

Brand Performance Check Outdoor & Sports Company Ltd. Publication date: May 2024

This report covers the evaluation period 01-01-2023 to 31-12-2023

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online Brand Performance Check Guide provides more information about the indicators.



Scoring overview

Total score: 134
Possible score: 212

Benchmarking Score: 63

Performance Benchmarking Category: Good



Summary:

OSC has shown progress and met most of Fair Wear's performance requirements. With a total benchmarking score of 63, the member brand is placed in the Good category.

OSC could demonstrate ample follow-up on the requirements that were included in the performance check of the previous year. It has expanded its country risk scoping and started with its supplier risk assessment, creating a dashboard showing an overview of risks and actual harms per production location. This dashboard still needs further fine-tuning to ensure it captures the most urgent risks, which can then be prioritised in the action plans per factory.

The member brand has also started working on gender and freedom of association and started collecting more data per supplier. OSC also followed up on recommendations regarding living wage and has developed a strategy in which it will first work towards target wages for its two largest suppliers.

Following Fair Wear's Policy on Business in Myanmar, the member company is exiting the country. OSC currently sources from two production locations in Myanmar. OSC has increased its production volume placed in Myanmar since the previous check, from 8% of the total FOB in 2022 to nearly 12 %in 2023 due to earlier forecasts shared with the suppliers. While OSC is employing a responsible exit strategy, Fair Wear recommends including a plan in case layoffs are needed.

OSC sources in Bangladesh. The member brand has not signed the Accord, but both locations fall under the RMG Sustainability Council (RSC). However, OSC still needs to contribute financially to the required preventive, mitigative and remediating actions, as required per Fair Wear's Enhanced HRDD Policy for Bangladesh. Health and safety risks should be prioritised in the action plans for both locations.

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 of this transition, Fair Wear temporarily lowered the scoring threshold.

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 turnover of external brands resold o%

FLA Member No

Number of complaints received last financial year 5

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

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

Production Country	Number of production locations	Percentage of production volume
China	20	57.29%
Myanmar	2	11.69%
Viet Nam	5	7%
Ukraine	1	6.11%
Cambodia	1	5.13%
Bangladesh	2	5.04%
United Kingdom of Great Britain and Northern Ireland	1	2.59%
United Arab Emirates	1	1.28%
Indonesia	3	1.25%
India	1	0.79%
Bulgaria	1	0.69%
Serbia	1	0.6%
Philippines	2	0.53%

Layer 1 Foundational system's criteria

Possible Points: 8
Earned Points: 8

1.1 Member company has a publicly shared Human Rights Due Diligence policy that has been adopted by top management.: Yes

Comment: OSC has a Human Rights Due Diligence policy in place.

- 1.2 All member company staff are made aware of Fair Wear's membership requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: Yes
- 1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: 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.:
- 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: OSC discloses 100% 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: OSC discloses 100% 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: 60

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.	Advanced	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.	6	6	0

Comment: OSC has a sourcing strategy that favours suppliers with buyers who are Fair Wear members and addresses influencing labour conditions and consolidation. 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. 48% of the production volume comes from suppliers, where the member has at least 10% leverage with suppliers. 20% of the production volume comes from suppliers where OSC buys less than 2% of its total FOB. OSC is disengaging from its two suppliers in Myanmar.

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: 82% of the member's total FOB volume comes from suppliers with whom OSC has had a business relationship for at least five years, which is an 11% increase compared to the year before. 59% of the FOB volume is placed at suppliers with whom OSC has a relationship of more than ten years. The sourcing strategy mentions long partnerships. However, the member does not commit to long-term contracts.

Recommendation: Fair Wear recommends OSC to commit to long-term contracts.

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 the country level and includes all eight labour standards in this scoping. It uses the member hub for countries where Fair Wear is active, but next to that, it has also created detailed country profiles for each of its sourcing countries, using different sources such as the Human Development Index, ITUC, and the Global Gender Gap. All this information is included in a dashboard that flags the most urgent risks but also includes the latest CAP information. The country risk scoping of Myanmar shows the highest risks, and OSC is currently employing an exit strategy to leave the country.

OSC has one long-term supplier in the UAE. OSC included in the country profile that wages and migrant workers are critical risks, as there is no legal minimum wage, and migrant workers often have to pay back recruitment fees to cover visa costs to management. OSC has not yet translated the latter risk in an urgent rating for bonded labour in its dashboard.

The member has adapted the prevalence of the risks of forced labour and freedom of association for China, though the latter's text in the country profile is very positively phrased. OSC is gradually reducing its volume in China to become less reliant on the country and to move to countries where freedom of association is the norm. However, part of the production volume will be placed in Vietnam, which also has restricted freedom of association.

OSC still needs to identify sector, business, sourcing model, and product-level risks, which are needed for an intermediate score.

Recommendation: OSC is recommended to complete its risk scoping by adding sector, business and sourcing model and product levels and adapt the text about freedom of association in its China profile. Fair Wear also recommends OSC to check if all information in the country profiles is aligned with the rating of risks in its dashboard.

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.	Advanced	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.	4	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. In 2023, two new locations were added from suppliers with whom OSC was already working, one in China and one in Indonesia. OSC followed this onboarding process for both locations. The Chinese location has been visited by OSC's quality control and product development, who used the health and safety checklist.

The member has not visited the new Indonesian location yet but has access to an external audit report. This audit report mentioned a factory policy that prohibited workers from getting pregnant in the first year of employment. OSC therefore had a call with management to discuss gender and Fair Wear requirements and ensured the policy was revoked.

Recommendation: Fair Wear recommends that OSC engages in a dialogue with new production locations about Fair Wear requirements and how to cooperate in implementing these, irrespective of findings in audit reports.

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. This is part of the standard onboarding procedure of the member brand. OSC collected audit reports for both new locations. The company does not collect information from workers or stakeholders at this stage.

If the factory has never been audited, that is considered 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.

OSC's sourcing strategy mentions a preference for countries where freedom of association is the norm (see indicator 2.3).

Recommendation: Fair Wear recommends OSC to investigate if an operational grievance mechanism exists at new suppliers. Fair Wear encourages the member to collect worker and stakeholder input before placing the first order, for instance, by organising a full assessment that includes worker interviews.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the grievance mechanism, 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 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, and OSC checks whether it is posted in a place that is accessible to workers. OSC has not yet organised onboarding sessions within the first year of doing business.

Recommendation: OSC is recommended to organise onboarding sessions specifically focusing on the CoLP and the complaints mechanism within the first year of doing business. Where Fair Wear is not active, OSC could explore options to have similar training delivered by other organisations.

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 assess human rights risks in its production locations.	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: Since the previous check, OSC created a risk dashboard for its suppliers, that includes a risks and previous harms overview, and severity and remediability. A gender lens and root causes are added as well. The risk assessment reflects that health and safety are critical risks for OSC's production locations in Bangladesh. Both locations fall under the RSC, but OSC has not signed the Accord.

OSC selects which factories will be audited based on the risk assessment, the order volume that OSC plans for the supplier, and the year of the last audit. Where Fair Wear is active, these assessments will be conducted by Fair Wear. Next to that, OSC regularly requests wage documentation to monitor the paid wages and whether price increases end up with workers.

Recommendation: Fair Wear recommends OSC to assess whether the member causes, contributes or is linked to the identified risks.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.8 Member company's human rights due diligence process includes an assessment of freedom of association (FoA).	Intermediate	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.	4	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. It has included information from the ITUC in each country profile. The member company has started to collect information on FoA from 14 suppliers, who were selected based on high risks. The member collected information on factory unions, worker representatives and whether they are appointed or elected, and if there are any female worker representatives.

Recommendation: OSC is encouraged to apply a gender lens when collecting information about FoA and Social Dialogue. The member is recommended to ensure supplier-level monitoring is in place to assess and understand the risk at suppliers - for example, by organising modular assessments on Social Dialogue and having in-depth discussions with suppliers. The member could also request meeting minutes of worker representatives to check what they are discussing and if they are capable of carrying out their role or in need of training.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout its human rights risk identification, to foster a better understanding of gendered implications.	Basic	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.	2	6	0

Comment: Since last year's check, OSC has worked to include gender in its human rights risk identification per sourcing country and now has a better understanding of the most significant gender risks. The member company drafted a questionnaire and started collecting data, mainly focusing on the composition of the workforce and management and any policies in place (non-discrimination, pregnant workers, maternity leave, etc). OSC also ensures that staff who visit suppliers ask questions about gender equity. The member has yet to collect more gender data for all labour standards.

Recommendation: OSC is recommended to collect gender data per factory related to every Code of Labour Practices.

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.	Advanced	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.	4	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. When suppliers score significantly lower than their competitors, OSC has a conversation and informs them how it expects them to improve before taking the decision to decrease orders. The outcome of this evaluation influences purchasing decisions, and best-performing suppliers are rewarded with more order volume. As mentioned above, OSC is disengaging from Myanmar.

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 assesses the factory's production capacity, including available production processes. In this way, the member can 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. In 2023, OSC mainly focused on embroidery and printing processes to ensure its information regarding used subcontractors is still up to date. 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.	Advanced	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.	4	4	0

Comment: OSC has asked its suppliers whether they have ever contracted homeworkers or have a policy. Quality Control has been specifically instructed to check during visits if all needed machinery is present, and to compare available capacity with the placed order. Based on this, OSC could conclude that there are no homeworkers involved in its production processes.

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.	O	4	0

Comment: In response to last year's requirement, OSC started updating its Supplier Code of Conduct, adding an appendix that includes clauses on damages and liability. However, the clauses in this document place an unequal burden on the suppliers, for instance, by holding them financially responsible for defects without proof of fault, or having the option to cancel orders up to a month before production. Payment terms are up to 60 days upon being invoiced. The document is currently under revision to ensure responsibilities between OSC and suppliers are shared.

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: Fair Wear recommends the member to enrol in the learning module 'Introduction to responsible contracting in the supply chain'. OSC is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP). The member could also look at Supplier Model Contract Clauses for inspiration. Fair Wear strongly recommends that OSC ensures there is 'proof of fault by the supplier' needed before suppliers are made responsible for damages.

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 its 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. In 2023 OSC worked on strengthening the communication between CSR and sourcing and management. 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. The member could also 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 CMT and fabric suppliers. Since 2021, lead time has been extended to 160-180 days, and the member places orders based on historical orders. New production locations will receive more time. 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. OSC also orders fabric and trim for sample orders in advance to prevent hiccups that may affect lead time. By booking more sample fabric, OSC reduces pressure on suppliers to make pre-production samples.

The sourcing team remains in daily contact with updated forecasts, etc. Generally, these discussions include updates on available capacity, possible increases in order and how the supplier can manage this. In case orders increase from other clients, OSC tries to accommodate this 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, cannot know exactly whether the prices it pays can cover the payment of legal minimum wages. OSC collects information about wage levels at all its suppliers using audits and requests wage slips. In 2023, OSC organised fair price training for one of its suppliers in China, which led to a greater understanding of how the price is built up. CSR provides Sourcing with an overview of all current legal minimum wage levels. OSC then runs a plausibility check to see if its prices can 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 2023 prices were highly affected by increased material prices and legal minimum wages, 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 HRDD and 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 and has direct contact with all cut make trim suppliers.

Layer 3 Prevention, mitigation and remediation

Possible Points: 96

Earned Points: 56

Indicators on the quality and coherence of a members' 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 risk prioritisation and creates subsequent action plans.	Basic	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.	2	6	0

Comment: In 2023, OSC created action plans for all its suppliers based on risks and recent CAP findings. The action plans do not yet consistently reflect what OSC perceives as the most urgent risks and still need more details. OSC sources from two production locations in Bangladesh. The member has not signed the International Accord. The factories fall under the Accord.

Requirement: The member company should base its prioritisation and actions on the Accord's Bangladesh safety program: e.g. outcomes of the inspections and remediation program, safety committee, safety training program and safety complaints mechanism should determine OSC's action plan.

Recommendation: Fair Wear recommends the member brand to further complete the action plans and ensure that these reflect the most urgent risks.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's action plans include a gender lens.	Basic	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.	2	6	0

Comment: In 2023, OSC started to collect some gender-disaggregated data per factory and include gender information in its country risk profiles. The member brand has partly included a gender lens in its action plans. OSC has enrolled one of its Bangladeshi suppliers in Fair Wear's Violence and Harassment Prevention Programme and reviewed its female workers policy. The Indian supplier has been enrolled in the same training in 2022. Next to that, the member brand has started evaluating the gender policies of some suppliers to be able to support them where possible.

Recommendation: OSC is recommended to extend its gender lens to all action plans. Fair Wear recommends OSC to make the gender lens in its action plans more comprehensive.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's action plans include steps to encourage freedom of association and effective social dialogue.	Basic	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.	2	6	0

Comment: OSC included some steps to encourage FoA and effective social dialogue in its action plans. These steps are mostly focused on further data collection and having conversations with management about worker representation. The member has yet to make the steps more actionable.

Recommendation: OSC could check if worker representatives need more training to carry out their role, and offer support. The member brand 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.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports a factory-level grievance mechanism.	Intermediate	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.	4	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. Visiting staff is also instructed to check on the grievance box and log, and discuss with management how they handle it. In 2023, OSC supported its suppliers in UAE with setting up a factory-level grievance policy and ensuring it is being implemented.

Recommendation: Fair Wear recommends OSC to always involve suppliers and worker representatives in the assessment of the factory-level grievance mechanism and to share and discuss the outcome of the assessment with the above stakeholders, who should be encouraged to lead a discussion on how the mechanisms can be improved. OSC could instruct its local QC staff to have conversations with worker representatives about the grievance mechanism.

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, but also taking preventive steps together, for instance, by organising training. OSC also exchanges information regarding shared sourcing countries and factories with other customers who are not members of Fair Wear. In the past year, the member has exchanged a lot with Fair Wear members on the topic of living wage.

Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of verified actions.	40%	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 79% of the CAP issues requiring improvement actions have been addressed. Issues that have been resolved include more complex findings such as record keeping and overtime payments. Though OSC could show progress on action plans for its Bangladeshi suppliers, it has not financially contributed to preventive, mitigative and remediating actions that the factories have taken, which is required under Fair Wear's Enhanced HRDD for Bangladesh policy. Therefore, the member brand is awarded intermediate instead of advanced score on this indicator.

Requirement: Members who are sourcing in Bangladesh and are not signatories of the International Accord must demonstrate proof of (financial) contribution to preventive, mitigative and remediating actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Basic 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: Since 2023, OSC has identified root causes for CAPs and has done so for the two audits that were conducted in 2023. Most issues for which root causes were discussed with suppliers focus on wages and excessive overtime (which are assessed under indicators 3.9 and 3.10). The member has also discussed root causes of issues related to awareness of CoLP and communication.

Recommendation: Fair Wear recommends OSC to identify root causes of all CAP issues together with its suppliers.

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 action plan is needed.	Intermediate	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.	4	6	0

Comment: OSC has a sock supplier in the UK where improvement or prevention steps are not needed. This sock supplier falls under the same mother company as OSC. Therefore OSC has weekly meetings with the supplier, and next to that, visits the location 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.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Intermediate	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.	4	6	0

Comment: In the previous year, two audit reports, of a total of three Fair Wear audits, mentioned excessive overtime. These reports were only received beginning 2024. The audit for the Bulgarian supplier showed inconsistent records, and the audit for a Chinese supplier showed inconsistent records and too many overtime hours and consecutive working days. OSC discussed these findings immediately with the suppliers. At the Bulgarian supplier, the issue seems resolved; for the Chinese supplier, OSC needs more evidence. In 2023, OSC worked on following up on an audit at a Vietnamese supplier that took place at the end of 2022. The audit showed inconsistent record-keeping. Therefore, the factory organised management training on how to record working hours.

OSC's sourcing department always discusses the root causes of excessive overtime with its suppliers to see if the member brand can support decent working hours with adaptations in production planning.

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.	Advanced	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.	4	4	-2

Comment: In the previous year, one audit included findings regarding non-payment of legally required wage elements. Since this report was delivered beginning 2024, OSC is still following up.

In 2023, OSC received two complaints of workers resigning from its Vietnamese supplier. They did not receive severance payments. These complaints have swiftly been resolved and evidence was submitted. OSC discussed with the factory how to prevent similar complaints about severance pay. After a discussion with management, it became clear that the maternity cover for HR was not aware of the proper severance procedure.

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.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	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.	4	6	0

Comment: OSC discussed the topic of wages with some of its suppliers and has created an overview to see the gap between paid wages and living wage estimates per supplier. The root causes of wages lower than living wage that factory management mentions are low prices of other customers and fear of how increased wages will impact the factories in the region. With the help of a consultancy, the member brand has developed a living wage proposal that includes a time-bound approach to increase wages towards a living wage for two of OSC's largest suppliers.

Recommendation: Fair Wear encourages OSC to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Basic	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.	2	6	0

Comment: OSC has started to address the topic of living wage internally by developing a living wage proposal. Based on different living wage estimates, the member brand has developed three different target wages for its sourcing countries. There is no timeline attached to these yet.

In 2024, OSC will start the implementation of increasing wages towards the first target wage at two factories. This proposal still needs to be signed off by management. Part of the implementation is testing out how to cover the increased wages, whether that will come from margin, reduction of product costs, or increased consumer prices.

Recommendation: We strongly recommend members to ensure that they 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. Fair Wear recommends OSC to include timelines for when it likes to achieve target wages for more production locations.

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: While OSC does not yet contribute to higher wages at its production locations, the member brand has worked on the requirement included in the previous check and set target wages for its sourcing countries.

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's Access to Remedy Policy.	Advanced	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.	4	4	-2

Comment: OSC received four complaints in the past financial year about severance pay in Vietnam and unauthorised use of subcontractors in China. A complaint about unfair dismissal in Bangladesh was filed end of 2022, but could not be resolved because of the unwillingness of the complainant. Another complaint was filed by a worker from the Ukrainian supplier but later dropped. The member brand could show timely follow-up on the complaints. As a follow-up on the complaint about subcontracting, OSC also strengthened its procedure to check for unauthorised subcontracting.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training to address the risks identified.	Intermediate	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or genderbased violence, where factorylevel transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	4	6	0

Comment: OSC has some CAP findings where training is a recommended follow-up action, mostly about ensuring that workers are aware of the Code of Labour Practices, but also related to gender for its suppliers in Bangladesh and India. All these factories have been enrolled in appropriate training. The member brand has not yet enrolled factories in training, where this need has not been identified in audits.

Recommendation: OSC is recommended to implement training for all factories, also where this is not part of its action plan or identified in full assessments.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Advanced	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.	6	6	0

Comment: OSC followed up on the implemented training by sending training reports and asking factories for feedback. In some cases, a video call was scheduled to discuss outstanding points. With one of its suppliers, OSC discussed concerns around the communication style of supervisors and technicians, which were mentioned in the training report. As a follow-up, the factory organised training for this staff on how to communicate in a better way. As output of training at another production location, factory management agreed to include information about the Fair Wear helpline in the employees' handbook.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights due diligence 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 due diligence system includes a responsible exit strategy and the member brand refers to it in its newly developed Code of Conduct. However, suppliers have not received the responsible exit strategy itself.

OSC is disengaging from Myanmar. Because OSC committed to a forecast shared with one of the production locations before the decision was made to exit the country, order volume at this supplier increased significantly in 2023. With both locations OSC has discussed the timeline to exit. While both locations have informed OSC that this will not impact workers because they can fill up the freed capacity with other clients, OSC has pushed back the exit for one location to Spring Summer 2025.

Recommendation: As part of its responsible disengagement from Myanmar, OSC is recommended to consider its responsibility regarding workers' compensation in case workers do need to get dismissed and ensure a plan is in place. OSC could discuss the responsible exit strategy with its suppliers, for instance, as part of its supplier evaluation, or include it completely as an appendix to its Code of Conduct.

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: 18

Indicators related to communication

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership.	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 talked about sustainability and Fair Wear membership during different events with retailers and wider audiences. 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	O

Comment: OSC sells one external brand. The member has collected information about the human rights due diligence of this brand and knows the production location used for the product. The external brand is not a member of a credible HRDD initiative.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Human rights due diligence reporting 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 will be 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: Fair Wear recommends OSC to publish concrete remediation actions 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.	Intermediate	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.	4	6	0

Comment: In 2023 OSC developed the risk dashboard, which also serves as a system to track actions and progress. The internal evaluation system involves top management. In its evaluation system, the member does not yet include triangulated information from external sources for most data points.

Recommendation: The member is advised to include feedback from workers and suppliers in its evaluation system.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	Intermediate	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 13 requirements of which OSC resolved 12. The only outstanding requirement is to create supplier contracts that include shared responsibilities and support the implementation of human rights due diligence.

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.: Yes

Comments: OSC spoke about its sustainability work, including Fair Wear membership, at the Kendal Mountain Film Festival in November 2023. A month later, the member brand presented its work for Fair Wear at the Running Industry Alliance (RIA).

Recommendations to Fair Wear

OSC would welcome more specific guidance on gender, and support with creating and improving supplier policies. It would also welcome more guidance on how to deal with wage data. OSC recommends Fair Wear to offer more training for new staff of member brands, and expand the modules on the learning platform. The member brand finds there is much focus on policies and paperwork, which takes time away from actually implementing improvements at factories.

Brand Performance Check details

Date of Brand Performance Check: 09-04-2024

Conducted by: Niki Janssen

Interviews with: Hamish Dunn - Managing Director

Philippa Hill - Sustainability Manager

Katherine Williams - Ethics and Supply Chain Coordinator

Sarah Forte - Commercial Director

Steve Rothwell - Commercial Director

Smita Lad - Management Accountant