



# **Brand Performance Check**

## **Montane Ltd.**

This report covers the evaluation period 01-02-2021 to 31-01-2022

## 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

## Montane Ltd.

**Evaluation Period: 01-02-2021 to 31-01-2022**

Member company information	
Headquarters:	Ashington , United Kingdom
Member since:	
Product types:	Bags;Accessories;Outdoorwear
Production in countries where Fair Wear is active:	Bangladesh, Cambodia, China, India, Myanmar, Viet Nam
Production in other countries:	
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
Scoring overview	
% of own production under monitoring	45%
Benchmarking score	49
Category	Good

## Summary:

Montane has met most of Fair Wear requirements, with a monitoring percentage of 45% and a score of 49 points, the brand is awarded the 'Good' category in its second year of membership. The monitoring threshold does not apply because of the limited possibilities to conduct audits due to the COVID-19 pandemic.

## Corona Addendum:

In the second year of Fair Wear membership, Montane was confronted with many supply chain disruptions caused by the pandemic. With more than 50% of its total FOB placed in Vietnam, Montane's production was seriously impacted during the lockdowns in the country between July and October. In addition to that, other suppliers in India, Bangladesh, Cambodia, and Myanmar also had to close their doors or work on reduced capacity temporarily. Material delivery was significantly delayed as well.

Montane responded by being flexible with delivery times and informing its customers that orders would arrive later. In some cases, Montane chose to ship by air. The new critical path that Montane developed makes the brand better equipped to deal with supply chain disruptions, as CMT and fabric suppliers are earlier informed about more accurate forecasts, and all departments within the company are more aware of their deadlines and the consequences of not meeting them.

Montane planned quite some audits and training for its suppliers in 2021. Audit possibilities were very limited in Montane's production countries, and therefore the brand used alternative monitoring tools such as supplier questionnaires. It quickly identified that the number one risk during 2021 was payment below the legal minimum wage. Therefore Montane requested wage information of each supplier during its closure and closely worked together with other outdoor members of Fair Wear sourcing in Vietnam. Montane informed its Vietnamese suppliers about where to find information on government subsidies and was able to collect detailed wage data that Fair Wear has yet to verify.

While Montane still needs to develop a thorough human rights due diligence system, it showed a proactive approach to dealing with potential problems of wage payments. With more audits and training scheduled for the year ahead, the member is encouraged to collaborate with its suppliers on CAP issues. Additionally, Fair Wear recommends Montane to develop a risk analysis for its suppliers and (potential) sourcing countries and create a formal evaluation process.

## 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.	42%	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.	2	4	0

**Comment:** Montane mainly sources in Cambodia, Vietnam, and Myanmar. In 2021 there were four out of eighteen production locations where the brand buys at least 10% of production capacity, in Vietnam and Myanmar. The brand is growing rapidly and increasing production in the next few years.

**Recommendation:** While Montane is growing, Fair Wear recommends the member keep its supplier base consolidated. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	6%	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.	3	4	0

**Comment:** Montane sources 6 % of its production from eight suppliers in China, Vietnam, and Cambodia where it buys less than 2% of its total FOB. These contain small seasonal orders for accessories its main suppliers do not offer.

**Recommendation:** Fair Wear recommends the member to limit the number of production locations in its 'tail end'. To achieve this, Montane should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	48%	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.	2	4	0

**Comment:** 48% of Montane's total order volume is placed at suppliers where there has been a business relationship of at least five years. This is a significant increase from the previous year when that percentage was 15%.

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:** Montane has started with two new suppliers; in Bangladesh and Vietnam. Both have signed and returned the questionnaire.

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.	Intermediate	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.	2	4	0

**Comment:** New production locations are selected by the Production and Merchandising manager and the Product Development Manager. Montane usually visits the production location and shares its supplier manual and supplier purchasing agreement containing information on Fair Wear membership and requirements. The brand also shares Fair Wear's Supplier Questionnaire and the Social and Ethical policy. Montane works with a pre-evaluation survey that asks questions about the quality and processes the supplier can deliver. Since 2021 this survey also includes more detailed questions related to FWs CoLP, such as the wage for trainees and excessive overtime. The documents are signed and returned before any orders are placed. The brand has not done a risk analysis yet for its current or potential future production countries.

In 2021 Montane started sourcing in Bangladesh. The supplier is shared with another Fair Wear member and has had a Fair Wear audit and a recognition letter from the Bangladesh Accord to verify that structural, fire, and electrical safety standards had been independently reviewed and met. As a result of this information and certificates being available, Montane decided to onboard this supplier. Montane moved some unplanned production to a new supplier in Vietnam, as a result of the ongoing coup in Myanmar. This is a production location of the Myanmar supplier and is shared with another Fair Wear member. Montane asked the other member to share the audit report. In both cases, the CSR manager had not been involved, and at the time of the performance check this process has been changed to ensure CSR is included from the start.

As most planned audits needed to be postponed, Montane continued to rely mostly on email communication and sending questionnaires to its suppliers for monitoring purposes.

In 2021 the pandemic was at its worst in Vietnam, which is Montane's most important sourcing country with more than 50% of the member's FOB. From mid-July onwards, factories in the covid high-risk provinces were requested by the government to close temporarily. The member has been in close contact with the suppliers and identified the main risk for workers was the payment of wages. Montane requested wage information of each supplier and closely worked together with other outdoor members of Fair Wear. See for more information indicator 1.9. To keep abreast of the impact of the pandemic on all production locations, the member sent a COVID-19 questionnaire twice. Montane showed it was well aware of the developments in each production country and the potential impact on workers, especially concerning continued payment of wages during factory closures.

**Recommendation:** Fair Wear recommends Montane to start with a country and supplier risk analysis, include clearly defined preventive actions for identified risks, and connect them to sourcing decisions. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association, and restricted civil society that are beyond the brand's individual sphere of influence.

Fair Wear advises to use information from Fair Wear country studies and wage ladders and use the Fair Wear Health and Safety guidelines. Montane can use the CSR Risk Check (<https://www.mvorisicochecker.nl/en/risk-check>) to further assess the risks in (potential new) sourcing countries. For gender risk assessments, Montane can use the gender toolkit that has fact sheets per country, supplier checklists, and a model policy on Sexual Harassment.

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.	No	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.	0	2	0

**Comment:** Montane has yet to set up a system to formally track the evaluation of the compliance with the Code of Labour Practices. Informal conversations on reoccurring issues take place, but the performance is not systematically mapped out.

**Requirement:** A systematic approach is required to integrate social compliance into normal business processes and supports good decision-making. The approach needs to ensure that Montane consistently evaluates the entire supplier base and includes information in decision-making procedures. Such a system can show whether and what information is missing per supplier and can include outcomes of audits, training, and/or complaints.

**Recommendation:** As soon as a systematic evaluation process is in place, Montane is encouraged to use a positive evaluation of compliance with labour standards as a criterion for future order placement. Part of the system can be to create incentives for rewarding suppliers for realised improvements in working conditions.

When placing larger volumes through agents, Montane could agree with the agent that redistribution of orders should not lead to exiting a supplier without being informed well beforehand.

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:** In 2021 Montane has developed a critical path with a two-year planning window. The biggest advantage is that suppliers are now earlier informed about more accurate forecasts, and production is being spread out over multiple delivery drops. When a significant decrease or increase in orders is foreseen, Montane is able to reach out sooner to the supplier to discuss this. Holidays are included in the assessment of each supplier's production capacity. This visual control board as Montane calls it has made each department more aware of deadlines and the consequences of not meeting them. With help of this new critical path, Montane can inform fabric suppliers sooner about forecasts, in order to ensure sufficient greige fabric is available for salesmen samples and bulk production, and prevent manufacturing delays caused by fabric availability.

One of the largest challenges in 2021 was the unpredictable production capacity. Not only did the Vietnamese suppliers shut down temporarily, but also the factories in India, Bangladesh, Myanmar, and Cambodia had to close their doors or work with reduced capacity for a while. There were significant material delays as well. The member responded by being flexible with delivery times and informing its customers that orders would arrive later. In some cases Montane chose to ship by air.

**Recommendation:** Fair Wear recommends Montane to evaluate with all departments and each supplier what went well and what can be further improved upon during the last production cycle. The brand is advised to evaluate the impact of the new critical path with its suppliers by sending them a short questionnaire.

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 one of Montane's shared Chinese suppliers requested a Fair Wear audit. This audit showed excessive overtime and inconsistent record-keeping. The supplier itself is in the lead in the follow-up of the CAP findings and Montane is aware remediation is ongoing.

A 2020 audit at a Vietnamese supplier concluded inconsistent or incomplete time records as well. Montane could show that in the follow-up of the CAP, time tracking has been improved.

Other audits planned for 2021 were postponed because of the pandemic. As a preventive measure, Montane asked all suppliers that had to go into lockdown or work with reduced capacity how they planned to avoid excessive overtime.

**Recommendation:** Montane is recommended to ask its Chinese supplier what it considers to be the root causes of excessive overtime and discuss how the member could support reducing excessive overtime. The member could use Fair Wear's Fair Working Hours Guide for this.

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.	Insufficient	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.	0	4	0

**Comment:** Montane has not yet initiated work on its pricing policy, which is guided by recommended retail prices (RRPs), determined by the perceived market value. Montane tries to bring the price down by looking into design changes, or else accepts that its price target is not met. The member receives a cost breakdown from suppliers for each style, but only one supplier includes information about labour minutes. The brand is not yet aware of how the minute costs relate to the wages of the workers and has not yet ensured that where it works with subcontractors, payments from suppliers cover the legal minimum wage.

There has not been communication on potential COVID-19 related labour costs and suppliers have not asked Montane to cover for extra costs. As the material prices are so volatile since the pandemic, Montane closely monitors these.

**Requirement:** Montane needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure its pricing allows for the payment of the legal minimum wage.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** As soon as Montane noted the pandemic began to worsen again in its production countries, the member made an overview of lockdowns and other factors affecting its suppliers. During the lockdown in Vietnam, Montane identified a high risk for payment below the 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. Montane immediately reached out to its suppliers and informed them about where to find information on government subsidies. To request detailed information about wage payments, Montane used a thorough questionnaire and collaborated with other Fair Wear members. Montane received many wage documents which Fair Wear has yet to verify.

There were also shorter lockdowns in Cambodia, India, Myanmar and Bangladesh. Montane contacted all its production locations that were affected and inquired about the wage situation. Suppliers responded that either wages and bonuses were paid as per usual, or half of the wages were paid with the other half coming from governmental funding.

In May 2020, one supplier in Myanmar reached out to Montane asking for an additional payment proportioned to its leverage as the supplier was struggling financially during factory closures. The supplier brought this to the brand's attention as it was unable to pay its workers a legal minimum wage. The decision from Montane's management on this was that it did not consider this was the brand's responsibility and decided to not respond and resolve the issue. There was no follow-up done to look at the impact this decision had on workers. In 2021 the staff responsible for this decision left Montane, and a military coup drastically changed the course of the country. This led the brand to focus on how the coup impacted the workers, and the financial request of the supplier was not followed up. However, since the brand has shown to act quickly and thoroughly on risks of below legal minimum wage payment throughout 2021, a 'yes' score is awarded for this indicator.

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 is no evidence of late payments. Montane pays the invoices of its suppliers each fortnight. According to the payment terms, the payments are due 30 days after the shipment of the goods. Invoices are at times received later than this date. At times, this causes some orders to be paid a few days later. Montane chases statements from its suppliers on a monthly basis and checks in with its suppliers whether a balance is due and informs them of the payment date.

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.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

**Comment:** Montane has not initiated work on living wages yet, though its staff has informed itself about the tools that Fair Wear has such as the Fair Price app.

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

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	6	0

**Comment:** Montane has not yet determined and financed wage increases.

**Recommendation:** Montane should analyse what is needed to increase wages and develop a strategy to finance the costs of 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.	0%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	0

**Comment:** Montane has not yet started paying its share of the target wage for its production locations. When Montane has mapped out the wage levels in detail it will work towards a target wage for its production locations.

---

## Purchasing Practices

**Possible Points: 52**

**Earned Points: 18**

---

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	45%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	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.	First or second year member and tail-end monitoring requirements do not apply	1st or 2nd year member and tail-end monitoring requirements do not apply.
Requirement(s) for next performance check		
Total monitoring threshold:	45%	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 following up on problems identified by the monitoring system.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	No Corrective Action Plans were active during the previous year	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.	N/A	2	-1

**Comment:** One audit was done last year upon request of a supplier shared with another member, who had the lead in sending the report. As the factory initiated the audit itself, it is in the lead for establishing its own timeline, and notifies Montane and the other member about this.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	4	8	-2

**Comment:** Since many audits had to be postponed because of the pandemic, in 2021 only one audit took place, upon the initiative of the supplier. Montane has not followed up on the CAPs. In 2021 a Vietnamese supplier received the first half of an audit (with the second half scheduled for 2022). It discovered issues with timekeeping and confusion amongst workers about the calculation of wages. Montane could show that timekeeping has improved and workers received training about the calculation of wages. The member asked management to include this topic in the annual worker training to ensure new staff will also be familiar with how the wage is calculated. To improve the understanding of workers about their rights, the factory held a meeting about this topic and distributed Fair Wears worker information cards, for which Montane could show evidence during the performance check.

An audit conducted in 2020 at a Vietnamese supplier showed that two juvenile workers were not recorded separately by the factory, as required by law. This record has now been established.

**Recommendation:** In case where the initiative of an audit comes from the supplier, the member is still recommended to check in on the progress of CAP follow-up and discuss how it can support remediation.

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	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.	1	3	0

**Comment:** Montane has many shared suppliers with other Fair Wear members and got access to earlier Fair Wear audit reports. Another client of its supplier in Myanmar enrolled the production location in an audit when Fair Wear audits were not possible because of the coup. Montane had to agree with the client to not share the audit results with Fair Wear until some CAP issues would be closed.

**Recommendation:** Fair Wear recommends Montane to assess the quality of external audit reports and discuss with the supplier what information is missing and how to collect that information.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Intermediate			3	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** Bangladesh:

In 2021 Montane started sourcing in Bangladesh, while the Bangladesh Accord was in a transition period and it was unclear in what form it would continue. At the time of the performance check, the member has gained more clarity and agreed to sign the Bangladesh Accord. The factory falls under the Accord and has been inspected, and completed all CAPs. As the initial audits were done in 2015 and 2016, Montane has inquired whether the standards are maintained. Montane ensured technical information about this supplier was verified by an external auditing company.

Myanmar:

Montane sources in Myanmar since 2018. Since the coup, it has not been possible to assess the working conditions or the impact of the coup on the workers. Given the limited possibility to continue conducting its human rights due diligence, Montane has decided to not place any new styles at its supplier in Myanmar and is following Fair Wears responsible exit strategy. Unless the political situation significantly improves, from SS24 onwards the member will not have any orders at the factory.

Other:

Montane is well aware of the risks in the different production countries. In Cambodia it identifies discrimination against minorities as a high risk. This issue has not been identified in an audit report that Montane received from another Fair Wear member. Therefore it has not taken any action on this topic. Due to the pandemic, the brand has not yet been able to enrol its Indian supplier in training targeting gender-based violence but plans to do so this year. The member has signed a joint statement to lobby the Tamil Nadu government for maintaining the legal minimum wage. Montane does not source cotton from China. As it does not have production locations in the Xinjiang area, it has not participated in the research of an external party into bonded labour. Montane identified payment below the legal minimum wage as the main risk related to the pandemic. Indicator 1.9 describes the follow-up.

**Recommendation:** Montane is recommended to ensure that suppliers have sufficient knowledge and a functional system to promote gender equality and prevent gender-based violence. A functional system to prevent violence needs the involvement of both factory management and worker representatives. Fair Wear has extensive experience in supporting both employees and employers in setting up functional Anti-Harassment Committees or Dialogue Committees. Now that travel and visit limitations are lifted, Fair Wear recommends Montane to enroll its suppliers in training.

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:** Because of some shared factories, Montane found that there were Fair Wear audits conducted at its suppliers before the brand became a Fair Wear member. The CAP remediation and follow-ups were shared.

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.	No production in low-risk countries	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.	N/A	2	0

Member undertakes additional activities to monitor suppliers.: N/A (N/A)

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).	No	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.	N/A	2	0

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

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

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

---

## Monitoring and Remediation

**Possible Points: 21**

**Earned Points: 12**

---

### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	2	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	2	
Number of worker complaints resolved since last check.	1	

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

**Comment:** The CSR manager is responsible for complaints handling. There is also a designated backup person who is informed about the complaints mechanism and kept up to date on ongoing 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:** Montane has informed factory management and workers are the Fair Wear Code of Labour Practice and the complaints hotline. Montane collected and was able to show visual proof that Worker Information Sheets are posted. One Vietnamese supplier distributed worker information cards to all its workers.

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:** Because of COVID-19 restrictions in 2021 that limited the possibility to conduct training, this indicator is considered not applicable in this check. Two shared suppliers were enrolled in the WEP Basic module upon the initiative of other members, counting for 12% of Montane's total order volume.

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	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.	3	6	-2

**Comment:** In 2021 Montane received one complaint in Myanmar related to forced overtime and verbal abuse. Another Fair Wear member was in the lead, and Montane stayed updated and helped the other brand to get a response from the factory. This complaint was resolved, and worker training was organised to ensure supervisors and workers understood working hours and overtime policies.

In November 2020, Montane received a complaint from a different supplier in Myanmar related to living wage and legally binding employment. Progress halted when the coup happened, and Fair Wear's local team could not follow up on the complaint.

Just before the end of the year, a worker in one of Montane's Vietnamese suppliers filed a complaint about excessive overtime. This complaint is shared with three other members, and the one with the most leverage is in the lead.

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:** Montane could show active cooperation for all shared complaints.

---

## Complaints Handling

**Possible Points: 11**

**Earned Points: 8**

---

## 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:** Montane organised four sessions to improve staff awareness and understanding of Montane's Fair Wear membership. One session was explicitly aimed at senior management and three (of the same) sessions for all other staff. Twice a year Montane organizes a sales launch during which Fair Wear membership is highlighted. Montane will create a recording with an introductory presentation about Fair Wear, included in the brand's onboarding package for new employees.

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

**Comment:** The member could show that staff in sourcing and development are regularly informed about FW requirements.

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

**Comment:** Montane works with agents for its locations in China, India and Bangladesh. Agents are required to sign Montane's Supplier Purchasing Agreement & Supplier Manual and shared the supplier- and COVID-19 questionnaire and the worker information sheets with the production locations.

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. When Montane joined at the end of 2019, one Vietnamese production location was already enrolled in a WEP Communication module, upon the initiative of another Fair Wear member. This supplier covers 5% of Montane's total placed order 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

## 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.	Intermediate	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.	3	6	-2

**Comment:** Montane used the supplier questionnaires to get a complete overview of all subcontractors and included these in Fair Wears system. By signing Montane's supplier manual, suppliers agree to inform Montane about any subcontracting. The pre-evaluation survey assesses the technical capabilities and capacity of each supplier and in this way gives an indication of whether Montane's order can be completely produced by the supplier.

**Recommendation:** When travel is possible again, Fair Wear recommends Montane to visit suppliers and check the technical capabilities and capacity of the suppliers while its orders are produced.

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:** The CSR coordinator works closely together with the senior garment technician on the status of working conditions at suppliers and CAP follow-up. When there are concerning developments such as factory lockdowns the relevant staff is immediately informed.

**Recommendation:** It is advised to share important updates about working conditions with management on a regular basis.

---

## Information Management

**Possible Points: 7**

**Earned Points: 4**

---

## 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:** During the performance check no communication problems have been found. Montane communicated about Fair Wear on its website and social media channels. Montane also communicated about Fair Wear in newsletters to retailers and staff.

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:** Montane has disclosed all production locations. 100% of its production volume is disclosed to other members in the internal Fair Wear system and on the Fair Wear website.

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

**Comment:** Montane submitted a social report to Fair Wear and has published it on its website.

---

## **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:** Montane has evaluated Fair Wear membership when its new CEO joined last year, and plans to do so again after the performance check.

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.	0%	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.	-2	4	-2

**Comment:** Three requirements were included last year:

Indicator 1.8; Montane needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

Indicator 1.9; Montane needs to follow up on the financial request from the Myanmar supplier to support with legal minimum wage payment.

Indicator 3.3; the member should enroll factories in training.

Since training possibilities were limited last year the last requirement is not taken into account. Montane has not taken sufficient steps to implement the other requirements. However, Montane has shown that with regard to payment of wages during lockdowns, it has taken appropriate steps to identify risks of non-payment of legal minimum wage.

---

## Evaluation

**Possible Points: 6**

**Earned Points: 0**

---

## Recommendations to Fair Wear

Montane recommends Fair Wear to provide a one-pager or regularly updated spreadsheet with the main risks for each production country, instead of a lengthy country study. Fair Wear could have facilitated a shared session on the new Accord to clarify doubts among members. In case of a lockdown, Montane would like Fair Wear to publish information about how factories can apply for governmental funding, instead of only sharing it in webinars. or

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	18	52
Monitoring and Remediation	12	21
Complaints Handling	8	11
Training and Capacity Building	5	5
Information Management	4	7
Transparency	6	6
Evaluation	0	6
Totals:	53	108

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

49

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

05-04-2022

Conducted by:

Niki Janssen

Interviews with:

Anna Pitman - CSR manager

Claire Straker - Senior Garment Technologist

Natalie Young - Product Development Manager

Caroline Crouch - Production and Merchandising Manager

Gary Bryant - Managing Director

Elaine Taylor - Ecommerce Director

David Williamson - Finance Controller