

# Brand Performance Check Equip Outdoor Technologies UK Limited

This report covers the evaluation period 01-02-2020 to 31-01-2021

#### **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 <a href="https://www.fairwear.org">www.fairwear.org</a>. The online <a href="https://www.fairwear.org">Brand Performance Check Guide</a> provides more information about the indicators.

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

#### **Brand Performance Check Overview**

## **Equip Outdoor Technologies UK Limited Evaluation Period: 01-02-2020 to 31-01-2021**

Member company information	
Headquarters:	Alfreton, Derbyshire , United Kingdom
Member since:	2020-05-01
Product types:	Sports & activewear;Luggage & other travel accessories
Production in countries where Fair Wear is active:	Bangladesh, China, India, Indonesia, Myanmar, Sri Lanka, Viet Nam
Production in other countries:	Philippines, United Kingdom of Great Britain and Northern Ireland
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	95%
Benchmarking score	59
Category	Good

#### **Summary:**

Equip has met most of Fair Wear's performance requirements. With a benchmarking score of 59, Equip is placed in the 'Good' category in their first year of membership. Although the monitoring threshold does not determine the category this year, Equip has fulfilled the monitoring requirements at suppliers responsible for 95% of its production volume. 89% of its production volume came from partners who Equip have worked for more than five years, which ensured a close connection during COVID-19.

#### **Corona Addendum:**

Covid-19 had a knock-on effect across Equip's supply chain, with unpredictable ordering patterns impacting everyone from its manufacturing partners to retail outlets. However, the outdoor market in the UK was quite resilient throughout COVID-19 compared to other markets, leading to a limited impact on the business.

Equip has long-term open and honest relationships with the main manufacturers, resulting in open dialogues during COVID-19. Limitations in travel disrupted Equip's regular visits to the suppliers for monitoring processes. The brand held online meetings frequently, while at the same time, the local Quality Control teams could continue visiting the factories most of the time to assess the impact of COVID-19. Equip held special attention to the Health and Safety measures during these visits. The team did not find or hear about inconsistencies due to COVID-19.

The main production locations had to shut down for 4-6 weeks during the pandemic. In dialogue with the suppliers, Equip replanned production levels so that it didn't burden the workload of the workers. Equip did not cancel any orders in production. The brand allowed for late shipments and decided to pay the higher freight costs itself. With these measures in place, there was no extra capacity needed to deliver the same production. The shut-down of the mills caused problems in the production time in June and July. To reduce delay, Equip pro-actively contacted the mills to support its delivery to the production locations.

There were no price adjustments for higher costs of suppliers because of COVID-19, such as continued wage payment costs during the closure, sick leave of cost or OHS measures. The main suppliers ensured during these conversations that they have not laid-off workers.

Equip was well-informed of the Fair Wear COVID-19 guidance and internally shared relevant information with production, design, and other relevant teams. It prioritized work according to this information.

Equip started working with two new manufacturing suppliers operating on four factories across Bangladesh, Myanmar, and China. The assessment and onboarding took place pre-COVID-19. Equip did not assess new potential suppliers in 2020.

## **Performance Category Overview**

**Leader**: This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good**: It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement**: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended**: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

## 1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	96%	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:** Before Equip became a Fair Wear member in 2020, consolidation was already part of its sourcing strategy. Two third of its FOB is produced at suppliers with leverage over 20%. In two factories in China, Equip buys 75% and 80% of the total production.

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.	8%	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	O

**Comment:** Equip is keen on consolidating its production locations. Equip has an active policy to reduce factories from the tail end. However, some parts of its clothes are technical to fabricate and needs to be handled in specific factories.

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.	90%	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:** Already before joining Fair Wear building long term relationship with suppliers was an important element of the sourcing strategy.

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

**Comment:** Equip announced the Fair Wear membership in July to all manufacturing partners with an information pack. This pack included the questionnaire. Equip showed the required signed questionnaires of all production locations. Equip had ended the relationship with one factory but did send a questionnaire. Equip received the signed questionnaire of this factory in early 2021.

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:** Equip conducts a risk assessment when entering a new country. Before starting production Equip visits a factory and existing social audits are requested. In its Supplier Manual, Equip describes its human rights due diligence procedure, which all production locations were required to adhere to. The Supplier Manual included all ILO labour standards, like requirements to be transparent regarding subcontracting, it requested written standards for a safe and healthy work environment for all workers.

All factories producing for Equip from 2019 were required to provide an amfori BSCI, Fair Wear, WRAP or BetterWork audit. Equip compares the audit report with a previous report to also check on progress during visits, calls or per e-mail. Equip discusses the audit findings and CAP with the factory management.

Equip started working with two new suppliers, operating on four sites across Bangladesh, Myanmar and China. All suppliers were visited by the senior leadership team and the Quality Control team based in Asia. During these visits and follow up on these visits, Equip determined if the working conditions meet the ILO labour standards. The working conditions together with the production capacity and technical expertise were considered during the decision process. Equip checked all previous audits on working conditions, and especially checked if the suppliers followed up on non-compliance issues.

During COVID-19 Equip wasn't allowed to travel anymore. It held instead regular online meetings to keep each other updated on the situation. The local Quality Control team could still regularly visit the sites, to monitor the working conditions during the pandemic. They held special attention to the Health and Safety measures during these visits. The team didn't find or hear about inconsistencies due to COVID-19.

Equip read all information in the Fair Wear COVID-dossier and country-specific information of Fair Wear, which was regularly updated and internally shared relevant information with production, design and other relevant teams. Equip did not cancel any orders in production. In dialogue with the suppliers, Equip re-planned production levels in such a way, that it didn't burden the workload of the workers.

**Recommendation:** Fair Wear recommends formalizing the policies and visits, to ensure compliance.

Risk analysis as part of the decision-making process of selecting new production locations is an important step to mitigate risk and prevent potential problems. Fair Wear recommends Equip to clearly define 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. Equip can use the CSR Risk Check (https://www.mvorisicochecker.nl/en/risk-check) to further assess the risks in (potentially new) sourcing countries.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

**Comment:** Equip held monthly meetings with the CSR team, Quality Control team, Buying team and Development team to follow up on issues identified in correspondence, site visits and audits. Equip does not have a formal evaluation process in place where factory performance related to the CoLP is assessed together with other relevant aspects as for example quality, delivery time etc,

So far Equip has not rewarded with more volume or decreased volume related to compliance with the Code of Labour Practice, the willingness of a factory to work on this or communication with the brand about these topics.

Equip ended working with two manufacturing partners in 2020-2021, operating in India and Sri Lanka. These locations were in the tail-end, Equip only had a small % leverage in the factories. Equip could show evidence that Equip gave the factory adequate notice and were transparent on the reasons.

Related to the situation of COVID-19: Equip's local Quality Control teams could continue visiting the factories most of the time. Equip did not cancel any orders. Equip held close contact with the strategic suppliers, and could re-plan production levels in dialogue with the suppliers. In these dialogues, Equip discussed different topics, like job and wage losses. The strategic partners ensured during these conversations that they did not lay off any worker.

**Recommendation:** As it is not always possible to reward suppliers with more volumes, Equip could look into other incentives that reward supplier's commitment towards the CoLP. An example would be to offer training for skill building/capacity development.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	General or adhoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

**Comment:** 58% of production volume comes from suppliers where Equip has a continuous production plan. Equip has a production cycle of 18 months, with two seasonal launches a year. Equip is transparent about the production forecast and informs the manufacturing partners as early as possible about any revisions. This continuous production plan reduces production pressure and hence limit the risk of causing excessive overtime.

Equip is not aware of labour minutes of their styles and is not aware of the available production capacity of its suppliers in minutes. Audit findings show cases of excessive overtime. See indicator 1.7 for more information.

Equip has long-term open and honest relationships with the main manufacturers, resulting in open dialogues during COVID-19. Equip held regular contact with all production locations via online meetings and via the regular visits of the local Quality Control teams in China and Viet Nam. The main factories had to shut down for 4-6 weeks due to COVID-19. The shut-down of the mills also caused problems in the production time in June and July. Equip pro-actively contacted the mills to support their delivery to the factories, to reduce delay. Equip worked closely with the suppliers to re-plan volumes and spacing out orders. Equip also allowed for late shipments. With these measures in place, there was no extra capacity needed to deliver the same production.

**Recommendation:** To identify root causes of excessive overtime in their supply chain, brands can evaluate their production processes and known occurrences of excessive overtime with all internal departments, their suppliers and worker representatives. The Fair Wear guidance on addressing excessive overtime lists the most common root causes of excessive overtime.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	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:** Equip uses different means to mitigate the risk of excessive overtime as much as possible. Equip communicates often throughout the production process. In dialogue with the suppliers, Equip can agree on delaying or splitting deliveries, using air freight instead of sea freight and a 14-day contingency period for each shipment.

Nonetheless, 9 audit findings show problems with excessive overtime, primarily in China. Equip did not measure the impact of production planning on overtime in these factories. Equip does not have insights into production time and associated labour minute costs per style.

**Recommendation:** Since excessive overtime was mentioned in several audits, Equip should prioritize mitigating excessive overtime, also if requested voluntarily, by investigating to what extent its current buying practices has an effect on the working hours at the supplier level. A root cause analysis of excessive overtime could be done to investigate which steps can be most effective to reduce 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.	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.	o	4	o

**Comment:** Equip could show the price per piece by showing invoices, but couldn't provide insights on the breakdown of these prices.

The prices were set prior to the COVID-19 pandemic, Equip did not change these prices. Because of COVID-19, the freight costs were higher, which Equip decided to pay. There were no prices adjustments for higher costs of suppliers as a consequence of COVID-19, such as continued wage payment costs during closure, sick leave of cost of OHS measures.

**Requirement:** Equip 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.

The member should engage in a dialogue with the supplier about the additional costs due to COVID-19, the effect on wages, etc. and take steps to incorporate these additional costs into their prices.

**Recommendation:** At a minimum, members are recommended to investigate living wage levels in production countries, among others by making use of Fair Wear's Wage Ladder and country studies. As an advanced step, increased transparency in costing and productivity gives insight into the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. Fair Wear recommends working on understanding the link between buying prices and wages, using the Fair Wear open costing tools.

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: In all BSCI-audited factories, the audit findings indicated that the legal minimum wage was paid.

Equip had regular contact with all suppliers on the influence of COVID-19. Suppliers said that COVID-19 had no influence on the payment of salary of minimum wages. According to the suppliers, payment of salary of minimum wages was not the issue, rather the social insurance provision. Factories couldn't show evidence that workers voluntarily opting-in on this.

**Recommendation:** In case of a crisis such as COVID-19, Equip is encouraged to find solutions in collaboration with their suppliers to ensure they can continue the payment of minimum wages to their workers. The member can for instance choose to pre-pay invoices for material or allow partial shipment of completed orders and paying immediately for this order portion.

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:** Payment terms differ per supplier, as Equip is flexible in meeting the requirements of suppliers.

There were no late payments. In some cases Equip paid even earlier, to support workers during the holiday season. This was the case in Indonesia during a public holiday.

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:** Equip is yet to start working towards living wages.

**Requirement:** Equip 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. Equip is expected to take an active role in discussing living wages with its suppliers. The Fair Wear wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	4%	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:** Equip is proud to own and run a production location in the UK, next to the office. Some employees work for over 30 years at this factory.

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:** Equip has not determined or financed any wage increases yet.

**Requirement:** Equip should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

**Recommendation:** It is advised that the strategy for how to finance wage increases is agreed upon by top management.

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.	4%	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:** Equip pays its employees at the production location in Derbyshire the UK's National Living Wage.

# **Purchasing Practices**

**Possible Points: 52** 

**Earned Points: 24** 

# 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	95%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	4%	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:	95%	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:** Equip has appointed a CSR Manager 2 1/2 years ago who is responsible for the follow up on problems identified by the monitoring system. From December 2020, Equip hired a CSR Coordinator to support the CSR manager.

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

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

**Comment:** Equip always shares the audit reports with factory management. The Fair Wear audit report in 2020 was also shared and discussed with the factory management. Equip did not check if the factory management has shared it with the worker representatives as well.

**Recommendation:** Fair Wear recommends Equip to work on Fair Wear audits, starting with joint suppliers with other Fair Wear members. Fair Wear recommends encouraging the factories to share the reports with worker representatives.

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:** The CSR manager is responsible for coordinating the follow up on Corrective Action Plans and other identified problems. Equip has local teams at four of its suppliers in China and Vietnam that regularly assess social compliance, for example by interviews, meetings, and on-site checks. This capacity was not enough to actively follow up on all identified problems. At the end of 2020 Equip hired a CSR Coordinator to increase capacity for monitoring.

Equip selected the strategic manufacturing partners to follow up on the CAP, one of these main manufacturing partners is located in Indonesia. For its Indonesian production location, Equip could show progress with 27 of the 29 CAP issues corrected.

Another issue in Myanmar was identified after a visit of Equip about the age of a worker. Through conversations with the site management, a follow-up on-site check, and by reviewing a recent Fair Wear audit report and remediation plan, Equip was able to confirm that the manufacturing partner had an effective age-verification process in place and that the worker in question was not underaged.

The impact of COVID-19 was regularly discussed during the monthly meetings between Equip and factory management, as well as assessed during the visits of the local Quality Control Teams. Because of the lockdown of the factories for 4 weeks, the follow up on issues found in CAPs were delayed. At one factory, an issue was found on paying holiday leaves due to Covid-19. Equip followed up together with another member, and the issue was remediated.

**Requirement:** Resolving and remediating non-compliances is one of the most important criteria member companies can do towards improving working conditions. Fair Wear expects Equip Outdoor Technologies UK Limited to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

**Recommendation:** Fair Wear recommends to also follow up on audits from non-strategic manufacturing partners.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes	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:** During the selection of a potential new supplier, Equip checks all existing audits and compare the audits to assess progress. The team discusses the audits with factory management and evaluates progress. All current strategic partners are required to be audited every two years, non-strategic partners are encouraged to be audited.

**Recommendation:** Fair Wear recommends using The Fair Wear Audit Assessment Tool, which is specifically focusing on several process elements as well, like the number of auditors and topics which are included. Related to BSCI topics we know that the descriptions about wage levels of workers and about Freedom of Association are often not as informative enough to for example actively work on living wage or on the improvement of FoA.

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:** All factories in Bangladesh are covered under the Bangladesh Accord. Equip monitored the progress made on the CAPs, the sites achieved 100% completion and the other 99%. Equip is not a member of the Bangladesh Accord.

Equip published all Myanmar factories in the Fair Wear database. Equip shared information in its Social Report on the audits and follow up on the audits. Equip knows about the specific risks in Myanmar and assesses these risks during the visits and reviewing audit reports. Equip has regular contact with the factory management to discuss follow up on issues. All Myanmar factories have signed the Fair Wear questionnaire and commit to improving labour standards. Equip assessed and published publicly that all Myanmar factories are not military-related. Equip did not include information about a due diligence process for Myanmar, including attention for high-risk issues, which is one of the requirements in the Fair Wear enhanced monitoring policy Myanmar.

Equip monitored closely where the cotton came from, in relation to the China-persecution. Equip received the confirmation that the cotton did not come from the Xinjiang region. For other countries, like India or Vietnam, Equip had a more general due diligence approach. The brand started working on human rights due diligence policy end of 2020 and is developing a more risk-based approach, including country and/or regional risks.

**Recommendation:** Equip should make sure 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 workers representatives.

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:** The CSR manager had regular contact with other members sourcing from the same production locations. One factory was audited by another member of Fair Wear in 2020. Equip had regular contact with this member to learn and exchange information.

Recommendation: Fair Wear recommends active cooperation with other (Fair Wear) brands in the follow-up of 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.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

#### Member undertakes additional activities to monitor suppliers.: No (o)

**Comment:** Equip has met the monitoring requirements for its factory in the UK. Equip gave a presentation about Fair Wear membership, the Worker Information Sheets are posted and the CoLP questionnaire is signed.

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: 26** 

**Earned Points: 16** 

# 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	4	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	3	
Number of worker complaints resolved since last check.	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:** Equip has a CSR manager dealing with complaints. Since December 2020 Equip expanded the CSR team with a CSR Coordinator.

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:** All production locations are aware of the Fair Wear CoLP and the complaints hotline, Equip provided the photographic evidence that the suppliers have posted the Worker Information Sheets in a place accessible for 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.	7%	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 workermanagement dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** Apart from sharing the CoLP-documents and the WIS sheets, Equip hasn't started raising awareness through training or other methods. Three Myanmar production locations have received a WEP basic training, organized by another member brand.

**Recommendation:** Fair Wear recommends Equip to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Equip should ensure good quality systematic training of workers and management on these topics. To this end, Equip can either use Fair Wear's WEP Basic module, or implement training related to the Fair Wear CoLP and complaint helpline through third-party training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
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:** Equip received four complaints via the Fair Wear complaint hotline in 2020, all in production locations where other member brands were sourcing. The CSR manager held close contact with these other members, to learn from their approach and to try to solve the complaints.

The complaints are published in the Social Report 2020. One complaint issued forcing to resign after a change of role. One worker in Myanmar complaint about excessive overtime. One complaint reported that the factory had been hiring casual workers to reduce costs. And one complaint reported that the COVID-19 measures were not properly followed by the factory. Of the four complaints, the last one is resolved. Two complaints are from employees working in factories in Myanmar, which are currently on hold due to the current situation in Myanmar. The status of the complaint on the resignment is still 'in progress', but the complaint itself cannot be solved better than it has been solved so far. The involved parties are still in contact on how to close the issue. Equip had an active role in the support of remediation. So far there has been less focus on preventative steps.

Two of the four complaints related to COVID-19-issues. One issue is resolved, one issue is still pending, due to the situation in Myanmar.

**Recommendation:** Fair Wear recommends the CSR team continue to engage with webinars and training on complaints handling.

Where applicable, worker representation should be involved in agreeing to the Corrective Action Plan.

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:** Equip shared evidence of active contact with other member brands on solving complaints.

## **Complaints Handling**

**Possible Points: 17** 

**Earned Points: 12** 

## 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:** Equip is proud of its membership. The CSR team, as well as the CEO, took different opportunities throughout the year to introduce the whole team, including the employees at the factory in the UK and the local teams, to the membership of Fair Wear. The CSR team developed infographics and some talking points for the sales team to use in their pitch.

Representatives from different teams from Equip joined various Fair Wear webinars.

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 CSR team informed all teams of Equip, the UK based teams as well as the local teams. One important team to keep updated, which is not mentioned in Fair Wear documentation, is the development team. Equip considers this team crucial to be involved. The CSR team has regular meetings with all teams to update each other on developments on the ground.

**Recommendation:** Fair Wear encourages Equip to keep inviting representatives from different teams to follow relevant webinars of Fair Wear of its partners.

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	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.	1	2	0

**Comment:** Once all agents were identified, they were made aware of the Fair Wear membership and were required to comply with the CoLP. The agents were not instructed about the COVID-19 guidance of Fair Wear and do not have an active support role for the brand or the suppliers to improve labour standards at the factories.

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.	6%	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.	1	6	0

**Comment:** Before Equip became a member, other members already had lined up WEP Communication Training at the same suppliers Equip sources from.

**Recommendation:** Fair Wear recommends Equip to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence.

Fair Wear recommends prioritizing training for the Indonesian supplier in 2021-2022.

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:** The other members followed up on WEP Communication Training, Equip did not have an active role.

# **Training and Capacity Building**

**Possible Points: 11** 

**Earned Points: 5** 

## **5. Information Management**

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

Comment: Although already required in the Equip Supplier Manual, Equip has prioritised identification of (unauthorised) subcontracting in 2020. The local Quality Control teams, which were able to visit during production, actively checked capacity and explained what subcontracting means and why it is important to know. Equip engaged with all factories and cross-checked consistency throughout the BSCI database, Fair Wear database and Equip's information. The Quality Control teams were also able to identify 11 new subcontractors which were added to the database. In case of contradictions in information, the team worked closely to clarify what Equip means with subcontractors and double-checked all information.

**Recommendation:** Fair Wear recommends that Equip periodically checks with its local team and agents whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors.

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 team has a shared drive with constantly updated information on monitoring and auditing, as well as regular meetings with different teams in place. On an ad-hoc basis, it is easy to drop each other a note.

**Recommendation:** Fair Wear recommends formalising the process of sharing information.

# **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:** With the start of the membership Equip started to communicate actively about the membership and what it entails.

The new membership was a key item on the agenda for Equip's annual sales meetings in 2020 and all email signatures now include the Fair Wear logo, reminding all staff and stakeholders of the membership.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	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.	1	2	0

**Comment:** Equip publicly disclosed the factories in Myanmar, as well as a map of sourcing countries. Equip however has not yet disclosed a full list of suppliers.

**Recommendation:** Fair Wear recommends member Equip to disclose production locations to other member brands in Fair Force 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:** Equip is keen on start using on-garment communication and will do so after publishing the first Brand Performance Check.

# **Transparency**

**Possible Points: 6** 

**Earned Points: 5** 

#### 7. Evaluation

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

**Comment:** Fair Wear membership is an important element for the strategic direction of Equip. The membership gives Equip focus and direction.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

### **Evaluation**

**Possible Points: 2** 

**Earned Points: 2** 

#### **Recommendations to Fair Wear**

Equip recognises Fair Wear's knowledge on the production side of the supply chain, but feel that there is an urgent need to improve the understanding of the retail side of the supply chain to support brands in the conversations they are having around specific issues. Members are being challenged by retailers about their approach, and industry-wide communication, including Retailers from Fair Wear addressing these concerns, is lacking.

Most guidance in the factory guide is in video format, which is good to share. The spoken language in the video is English. Although the texts are translated in the local language, this is not appropriate to show in the factories.

The logistical side of the complaints process in FairForce is not that obvious. It is not very clear how to move things forward and to keep track of the progress when other members and partners are included as well. We use different means to keep each other updated which is not efficient.

# **Scoring Overview**

Category	Earned	Possible
Purchasing Practices	24	52
Monitoring and Remediation	16	26
Complaints Handling	12	17
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	71	121

Benchmarking Score (earned points divided by possible points)

59

Performance Benchmarking Category

Good

#### **Brand Performance Check details**

Date of Brand Performance Check:

17-05-2021

Conducted by:

Femke Blickman

Interviews with:

Matt Gowar - CEO
Matt Bingham - Director of Operations
Debbie Read – CSR Manager
Haydn Cornish-Jenkins – CSR Coordinator
Tom Kazianis - Management Accountant
Jess Witty - Import Merchandiser
Sarah Kampf - PR & Communications Manager
Sarah Shaw - Creative Brand Manager