaints keep coming back at the same factory and decide in dialogue with the local team and the factory management what would be a suitable way to improve this.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

**Comment:** In 2021 there was active cooperation with other Fair Wear members in resolving complaints.

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## Complaints Handling

**Possible Points: 11**

**Earned Points: 11**

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## 4. Training and Capacity Building

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

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

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

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

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



Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	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:** Vaude did several advanced training programmes in 2018, in Myanmar and Vietnam. In the past three financial years, Vaude was not able to conduct advanced training programmes at the manufacturers because of COVID-19. The indicator is therefore non applicable. Vaude aims to have more training when the pandemic allows.

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:** Generally, Vaude actively follows up on all training. Vaude could demonstrate that findings of non-compliances mentioned in the training report are integrated into the existing corrective action plans (CAP) and followed up as part of normal CAP follow-up and remediation. However, as Vaude was not able to implement any advanced training programmes in the past two years due to the COVID-19 pandemic, this indicator is non applicable. It should be noted Vaude is still following up on training programmes which have been done in 2018.

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## **Training and Capacity Building**

**Possible Points: 3**

**Earned Points: 3**

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## 5. Information Management

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

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

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

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

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

During COVID-19 the work to identify subcontractors was not uninterrupted as Vaude's local staff were still working in factories, albeit with more limitations on their in-house movements than usually. In countries with no local representatives the follow-up was done verbally during virtual meetings and calls with suppliers.

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

**Comment:** Everybody at Vaude, including local staff, has access to the server where all information with regard to labour conditions at the production sites is kept. Information is shared proactively with staff in contact with production sites and communication is documented. Every three months, a strategic meeting takes place to update the higher management about social topics and discuss next steps.

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

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

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

**Comment:** Vaude publishes its supplier list on its website since several years. Vaude works with Trustrace to create full insight into the materials used, location of the production site and audit status for a product. It is Vaude's aim to be as transparent as possible to the end consumer.

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

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

## Transparency

**Possible Points: 6**

**Earned Points: 6**

## 7. Evaluation

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

**Comment:** The Fair Wear membership is well integrated within Vaude. It has dedicated staff at its headquarters and in Asia who takes the responsibility the implementation of membership requirements. The work with Fair Wear is evaluated in the quarterly meetings with top management. The performance check results are shared with management and sales staff as well as with the local staff to see where improvements can be made.

Since the COVID-19 pandemic, every three months a meeting takes place to discuss the situation at the suppliers with top management. Fair Wear is also discussed in these meetings. Furthermore, the biweekly CSR meetings also includes top management.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	50%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

**Comment:** Vaude has made intermediate progress on the requirement from the previous performance check: Vaude must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy.

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## Evaluation

**Possible Points: 6**

**Earned Points: 6**

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## Recommendations to Fair Wear

Vaude has several recommendations for Fair Wear:

- Consolidation between various initiatives in the industry which should all work according to OECD standards. A third party which could verify the quality of these standards would be helpful.
- It is important to Vaude that Fair Wear is recognised by the German Green Button Initiative.
- More communicate in German.
- Fair wear should develop digital WEP / worker awareness trainings, as soon as possible.
- The approach for wage calculation should be better aligned between audit teams in the various countries.
- It would be helpful if brands can suggest topics to discuss in the MEG.
- While Vaude appreciates Fair Wear's webinars about crisis situations in countries (Myanmar, Ukraine), it would be helpful if follow-up information could be shared quicker after the calls haven taken place.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	41	52
Monitoring and Remediation	28	27
Complaints Handling	11	11
Training and Capacity Building	3	3
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	102	112

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

91

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

09-03-2022

Conducted by:

Paula de Beer

Interviews with:

Anika Mauz, Vendor Management

Pascal Erath, Vendor Management

Susanne Medesi, Head of Vendor Management

Antje von Dewitz, Chief Executive Officer (CEO)

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

Thomas König, Head of Purchasing and Planning

Hucky Hu, Vendor Management Asia

Mary Minh, Vendor Management Asia