



**Brand Performance Check**  
**Outdoor & Sports Company Ltd.**

**Publication date: May 2023**

This report covers the evaluation period 01-01-2022 to 31-12-2022

## 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.

# Scoring overview

Total score: 80

Possible score: 202

Benchmarking Score: 40

Performance Benchmarking Category: Good



Sourcing strategy

47%



Identifying continuous human rights risks

40%



Responsible purchasing practices

69%



Quality and coherence of prevention and remediation system

27%



Improvement and prevention

29%



Communication, transparency and evaluation

38%

## Summary:

OSC has met most of Fair Wears' performance requirements. With a total benchmarking score of 40, the member brand is placed in the Good category.

The member brand has scored insufficient on some repeated non-compliance indicators. These need to be resolved in the next performance check, or else OSC will be automatically placed in Needs Improvement.

OSC is used to addressing labour conditions via audits and CAP follow-up, which is somewhat reactive. The member brand finds switching to a Human Rights Due Diligence (HRDD) approach challenging, starting with identifying risks in its supply chain and factories. The member brand must include gender and freedom of association in its risk scoping. Fair Wear strongly recommends OSC to start prioritising actions for improvement based on its risk identification and draft concrete follow-up plans to prevent actual harms occurring.

OSC has strong production planning. By placing its internal deadlines earlier, it had offered an extended lead time. It tries to find solutions for possible delays in an early stage with the supplier.

OSC knows the wages paid by its suppliers and can do a plausibility check to ensure its prices cover legal minimum wage. However, OSC has yet to become more active on living wages and is strongly recommended to start discussing with top management how it can financially contribute to living wages.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because this is a transition year, Fair Wear lowered the scoring threshold for this year only.

## 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.

# Company Profile Outdoor & Sports Company Ltd.

## Member company information

Member since: 1 Jan 2012

Product types: Sports & activewear

Percentage of CMT production versus support processes 98%

Percentage of FOB purchased through own or joint venture production 0%

Percentage of FOB purchased directly 0%

Percentage of FOB purchased through agents or intermediaries 6%

Percentage of turnover of external brands resold 7%

Are vertically integrated suppliers part of the supply chain? No

FLA Member No

Number of complaints received last financial year 0

## Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? Yes

Membership fee has been paid? 1

## Production countries, including number of production locations and total production volume.

Production Country	Number of production locations	Percentage of production volume
China	24	62
Viet Nam	4	9
Myanmar	2	8
Cambodia	1	5
Ukraine	1	5
Bangladesh	1	3
United Kingdom of Great Britain and Northern Ireland	1	2
Serbia	1	2
United Arab Emirates	1	2
Indonesia	2	1
Bulgaria	1	1
India	2	0
Philippines	2	0

## Layer 1 Foundational system's criteria

1.1 Member company has a Responsible Business Conduct policy adopted by top management.: Yes

Comment & Requirement: OSC needs to improve its Responsible Business Conduct Policy, to ensure better alignment with the OECD guidelines.

1.2 All member company staff are made aware of Fair Wear's membership requirements.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.: Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: Yes

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

Comment & Requirement: OSC discloses 93% of production locations internally through Fair Wear's information management system.

1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes

Comment & Requirement: OSC discloses 93% of production locations externally on Fair Wear's transparency portal.



1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes

## Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

**Possible Points: 90**

**Earned Points: 46**

### Indicators on Sourcing strategy

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.	Intermediate	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	4	6	0

**Comment:** OSC has a sourcing strategy mentioning addressing influencing labour conditions and consolidation, albeit minimally. The strategy mentions the leverage OSC aims to have with its strategic partners and that suppliers do not represent less than 3% of OSC's turnover. The member has 43 active suppliers. 44% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 20% of the production volume comes from suppliers where OSC buys less than 2% of its total FOB.

**Recommendation:** Fair Wear strongly recommends OSC to further develop its sourcing strategy, and include a plan to increase influence on suppliers by cooperating with other buyers.

Fair Wear recommends the member to include SMART goals in its sourcing strategy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Basic	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	2	6	0

**Comment:** OSC's sourcing strategy does not mention maintaining long-term relationships. However, 71% of the member's total FOB volume comes from suppliers with whom OSC has had a business relationship for at least five years.

**Recommendation:** OSC is advised to embed long-term contracts in its sourcing strategy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy.	Basic	Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners.	HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations.	2	6	-2

**Comment:** OSC conducts risk scoping on country level and includes all eight labour standards in this scoping. The member has not yet identified sector, business, sourcing model, and product-level risks. Nor has the member included a gender lens yet.

In its risk scoping, the member has not assessed the impact and prevalence of all risks correctly. OSC assessed the prevalence of the risks on freedom of association and bonded labour too low in China, for instance. The risk scoping shows Myanmar having the highest likelihood and impact of CoLP violations. After discussions with Fair Wear, the member has decided to start exiting Myanmar.

OSC's sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively.

**Recommendation:** Fair Wear recommends OSC to re-evaluate the identified prevalence of risks for its sourcing countries. OSC is further recommended to complete its risk scoping by adding sector, business and sourcing model and product levels.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order.	Intermediate	Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward.	Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers' policies.	2	4	0

**Comment:** It is the standard process for OSC to inform new suppliers about Fair Wear membership by sending a sourcing pack that includes a Health and Safety questionnaire and a questionnaire based on the eight Code of Labour Practices. This process has been followed for all five suppliers that were added after the previous performance check. The brand usually visits new suppliers and discusses Fair Wear's requirements in person, but was only able to visit one new supplier last year.

**Recommendation:** Fair Wear recommends that OSC engages in a dialogue with the supplier about Fair Wear requirements and how to cooperate in implementing these, even if via calls.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.	Intermediate	Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders.	Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers.	4	6	0

**Comment:** OSC collects human rights information of potential new suppliers by collecting self-assessments via Fair Wear's supplier questionnaire, collecting existing audit reports and, when possible, visiting them. If the factory has never been audited that is regarded as a red flag, that may impact OSC's decision to onboard the supplier. It has happened in the past that visits identified red flags and therefore, the member did not continue the onboarding process.

**Recommendation:** Fair Wear recommends OSC to investigate whether an operational grievance mechanism exists. Fair Wear encourages the member to collect worker and stakeholder input before placing the first order.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.	Basic	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	2	6	0

**Comment:** OSC has added five new suppliers. OSC shared information about Fair Wear's CoLP and the complaints helpline within the first year of doing business. The Worker Information Sheet has been posted at all suppliers, though the pictures do not always show if the location is easily accessible for workers.

**Recommendation:** Fair Wear recommends OSC to check whether the worker information sheet is posted at a location that is easily accessible and safe for workers. OSC is recommended to organise onboarding sessions specifically focusing on the CoLP and the complaints mechanism within the first year of doing business.

## Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously monitor human rights risks in its supply chain.	Intermediate	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	4	6	0

**Comment:** OSC started creating a risk assessment for its suppliers last year, based on its country risk scoping and audit reports. Currently, OSC does not identify the appropriate monitoring tool and frequency based on its risk assessment.

At the start of a business relationship, OSC accepts external audit reports. However, as it finds many audit reports not comprehensive, the member ensures its suppliers are enrolled in Fair Wear audits every three years. Next to that, OSC regularly requests wage documentation to monitor the paid wages.

**Recommendation:** Fair Wear recommends OSC to assess whether the member causes, contributes or is linked to the identified risks. Fair Wear recommends OSC to approach monitoring systematically, identifying the appropriate monitoring tool and frequency depending on the outcome of the risk scoping and risk assessment.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA).	Basic	Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention.	Use of supplier questionnaire to inform decision-making, collected country information, and analyses.	2	6	0



**Comment:** OSC has mapped the likelihood and impact of risks to Freedom of Association in all its sourcing countries and can explain the main risks per country on a basic level. OSC sent Fair Wear's Supplier Questionnaire on FoA to a few suppliers.

**Recommendation:** OSC is encouraged to deepen its understanding of risks to FoA for each sourcing country, including risks specific to women workers.

The member is recommended to ensure supplier-level monitoring is in place to assess and understand the risk at suppliers - for example, by sending the Supplier Questionnaire to more suppliers, organising modular assessments on Social Dialogue, and having in-depth discussions with suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.	Insufficient	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	0	6	0

**Comment:** OSC has not yet included gender in its risk scoping. The member asked a few suppliers what they have arranged to ensure that female workers do not experience period poverty.

**Requirement:** OSC must include gender in its risk scoping and assessment.

**Recommendation:** OSC is recommended to collect gender data per factory.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Member company considers a production location's human rights performance in its purchasing decisions.	Intermediate	Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making.	Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy.	2	4	0

**Comment:** Suppliers' human rights performance is evaluated systematically every year, together with other criteria. OSC looks at the perceived attitude towards labour standards and communication. Occasionally, the outcome of this evaluation influences purchasing decisions. Since last year OSC is slowly exiting a supplier where excessive overtime is a big problem because the factory keeps overbooking its capacity.

**Recommendation:** Fair Wear recommends OSC to share and discuss the outcome of the supplier evaluation with all its suppliers and their worker representatives.  
Fair Wear recommends the member to ensure that the evaluation of human rights performance of its suppliers is systematically considered in purchasing decisions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting.	Advanced	Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks.	Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators.	4	4	0

**Comment:** OSC uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. Next to that, it will assess the production capacity of the factory, including available production processes. In this way, the member can already check if the order is feasible for the factory. Additionally, OSC actively prevents unauthorised subcontracting by having its local Quality Control team visit its Chinese suppliers during production. The team also visits suppliers in surrounding countries. There is no evidence of missing first-tier locations in the database.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Insufficient	Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions.	Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers.	0	4	0

**Comment:** OSC has not identified whether homework is prevalent in its sourcing countries but assumes that homeworkers will not be used for its orders because of its technical products.

**Requirement:** OSC should identify whether homeworkers are used by its suppliers and assess if there is a risk of exploitation.

## Indicators on Responsible purchasing practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.	Insufficient	Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain.	Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals.	0	4	0

**Comment:** OSC includes payment terms on its purchase orders, which are usually 30 days from the goods being freighted on board. The member does not use contracts with its suppliers, nor has it got other documentation stipulating liability and penalties. Only in case something goes wrong the member discusses liability and penalties. OSC could show some examples where matters were resolved by covering the largest part of the burden. The company recently started drafting a standard contract.

**Requirement:** OSC needs to use written contracts with all its suppliers that include shared responsibilities and support the implementation of human rights due diligence.

**Recommendation:** OSC is advised to ensure the contract that is drafted is in line with the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in their decision-making processes.	Intermediate	Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company.	Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information.	4	6	0

**Comment:** There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with KPIs supporting good sourcing and pricing strategies.

**Recommendation:** OSC could adopt KPIs that support good sourcing and pricing strategies within its sourcing, purchasing and design departments.

OSC could include responsible business practices in its job role competencies of sourcing and purchasing staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.15 Member company's purchasing practices support reasonable working hours.	Advanced	Members' purchasing practices can significantly impact the levels of excessive overtime at factories.	Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes.	6	6	0

**Comment:** OSC has a robust and integrated production planning system. The member works with a critical path schedule and splits orders for suppliers to spread the production until the final delivery. OSC determines all deadlines regarding production lead time in partnership with suppliers. Since 2021, lead time has been extended to 160-180 days, and the member places orders based on historical orders. Due to this new critical path, the deadline for style approvals by the product team also moved forward. While taking pressure from the supplier, this change significantly increased the risk of high stock for OSC. Since last year OSC also orders fabric and trim for sample orders in advance to prevent hiccups there affecting lead time.

The sourcing team remains in daily contact on updated forecasts etc. Generally, these discussions include updates on available capacity, possible increases in order and how the supplier can manage this. In case of order increases from other clients, OSC tries to accommodate by staggering or moving its orders forward. Production of the never-out-of-stock (NOS) items and bestsellers is planned during factories' downtime to mitigate overtime issues. After every season, there is an evaluation to discuss how the production went and if there are areas of improvement.

OSC allows flexibility on delivery timelines when necessary. If the factory has difficulty with the agreed production timelines, OSC and the supplier will jointly determine options, such as splitting the delivery of the order, etc.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages - and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts, cost sheets including labour minutes.	4	6	0

**Comment:** OSC does not calculate labour minutes per style, which would allow sufficient insight into the labour cost per product style. It, therefore, has no possibility of knowing exactly whether the prices it pays can cover for the payment of legal minimum wages. OSC does collect information about wage levels at all its suppliers using audits and requesting wage slips. CSR provides Sourcing with an overview of all current legal minimum wage levels. OSC then runs a plausibility check to check if its prices cover legal minimum wages. With its larger suppliers, OSC works with open costing per style. With smaller suppliers, open costing is only shared on request.

Overall, prices are still negotiated based on experience and knowledge of the price of fabric, design, and workmanship; the labour minute value data offers the design team insights on additional costs that come with added design specifications. In price negotiations, OSC simplifies technical specifications to meet a target price rather than pushing the factory to lower prices. OSC consistently pays the agreed price, including late deliveries or repeat orders. In 2021 and 2022, prices were highly affected by increased freight and material prices, which also led to increased FOBs.

**Recommendation:** OSC could provide suppliers who do not work with fact-based costing training on product costing and how to quote prices, including (direct and indirect) labour costs. Fair Price product owners are available to conduct such training in all Fair Wear production countries.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.	Advanced	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	4	4	0

**Comment:** OSC does not make use of sourcing intermediaries.



## Layer 3 Remediation and impact

**Possible Points: 86**

**Earned Points: 24**

### Indicators on Quality and coherence of prevention and remediation system

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 Member company integrates outcomes of human rights risk identification (layer 2) into prioritisation and follow-up programmes according to the risk profile.	Insufficient	Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes.	Overview of supplier base with accompanying risk profile and follow-up programmes.	0	6	0

**Comment:** OSC has drafted follow-up plans for three of its suppliers. However, these do not include specific follow-up steps but describe a general contextualisation and how the brand monitors the risks. No prioritisation or concrete follow-up plans have yet been drafted.

In 2022, OSC sourced from one production location in Bangladesh. The member has not signed the International Accord. The factory falls under the Accord.

**Requirement:** OSC is required to ensure that prioritisation in follow-up matches the factory's risk profile.

**Recommendation:** Fair Wear recommends OSC to create concrete follow-up plans that match the risk profile and audit results of the factories.

Fair Wear strongly recommends OSC to become a signatory of the International Accord. Else, OSC is required to ensure it only sources from production locations in Bangladesh that are covered by the RMG Sustainability Council (RSC) or the International Accord.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company's improvement and prevention programmes include a gender lens.	Insufficient	The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender.	Proof of incorporation of the gender lens in follow up programmes, including stakeholder input.	0	6	0

**Comment:** OSC has not yet started to collect gender-disaggregated data per factory and, therefore, could not include a gender lens yet in improvement or prevention steps.

**Recommendation:** Once OSC has collected gender-disaggregated data for its suppliers, the members should start including a gender lens in its improvement and prevention steps.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Member company's improvement and prevention programmes include steps to encourage freedom of association and effective social dialogue.	Insufficient	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	0	6	0

**Comment:** OSC discusses non-compliances on Freedom of Association via CAP exchange. The member has not yet included steps to encourage FoA and effective social dialogue in its improvement or prevention actions.

**Requirement:** Members must include steps to promote FoA and social dialogue in its improvement or prevention actions. This should be linked with its assessment of risks to FoA and social dialogue as part of its human rights monitoring (see indicator 2.8). Examples of steps that could be included can be found in Fair Wears brand guide on FoA and collective bargaining.

**Recommendation:** OSC is strongly encouraged to ensure worker representatives are involved in the steps that the member takes to promote freedom of association and effective social dialogue.

OSC is recommended to support in financing/coordinating training on FoA and social dialogue for its suppliers.

OSC is recommended to, together with the supplier, distribute non-retaliation letters to workers, ensuring workers know they will not be punished for joining or forming trade unions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 Member company actively supports operational-level internal grievance mechanism.	Basic	Fair Wear’s complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers.	Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue.	2	6	0

**Comment:** OSC monitors the effectiveness of internal grievance mechanisms via audits and asks follow-up questions in the CAP in case of findings. However, the member has yet to actively support internal grievance mechanisms.

**Recommendation:** Fair Wear recommends OSC to become more actively involved in follow-up on ineffective grievance mechanisms, and instead of exchanging via the CAP about the status of the finding, include this in conversations with suppliers. The brand could consider facilitating peer-to-peer learning for instance in case some suppliers have an effective grievance mechanism in place.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Advanced	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	6	6	0

**Comment:** OSC cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. OSC has also cooperated with a Fair Wear member on a preventive step, by organising training on gender-based violence for its shared Indian supplier. OSC also exchanges information regarding shared sourcing countries and factories with other customers that are not members of Fair Wear.

## Indicators on Improvement and prevention

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.6 Degree of progress towards implementation of improvement programme per relevant factory.	63%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	4	6	-2

**Comment:** During the performance check, OSC could demonstrate with a sample that 63% of the CAP issues requiring improvement actions have been addressed. Improvement actions relate mostly to health and safety findings but also policies regarding sick leave, the on-time announcement of overtime and the distribution of wage slips.

**Recommendation:** Fair Wear recommends OSC to immediately check the received evidence with Fair Wear not to lose momentum. More complex issues require more active involvement from OSC than only exchange via CAP.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Insufficient progress	Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe.	Update on prevention programmes.	-2	6	-2

**Comment:** OSC has not yet identified root causes of the CAP findings other than excessive overtime (assessed under indicator 3.9).

**Requirement:** Please note that following Fair Wear’s policy for repeated non-compliance, members that receive an insufficient score on this indicator for the second year will be placed in the ‘needs improvement’ category.

OSC should identify root causes of CAP issues and discuss these with its suppliers. The member needs to start developing preventive actions to address these root causes.

**Recommendation:** Fair Wear recommends OSC to identify root causes of CAP issues together with its suppliers. Fair Wear recommends OSC to translate its root cause analysis into concrete preventive actions as part of the risk profiles.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.8 Member company validates risk profile and maintains regular dialogue with factories where no improvement or prevention programme is needed.	Basic	When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses.	Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo.	2	6	0

**Comment:** OSC has a sock supplier in the UK where improvement or prevention steps are not needed. The member does not have a system to ensure possible human rights risks are regularly discussed with this supplier but visits the factory irregularly. The factory has been accredited with 'Gold' standard by Investors in People, an organisation assessing workers' feelings about their workplace and providing recommendations to help improve these. OSC has requested the report for the factory, which shows that the workforce is motivated and there is an open culture of trust.

**Recommendation:** OSC is recommended to regularly have contact with the factory and discuss the recommendation given by Investors in People, and the prevention of possible human rights risks.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Advanced	Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays.	This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc.	6	6	0

**Comment:** In the previous year, six audit reports of a total of 11 audits mentioned excessive overtime; three audits discovered incorrect registration of hours or intransparency. Two audits showed partial improvements related to excessive overtime. One factory where OSC has nearly 60% leverage could show improvements regarding transparency of time records and weekly day off. The other factory, where OSC has 10% leverage, showed partial improvements in excessive working hours and weekly day off.

OSC's sourcing department discussed the root causes of excessive overtime with its suppliers. According to the member, excessive overtime in 2022 had to do with supply chain disruptions caused by the pandemic, especially fabric delays and increased demand after the lockdown. In other cases, factories underestimated production minutes for orders from other buyers, or were overbooked. The member has taken action to address the root causes. OSC discussed possible solutions with suppliers; reducing the number of styles, planning orders even earlier and allowing for later delivery. OSC followed up on findings related to registration of hours and intransparency via the CAP, and requested attendance sheets from its main factories.

**Recommendation:** Fair Wear recommends OSC to support its main suppliers with setting up a worker-management dialogue around working hours to spread awareness about overtime regulations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.	Intermediate	Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved.	2	4	-2

**Comment:** In the previous year, nine out of eleven audits included findings regarding legally required wage elements or limitations to verify the wage situation. OSC responded to these findings via exchange in CAPs and could show some improvements. The member requests to see wage documentation as proof. OSC had tried to gain a better understanding of wage structure in Chinese factories.

**Recommendation:** Fair Wear strongly recommends OSC to always verify whether legal minimum wage issues have been resolved in case factory management claims so. OSC could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check remediation.



Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages 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.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	0	6	0

**Comment:** OSC regularly asks for wage documentation from its suppliers but has not discussed the topic of living wages with its suppliers.

**Requirement:** OSC must assess the root causes of wages that are lower than living wages at its suppliers, taking into account its leverage and the effect of its own pricing policy. OSC 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. OSC should have an overview of wages paid in its production locations, and the gap towards living wage estimates.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Insufficient	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	0	6	0

**Comment:** OSC does not have an overview of wages paid in production locations. The member has not discussed wage increases with its factories. OSC has yet to find internal support for a strategy to finance wage increases at its suppliers.

**Requirement:** OSC should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases. The first step is to create an overview that helps the member track where the gap between paid wages and living wage estimates is largest.

**Recommendation:** Fair Wear advises companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases into their own systems, herewith committing to a long-term process that leads to sustainable implementation of living wages.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	0%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	0	6	0

**Comment:** OSC does not contribute to higher wages at any of its production locations.

**Requirement:** OSC is expected to begin setting a target wage for its production locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear Complaints Procedure.	No complaints received	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	N/A	4	-2

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training appropriate to the improvement or prevention programme.	Basic	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	2	6	0

**Comment:** OSC has some CAP findings where training is a recommended follow-up action. The member has enrolled four suppliers in WEP Basic, and its Indian supplier in the Violence Prevention Module.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Member company did not implement any training	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	N/A	6	0

**Comment:** OSC has not received the training report for the Violence Prevention Module yet and awaits the report to decide on appropriate follow-up (NA).

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.17 The member company's human rights risk monitoring system includes a responsible exit strategy.	Intermediate	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	2	4	0

**Comment:** OSC's human rights risk monitoring does not include a responsible exit strategy. Yet the member could show it follows Fair Wear's responsible exit strategy when stopping with two suppliers where it had negligible leverage as it discontinued the products.

**Requirement:** OSC must have human rights risk monitoring that includes a responsible exit strategy.

**Recommendation:** OSC could discuss the responsible exit strategy with its suppliers, for instance as part of its supplier evaluation.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Member company's activities do not go beyond the indicators or scope.	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	N/A	6	0

**Comment:** OSC does not undertake activities related to human rights that go beyond Fair Wear's scope.

## Layer 4 External communication, outreach, learning, and evaluation

**Possible Points: 26**

**Earned Points: 10**

### Indicators on Communication, transparency and evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership and its human rights due diligence efforts.	Advanced	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	4	4	0

**Comment:** OSC communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. OSC clearly displays the Fair Wear logo at trade fairs. By including information in newsletters to retailers, OSC actively spreads the Fair Wear message.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).	Intermediate	Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information.	External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct.	2	4	0

**Comment:** OSC sells four external brands. The member has collected information about the human rights due diligence of these brands.

**Recommendation:** OSC is recommended to select external brands that are members of a credible initiative.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 Social report is submitted to Fair Wear and is published on the member company's website.	Advanced	The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan.	Social report.	4	4	0

**Comment:** OSC has submitted its social report, which Fair Wear approved. OSC has also published the report on its website.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Member company engages in advanced reporting activities.	Intermediate	Good reporting by members helps ensure the transparency of Fair Wear's work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report.	Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge.	2	4	0



**Comment:** OSC published its social report, which includes some factory-level data and remediation results, on its website.

**Recommendation:** OSC is recommended to publish a complete factory list. Fair Wear recommends OSC to publish time-bound plans for its suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Member company has a system to track implementation and validate results.	Insufficient	Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made.	Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback.	0	6	0

**Comment:** OSC has no system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations.

**Requirement:** OSC must have an internal evaluation system to keep track of implemented measures in preventing and remediation human rights violations to check if these have been effective.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	Insufficient	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 should show documentation related to the specific requirements made in the previous Brand Performance Check.	-2	4	-2

**Comment:** The previous performance check included the following requirements:

OSC should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

OSC is expected to begin setting a target wage for its production locations e.g. in Serbia.

The member did not follow up on the requirements.

**Requirement:** Please note that following Fair Wear's policy for repeated non-compliance, members that receive an insufficient score on this indicator for the second year will be placed in the 'needs improvement' category.

It is required to work towards remediation of previous requirements from the last Brand Performance. The requirements included in this check need to be addressed.

## 5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Not applicable

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Not applicable

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Not applicable

## Recommendations to Fair Wear

OSC would like more concrete guidance on how to implement gender lens in risk scoping and prevention and improvement steps and recommends Fair Wear to include more gender-disaggregated data in Fair Wear audits. The member recommends Fair Wear to share more guidance on how to follow up on specific CAP issues and organise a webinar about wages in China. It would help in discussion with factory management if the audit includes evidence for certain results. OSC would like more concrete guidance with working via the HRDD cycle.

# Brand Performance Check details

Date of Brand Performance Check: **25-04-2023**

Conducted by: **Niki Janssen**

Interviews with: **Hamish Dunn - Managing Director**

**Kevin Offer - CSR Manager**

**Sarah Forte - Logistics Director**

**Steve Rothwell - Sourcing Director**

**Smita Lad - Manager Accounts**

**Kerry Mellor - Marketing**