

# **Brand Performance Check**

# Equip Outdoor Technologies UK Limited

**Publication date: August 2024** 

This report covers the evaluation period 01-02-2023 to 31-01-2024

### **About the Brand Performance Check**

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

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

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

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

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

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



## **Scoring overview**

Total score: 156
Possible score: 204

Benchmarking Score: 76

Performance Benchmarking Category: Leader



#### **Summary:**

Equip has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 76, the member is placed in the Leader category.

Equip runs two brands (Rab and Lowe Alpine), partly with a shared supplier base. In the past financial year, Equip introduced new sourcing principles which were shared with the suppliers. Equip's sourcing principles explicitly mention increasing influence through consolidation and active cooperation with other clients. Equip has a sourcing strategy that focuses on maintaining long-term relationships. However, the member brand does not commit to long-term contracts yet.

Equip has a structured risk analysis in line with the OECD requirements. Equip conducts risk scoping and includes all eight labour standards. The member brand has done a risk scoping and risk assessment on the supplier level, the business and sourcing model and product-specific risks. Equip developed a systematic Standard Operating Procedure (SOP) for conducting a risk assessment, which also includes a systematic approach to determining the risk level based on the likelihood and severity of potential harm.

In 2023/2024, Equip became a signatory of the International Accord to ensure safe and healthy working conditions at its suppliers in Bangladesh.

In the previous financial year, Equip placed the last order with one factory in Myanmar. In 2022, the member brand decided to exit factories in Myanmar. For leaving the factories in Myanmar, Equip consulted Fair Wear, internal country and manufacturing specialists, industry stakeholders and suppliers. Equip received its final shipment from Myanmar in January 2024 and no longer has any production in the country.

In 2023, Equip developed a roadmap and a procedure with the supplier for increasing wages step by step. By the end of 2023, the workers received the agreed-upon living wage estimate for the first time. Equip plans to include the living wage increase in the product costing for 2025.

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 Equip Outdoor Technologies UK Limited**

### **Member company information**

Member since: 1 Jan 2020

Product types: Outdoor products, Bags and Outdoorwear

Percentage of turnover of external brands resold 0%

FLA Member No

Member of other MSI's/Organisations Amfori - BSCI, International Accord, International Accord - Bangladesh Safety Agreement

Other Initiatives International Accord - Bangladesh Safety Agreement

Number of complaints received last financial year 4

#### **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	31	41.25%
Indonesia	3	30.73%
Bangladesh	8	13.05%
Viet Nam	6	5.8%
United Kingdom of Great Britain and Northern Ireland	1	4.16%
Myanmar	1	3.75%
Philippines	2	1.2%
India	2	0.04%

## **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:** Equip has a solid RBC and Human Rights Due Diligence policy in place. Equip has published both policies.

- 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:** Equip discloses 80% 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:** Equip discloses 80% 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: 72** 

### **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: Equip has a sourcing strategy addressing influencing labour conditions. The sourcing strategy is included in the member brand's Responsible Business Conduct (RBC) policy and is generally understood to be part of Equip's core principles. Equip runs two brands (Rab and Lowe Alpine), partly with a shared supplier base. In total, Equip has 26 active direct suppliers and 28 suppliers for supporting processes that fall under the scope of Fair Wear. 74% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 7% of the production volume comes from suppliers where Equip buys less than 2% of its total FOB. In the past financial year, Equip introduced new sourcing principles which were shared with the suppliers. Equip's sourcing principles explicitly mention increasing influence through consolidation and active cooperation with other clients. Equip could demonstrate that it actively cooperates with other buyers. The member brand plans to consolidate its supply chain by exiting suppliers where it has low leverage.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Intermediate	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.	4	6	0

**Comment:** Equip has a sourcing strategy that focuses on maintaining long-term relationships. 76% of the member's FOB volume comes from suppliers with whom Equip has a business relationship for at least five years. The member does not commit to long-term contracts yet.

**Recommendation:** Fair Wear recommends Equip 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.	Advanced	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.	6	6	-2

Comment: Equip has a risk analysis in line with the OECD requirements. Equip conducts risk scoping and includes all eight labour standards. Equip uses Fair Wear country studies and other external sources to identify country risks and the likelihood and severity of the risks and then classifies the risks into a risk level and a risk matrix. The outcome of the risk scoping is a structured prioritisation. In addition, Equip has done a risk scoping and risk assessment on factory level, the business and sourcing model and product-specific risks. In its risk scoping, the member has correctly assessed the impact and prevalence of the country's risks. The risk scoping includes a gender lens. Input from workers, factories, and stakeholders is included in the risk scoping by using information from websites of NGOs working in the garment sector and information from factory visits, questionnaires and updates on country information during supplier meetings. Since 2023, Equip started sourcing from factories in India. As this is a new production country for Equip, the member brand identified that especially discrimination is high risk in India as well as sexual harassment of women.

The member adjusts its sourcing strategy based on the risk scoping, as the outcomes of the risk scoping are included in decision-making. The risk scoping shows Myanmar having the highest likelihood and impact of CoLP violations. After discussions with Fair Wear, the member brand has initiated a Responsible Exit Strategy from Myanmar. Equip received its final shipment from Myanmar in January 2024 and no longer has any production in the country.

In 2023/2024, Equip became a signatory of the International Accord to ensure safe and healthy working conditions at its suppliers in Bangladesh.

Equips'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 strongly recommends Equip to privilege countries where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

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: Equip has a written onboarding policy for new suppliers. It is the standard process for Equip to inform new suppliers about Fair Wear membership by sending the Fair Wear Code of Labour Practices (CoLP), the Worker Information Sheet and the member brand's preevaluation survey to collect more detailed information about the labour standards. The CEO and the Quality Control team, based in Vietnam and China, usually visit new suppliers and discuss Fair Wear's requirements in person. Additionally, Equip's Corporate Sustainability Responsibility (CSR) teams are holding online or in-person meetings with new suppliers. This process was followed for four new suppliers based in Bangladesh, China and India.

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: Equip collects human rights information of potential new suppliers by collecting Fair Wear's supplier questionnaire, collecting existing audit reports and, when possible, visiting them. In addition, Equip asks new suppliers to fill in its pre-evaluation survey to collect more detailed information about the working conditions in the new production location. Equip also asks specific questions based on identified risks of the country risk scoping. Using the information provided by the supplier through the pre-evaluation survey, the CSR team is responsible for conducting a risk assessment of the supplier. It is not possible to place the first order with a new supplier unless Equip has collected the completed pre-evaluation survey and identified the potential and actual harms in the factory. Based on the risk assessment, the CSR team will share a summary of their evaluation with the CEO and the purchasing department. This outlines if the CSR team recommends proceeding with the supplier or not. Equip followed this process for the four suppliers added last year. The signed CoLP and the posted Worker Information Sheet (WIS) are still missing for some subcontractors.

Four new production locations were onboarded in 2023/2024. The member brand focused on onboarding a new strategic supplier in Bangladesh, which will also take over the production volume from the supplier in Myanmar. Here, a Fair Wear factory assessment was conducted after the production started. The member brand checked the remediation status on the RSC website before placing the first purchasing order. Equip's CEO visited the factory before starting the business relationship. Furthermore, one supplier in India was onboarded, producing in two production sites for Equip. One supplier in China was onboarded due to technical product specialities.

Equip does not collect information from workers or stakeholders before placing the first purchasing order to inform the sourcing decision. The member brand's sourcing strategy does not privilege suppliers where workers are free to form a trade union and/or bargain collectively.

**Recommendation:** Fair Wear recommends Equip to collect the signed CoLP, Worker Information Sheet as well as existing audit reports from its subcontractors, too. 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 grievance mechanism, and social dialogue mechanisms within the first year of starting business.	Intermediate	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.	4	6	O

Comment: In the previous financial year, Equip added four new factories. The brand has shared information about Fair Wear's CoLP and the complaints helpline during the sustainability assessment ahead of the supplier being chosen. The Worker Information Sheet has been posted. Equip's CSR team holds meetings with all new suppliers before bulk production. These meetings are to introduce and raise awareness of Fair Wear CoLP and the complaints helpline. A Fair Wear onboarding session for its new supplier in Bangladesh was conducted to raise awareness about the Fair Wear CoLP and the grievance mechanism. The onboarding sessions included discussions to raise awareness about social dialogue.

Recommendation: Equip is recommended to organise onboarding sessions for its Indian supplier as well.

### 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.	Advanced	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.	6	6	0

Comment: Equip has a systematic approach to identifying human rights risks in its supply chain and has assessed the risks for each production location. The risk assessment on factory level mainly includes information from the member brand's annual supplier survey and audit results. Equip uses Fair Wear factory assessments, which include worker and stakeholder input, and other third-party audits in its monitoring. External audits are scheduled for all direct suppliers annually or bi-annually. All suppliers complete the annual questionnaire, including detailed questions about subcontracting, internal-grievance mechanisms, gender, wages, worker representatives, collective bargaining, the general situation at the factory, leverage and the latest social audits. The brand's monitoring tools do not explicitly include worker, stakeholder or supplier input. The brand's top management visits the suppliers on a regular base and provides feedback through visit checklists. In 2023/2024, Equip included subcontractors in its risk assessment as well. Here, the member brand mainly relies on monitoring information from its direct business partners (suppliers). Additionally, Equip identified specific process risks per labour standard that are related to the supporting processes (e.g., embroidery, screen printing, washing, etc.). Equip does not yet have its own monitoring tools for subcontracting partners in place.

Equip developed a systematic Standard Operating Procedure (SOP) for conducting a risk assessment, which also includes a systematic approach to determining the risk level based on the likelihood and severity of potential harm. For instance, if a factory assessment or a complaint identifies actual harm, the likelihood of that risk will increase. Depending on the follow-up actions (e.g., preventative third-party training), the likelihood can be reduced.

In 2023/2024, Equip became a signatory of the International Accord and had access to the assessments and complaints of the RMG Sustainability Council (RSC). Before becoming a signatory, Equip only sourced from suppliers covered by the RSC, and its suppliers share the assessments of the RSC.

**Recommendation:** Fair Wear recommends expanding the monitoring tools for its subcontractors. Furthermore, Fair Wear recommends connecting the support process-related risks with the product-specific risks as well (see indicator 2.3).

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:** Equip has mapped the risks to FoA in all its sourcing countries and can explain the main risks per country, including the risks to women workers. To identify the risks, Equip mainly uses Fair Wear country studies, Fair Wear factory assessments, its own annual supplier survey as well as information from the International Trade Union Congress (ITUC) Rights Index. Equip identified the following production countries in its supply chain that show the highest risk: Myanmar, China, Bangladesh, and the Philippines.

Equip can explain what the main risks of violations to FoA are at all its suppliers, including the risks specific to women workers. The annual supplier questionnaires include questions on FoA, unionisation, and worker representation. This also includes questions about how often the representatives meet and how often they are elected. The member brand knows that women are often disproportionately represented in unions. In general, the most common issue is that workers are not aware of their representatives. Equip identified that most of its factories do have worker representatives, but it could not yet evaluate if an effective process and social dialogue between factory management and workers is implemented. The member knows which suppliers have trade unions and CBAs in place.

**Recommendation:** The member is recommended to assess the status of FoA at the supplier level, understanding the risk at each of its suppliers - for example, through the Supplier Questionnaire (tool 2 in Fair Wear's FoA Guide), modular assessments on Social Dialogue, indepth discussions with suppliers, or a full or modular assessment. Fair Wear highly recommends deepening its understanding of the effectiveness of worker representatives in each factory.

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.	Intermediate	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.	4	6	0

Comment: Equip has included a gender lens in its risk scoping. Additionally, Equip actively collects gender data for its main suppliers. Subcontractors are not included yet. The member brand used Fair Wear's CoLP as a foundation of research and analysed the data into three sections: (1) quantitative, (2) qualitative and (3) country, and applied this at a factory level. The member could show it understands the gender risks for its sourcing countries. For instance, Equip identified sexual harassment, gender-based violence, gender equality and discrimination as significant risks prevalent in Bangladesh, Myanmar, China, Indonesia, Vietnam and India. The risk scoping includes a gender lens by analysing the risks of discrimination, gender-based violence and sexual harassment for all countries.

At factory level, the member brand focused on collecting data on gender division per job role, especially for the supervisor role in the factory. Additionally, Equip collected data if the factory has an anti-harassment or discrimination policy and an anti-harassment committee. The member has started to analyse the existing gender-disaggregated data on factory level. Equip collected data from assessment findings and annual questionnaire results, and split out and examined gender splits and imbalances through workforce dissection focusing on where research has indicated human rights violations can occur. These include migrant employees, temporary contracted workers, night shift workers, pregnancies, and employees with disabilities. Equip has not specifically looked into how its business practices affect gender at its suppliers. The member has yet to analyse the collected gender-disaggregated data to every Code of Labour Practices at the factory and country levels.

**Recommendation:** Equip is recommended to collect gender-disaggregated 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:** Equip has a systematic evaluation system for assessing the human rights performance of its main suppliers. All supplier information, from audits, visits and surveys, is evaluated based on a set framework. In 2023/2024 Equip developed a new supplier scorecard. The evaluation includes cost management, quality, Corporate Social Responsibility (CSR), communication and country and factory risk score. For CSR, Equip included social improvements and remediation, social dialogue and FoA and living wages. All those criteria are weighted equally. This information is shared with other relevant teams and top management to guide production and sourcing decisions.

The supplier evaluation influences sourcing decisions. If suppliers score low, extra attention is given to see how they can improve. If suppliers fail to improve over a certain period (depending on the score), Equip's Responsible Exit Policy comes into force. If suppliers score high, they are included in developing new products and are thereby recognised as valuable partners for future orders. Equip has shared the outcome of the evaluation with its suppliers, but not with their worker representatives.

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: Equip uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database. In addition, the member requests all suppliers to fill in their active production locations in the annual questionnaire. Moreover, unauthorised subcontracting is forbidden according to the supplier manual signed by the supplier every year. Therefore, suppliers must not utilise subcontractors or third parties or change factories or subcontractors producing Equip products without first obtaining written approval from top management. Additionally, the member actively prevents unauthorised subcontracting by visiting suppliers during production. Equip developed a checklist for staff that is visiting the factories. The checklist includes specific questions about signs of subcontracting. Additionally, Equip has in-country production team colleagues permanently based at Equip's main suppliers, accounting for around 30% of its FOB. The collected data is consolidated into Equip's supplier risk assessment.

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:** Equip has identified whether homework is prevalent in its sourcing countries. According to the member, there is a very low risk of homeworkers used by its suppliers because Equip mainly produces technical outdoor apparel and equipment. In its product risk assessment, Equip mentions that there is a higher risk for the production of non-technical styles or products with specific accessories where no machines are needed.

The member brand has been checking with the help of the annual questionnaire if homeworkers are used. So far, no supplier reported the use of homeworkers. Through the brand's detailed insights into production processes and, for example, visits, the member can validate the suppliers' statements that no homeworkers are used. Since 2023/2024, added a homeworker policy to the supplier manual, signed by the supplier every year. If a supplier does choose to use homeworkers, the supplier must request written approval from Equip. The member brand has a follow-up plan for this.

#### **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.	Intermediate	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.	2	4	0



**Comment:** Equip does not use contracts with its suppliers. The member brand has agreements in the form of a supplier manual, but it is not legally binding. The manual references the CoLP and mentions the shared responsibilities of CoLP implementation. The supplier manual is sent to all existing and new direct suppliers annually. All suppliers have signed the supplier manual. Subcontractors are not included. In this, Fair Wear requirements and Equip commitments are implemented.

The agreement shows that if the supplier is responsible for delivery delay, the supplier has to pay for air shipment. If the fabric mill causes the delay, the mill has the option to air the fabric to the supplier. If the fault is not with the supplier, then no charge will be applied. Equip has not included clauses on liability and damages in the agreement. Equip includes payment terms on its purchase agreement. Equip pays all orders upon receiving the bill of lading, usually within a couple of days. In general, payment terms differ per supplier, as Equip is flexible in meeting the requirements of suppliers. Most suppliers have payment terms around 30 days after the estimated time of departure (ETD). Equip could demonstrate in its system that payments were made quickly. In case suppliers ask for it, Equip prepaid parts of orders.

Following the recommendation from the previous Brand Performance Check, Equip updated the payment terms based on the Common Framework of Responsible Purchasing Practices (CFRPP). Additionally, the member brand conducted a gap analysis against the CFRPP to understand what changes would need to be made. The gap analysis showed, for instance, that Equip does not yet have a clear process/agreement with its suppliers in case payments are deferred past the agreed payment term. Furthermore, Equip does not yet have an overview of its intermediaries' payment terms.

**Recommendation:** Fair Wear recommends implementing improvement measures related to the CFRPP's gap analysis. The member brand should add a commitment to long-term orders and expectations for fact-based costing and price calculation to its supplier manual.

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. Sustainability is fully integrated into the purchasing department. Sourcing and CSR staff work with KPIs. Examples of the CSR staff KPIs are: Meeting internal and external reporting and communication deadlines or the delivery of measurable CSR benefits through social and environmental project work with supply chain partners. Employees from the buying department mainly work with economically driven KPIs; for instance: Buying critical path deadlines are met. Next to that, one KPI shows that strong relationships with factories are important for Equip. Another KPI is about developing a feedback loop with suppliers to enable improvement. In general, those KPIs for sourcing and purchasing staff do not support good sourcing and pricing strategies.

**Recommendation:** Equip 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: Equip produces two ranges each year, an Autumn/Winter range and a Spring/Summer range. Over 45% of production volume comes from suppliers where Equip has a continuous production plan. Equip has a production cycle of 18 months, with two seasonal launches a year. Equip is transparent about the production forecast and informs the manufacturing partners around one year before production about the planned capacity. This continuous production plan reduces production pressure and hence limits the risk of causing excessive overtime. Equip's lead time is about five months, and there is always sensitivity time built into the expected delivery dates. During one 'buying block', the brand always ensures to ask for the products which are needed first. Next to that, about half of the orders have more flexibility and can be produced when it is most convenient for the factory. Equip can do this because the brand maintains larger stock in the UK, giving the brand more flexibility in the delivery of products.

Furthermore, Equip is aware of the exact capacity of its main suppliers and knows the number of lines the factories use to produce Equip products. Equip's buying department has continuous contact with the factories about capacity, how production is coming along and whether the factory needs any extra time or is actually done early. The brand also considers local holidays, such as Eid and Chinese New Year, when planning.

In 2023/2024, Equip started developing a supplier sourcing practices feedback survey. The survey aims to provide feedback on Equip's performance given by the suppliers. With this, Equip wants to implement a 360-degree feedback loop to improve our relationship with its suppliers. The survey is based on the ACT Purchasing Practices Survey and (amongst other topics) asks suppliers to provide feedback on forecasting, production planning, and ordering. The member brands intend to use feedback from this survey to improve their practices ahead of the next season.

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.	Basic	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.	2	6	0

Comment: As Equip buys the fabric and trims directly from the material suppliers, the brand pays cut-make-trim (CMT) prices, including labour costs, overhead and profit. The development team has insights into the percentage of labour cost within this CMT price for all carry-over styles. The brand tracks changes in legal minimum wages. This is always considered in the costing process. There is no negotiation taking place on the prices after they have been set, but when a price is too high for Equip, product complexity is changed to lower the cost. The brand does not have insight into the labour minutes it takes to sew the products as it considers this business-sensitive information on which it prefers to trust the supplier.

**Recommendation:** Fair Wear strongly recommends Equip to expand its knowledge of cost breakdowns of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to its own buying prices. Equip is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown, for example using the Fair Price app.

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:** Equip focuses on direct relationships with its suppliers. Equip works with intermediaries for two suppliers, who are also owners of other factories and therefore have to be informed of the Code of Labour Practices. The intermediaries are also involved in CAP follow-up in China and Bangladesh. Both intermediaries also signed the Supplier Manual, which includes payment and delivery terms.

## **Layer 3 Prevention, mitigation and remediation**

**Possible Points: 96** 

**Earned Points: 68** 

# 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.	Advanced	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.	6	6	0

Comment: Based on the risk identification as described in chapter two, Equip has linked factory risks to appropriate follow-up actions. The actions are divided into improvement, preventive and monitoring actions, covering all its main suppliers, not including subcontracting partners. The follow-up plans include tools such as training, monitoring audits, surveys, and optimising its own production planning. Priorities and timelines are included. Budget planning is not included yet. The prioritisation process of the follow-up actions is linked to the significance of the risk as well as the leverage and strategic importance.

Equip sources from four production locations in Bangladesh. The member brand signed the International Accord in 2023/2024. All factories are covered under the RSC.

In 2023/2024 Equip placed a last order with one supplier in Myanmar. Since 2022, the member brand has initiated an exit from Myanmar. However, Equip conducted factory assessments with a third-party organisation. The member brand was in constant contact with the supplier, especially making sure that the complaint hotline is still functioning and monitoring wage payments.

**Recommendation:** Fair Wear recommends the member add a planned budget to its follow-up actions.

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: Equip's risk analysis includes a gender lens for its main suppliers on a basic level, which has fed into the improvement or prevention steps. Equip focuses on (potential) harms related to living wages, discrimination and sexual harassment as a high risk to women, especially in India and Bangladesh. Equip mainly started to collect data on gender division per job role, especially for the supervisor role in the factory and wage gaps. The member brand analysed if there are anti-harassment committees or policies in the factories. Here, Equip started a dialogue with its suppliers and provided its suppliers with additional guidance. Equip enrolled its new supplier in Bangladesh in the Fair Wear anti-harassment training.

Equip applies the gender lens from the risk assessment to CAP findings, but the CAP itself does not have a 'separate' gender lens added to it.

**Recommendation:** Equip is recommended to extend its gender lens to the implementation of all its improvement actions.

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: Equip included steps to encourage FoA and effective social dialogue in its improvement or prevention actions. At its supplier in Indonesia, the member organised a Communication Programme training in 2022 to improve communication at the supplier. Furthermore, Equip encouraged some of its factories to hold an election of worker representatives. The member brand also encouraged its suppliers to raise awareness of worker representatives through posters and team meetings.

Equip recognised that FoA has become a major risk in Myanmar. In 2022/23, the member brand sourced from one factory in Myanmar. Even though Equip has decided to exit its suppliers in the country, the member brand was in constant dialogue with the suppliers to ensure that the workers have access to the Fair Wear complaint mechanism. Equip encouraged the supplier to have a functioning Workplace Coordination Committee (WCC) as per labour law.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports a factory-level grievance mechanism.	Advanced	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.	6	6	0

Comment: Equip assesses its suppliers' internal grievance mechanisms at the start of a business relationship. The member brand extended the annual supplier questionnaire with questions on internal grievance mechanisms. In addition, Equip analyses audit reports to get a better understanding. The member brand supports and monitors the mechanism and responds when the mechanism is ineffective. If factory assessments report that workers were not aware of the grievance mechanisms, Equip provided concrete guidance on how to raise awareness. In one factory, Equip identified that staff from the Human Resources (HR) department did not know how to respond to grievances about gender discrimination. Therefore, Equip shared case studies and guidance from third-party organisations for awareness raising.

As mentioned under indicator 3.3, the brand implemented its monitoring results on internal grievances into its improvement plans, for example, by requesting a Communication Programme training at a supplier in Indonesia. Equip does not further follow up on the meeting minutes with the worker representatives.

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.	Basic	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.	2	6	0

**Comment:** Equip cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. Equip has not yet cooperated with customers that are not Fair Wear members. Equip has yet to start cooperation on taking joint preventive measures, mitigation and remediation with the RSC and signatories of the International Accord.

**Recommendation:** Even though Equip already works together with other Fair Wear members, Fair Wear recommends to also collaborate with other customers. We recommend Equip to also work together on preventing human rights violations.

### Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of verified actions.	70%	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.	6	6	-2

**Comment:** In the past financial year, Equip has received one Fair Wear and five external factory assessment reports. During the performance check Equip could demonstrate it has followed up 70% of actions out of all outstanding actions. These actions are linked to CAPs of full assessments conducted in the previous financial year. Improvement actions include health and safety findings, worker representatives were not democratically elected or written policies and procedures against discrimination were missing. Equip has shown that it also followed up on more structural and complex issues, such as living wages and excessive overtime hours.

One factory building of its new onboarded supplier in India was forced to close the building by the end of 2023 due to a fire in the neighbouring factory that spread to their site. Fortunately no workers were hurt as it happened at night. That is why especially many of the health and safety findings are on hold for now, because the building was completely destroyed. Equip provided a financial loan to the supplier to support rebuilding the factory building.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Intermediate 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.	4	6	-2

Comment: Equip regularly investigates the root causes of all issues and concludes that the main root causes of all issues are lack of social dialogue, insufficient understanding of labour law and implementation of policies, and lack of functioning procedures and governmental systems. In a factory in Bangladesh, Equip identified that a human resources manager was missing. The root causes were discussed with the factory management. The brand organised a Communication Programme training, supporting capacity building and implementing policies and improvements related to internal grievance mechanisms at its suppliers. No root causes in terms of the member brand's own purchasing practices were found.

**Recommendation:** Fair Wear recommends Equip 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 action plan is needed.	Advanced	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.	6	6	0

Comment: Equip owns one factory in the United Kingdom of Great Britain (UK), where improvement or prevention steps are not needed. This factory covers about 4% of the member's total FOB. Top management frequently visits the factory, and it is close to the headquarter of the member brand. Equip informed all workers about Fair Wear membership and included the factory in the gender analysis. The member brand has a system to ensure possible human rights risks are regularly discussed with this supplier. The member includes worker representatives in discussions with factory management on 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.	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 past financial year, Equip has received one Fair Wear factory assessment report and five external factory assessment reports. One Fair Wear assessment report from a supplier in Bangladesh mentions excessive overtime. It shows that workers did not receive 1 day off per 7 days of work. Equip identified that the excessive overtime was caused after the Eid holidays. The factory assessment was conducted right after the member brand started to produce in that factory. In 2023/2024, Equip's buying team worked on a procedure to improve production planning around Eid. Equip could not yet validate if the efforts resulted in reduced excessive overtime.

For the supplier in India that was onboarded in 2023/2024, Fair Wear factory assessments show inconsistencies observed in time records. During that time, the member brand was not yet producing at that supplier. However, Equip is following up on these findings, together with other Fair Wear member brands. It identified that mainly piece-rate payments lead to inconsistencies between different workers. Equip's CEO visited the supplier in India to discuss the production planning. Equip and other Fair Wear member brands planned to conduct a verification assessment.

Equip also identified harms related to excessive overtime in factories in China. The member brand analysed that the most significant root cause for production pressure was a delay in material delivery and moved its material orders. Following several months of adapting the production planning and communicating with the factory management, Equip conducted an external audit at one supplier in China in 2022, which showed that overtime had nearly been halved. Following several months of adapting the production planning and communicating with the factory management, Equip conducted an external audit at one supplier in China in 2022, which showed that overtime had nearly been halved.

Three complaints from one supplier in China address excessive overtime as well. Here, Equip cooperated with another Fair Wear member and tried to remediate this case. Due to the factory's refusal to cooperate in remediating several complaints, Equip initiated a responsible exit as the factory in 2023/2024.

**Recommendation:** Fair recommends Equip to verify and validate if excessive overtime could be reduced. Fair Wear also recommends cooperating with other customers at the factory to increase leverage when mitigating excessive overtime.

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 past financial year, Equip has received one Fair Wear factory assessment report and five external factory assessment reports. One Fair Wear assessment report from a supplier in Bangladesh mentions that one worker was designated in the wrong grade. Additionally, allowances, bonuses or social security benefits were not paid as legally required. The member brand could show evidence that these findings have been remediated. Additionally, Equip adjusted its risk assessment to further monitor risks related to the payment of legal minimum wages in Bangladesh.

For the supplier in India that was onboarded in 2023/2024, Fair Wear factory assessments show inconsistencies observed in time records. Due to that wages could not be verified. During that time, the member brand was not yet producing at that supplier. However, Equip is following up on these findings, together with other Fair Wear member brands. In November 2023 one of the factory buildings burnt down due to a fire starting at the neighbouring property. For several weeks following the fire, workers were unable to work. Equip ensured the supplier continued to pay the workers' wages during this downtime and requested evidence of their wage slips. To support the supplier in paying legal minimum wages, Equip pre-paid for two shipments. Additionally, Equip provided a financial loan to the supplier to support rebuilding the factory.

In 2023, Equip received four complaints from one supplier in China related to legal minimum wage issues. Here, Equip cooperated with another Fair Wear member and tried to remediate this case. Due to the factory's refusal to cooperate in remediating several complaints, Equip initiated a responsible exit as the factory in 2023/2024.

**Recommendation:** Fair Wear strongly recommends Equip to ensure problems of payments below legal minimum wages are not just prevented going forward but also remediated retroactively.

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: Equip understands which suppliers pay wages below living wage estimates as a consequence of the member's policies/actions. Equip followed up on this and reviewed internally how the member's purchasing practices could be altered. Equip has done a root-cause analysis to find out why wages at suppliers are below the living wage. Equip considers low efficiency and the complex quality of technical outdoor products as the most important root causes. Equip helped with improving efficiency and quality by being onsite many times and employing local staff for quality control so that factories could afford to improve wages without increasing their costs or reducing their profit margin.

Equip conducts an annual gap analysis of its suppliers' wages compared to the local living wage estimates. The current wage data is taken from Fair Wear or external audits. Equip includes the benchmark of the Global Living Wage Coalition (Anker methodology) and WageIndicator in its overview. The results of this gap analysis are included in each factory's risk assessment. This overview shows that two factories pay above an independent third-party living wage estimate. Bangladesh is the country where wages are most consistently below the estimated living wage. Other countries where the living wage gap is high are the Philippines and, partly, factories in China.

Equip has developed a systemic and time-bound approach for its one supplier in Indonesia (30% FOB).

**Recommendation:** Fair Wear encourages Equip 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.	Intermediate	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.	4	6	0

**Comment:** Equip has started analysing the costs of financing wage increases in its supply chain. In 2023/2024, Equip still focused on a living wage project with its supplier in Indonesia. Together with the factory management, both the member brand and the supplier agreed on the living wage strategy, including a concrete timeline as well. The member brand has yet to involve worker representation in the process.

In 2023, Equip developed a roadmap and a procedure together with the supplier on how to increase wages step by step. For consulting together with the supplier, Equip's CEO visited the factory and a written agreement between the supplier and Equip was established. It includes an understanding of the financing. In this case, the factory invoices Equip for the living wage surcharge. By the end of 2023, the workers received the agreed living wage estimate for the first time. Equip plans to include the living wage increase in the product costing for 2025.

**Recommendation:** In determining what is needed and how wages should be increased, it is recommended to involve worker representation. Fair Wear strongly recommends member brands to integrate the financing of wage increases it 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.	35%	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.	4	6	0

**Comment:** In the member brand's own factory in the UK, all workers are paid the UK's National Living Wage. Equip's own factory accounts for 5% of its total FOB. The supplier in Indonesia pays above the Wage Indicator Living Wage for Bogor, Indonesia. This could be verified through a third-party factory assessment end of 2023. The factory in Indonesia accounts for 30% of Equip's total FOB.

Equip doesn't use fact-based costing yet to ensure its prices support the payment of a living wage estimate at suppliers.

**Recommendation:** Fair Wear recommends Equip to include living wage benchmarks in its pricing. By using fact-based costing the member brand can ensure that its prices support a payment of a living wage estimate at its suppliers.

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.	Intermediate	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.	2	4	-2

**Comment:** Equip received four new complaints and one follow-up complaint in the financial year 2023/2024 at one of its factories in China about living wage, reasonable hours of work as well as legally binding employment relationship. Equip cooperated with another Fair Wear member brand to resolve these complaints. All complaints are closed or resolved. Due to the factory's refusal to cooperate in remediating several complaints, Equip has decided to initiate a responsible exit as the factory. The member brand did not yet include the outcome of these complaints to decide on further preventive actions in its supply chain.

**Recommendation:** It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories.

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	O

Comment: In the past three years, Equip organised one Workplace Education Training Programme training (WEP) and one Communication Programme training at its Chinese and Indonesian suppliers. The decision to provide training to its suppliers depends on the improvement and remediation plans based on audit results and complaints as well as the outcome of continuous monitoring. In 2023/2024, Equip conducted an Onboarding Module training, focussing on social dialogue in its new factory in Bangladesh. Additionally, a Violence and Harassment Prevention Programme was requested in 2023, but delayed by Fair Wear.

**Recommendation:** The member is recommended to implement training for all factories where this is part of its action plan.

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: Equip followed up on the conducted training programmes by constantly engaging with its suppliers. When Equip's staff visits factories, the member brand specifically asked them to review and document the improvements delivered by the factory as a result of the worker feedback captured in the training. As part of the training, the supplier conducted a factory-wide survey of workers, asking for their input on various issues, including working hours, pay, facilities, and recruitment policies. After conversations with Equip, the supplier continues to conduct the survey periodically to document changes and identify new issues. Additionally, the member used the results of the training as input for its risk assessment.

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.	Advanced	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.	4	4	0

**Comment:** Equip's human rights risk monitoring includes a responsible exit strategy. The policy is linked to the supplier manual as well. The policy distinguishes between exits from factories for commercial reasons and an exit due to persistent refusal or failure to comply with Equip's social standards. Equip has discussed the responsible exit strategy with all its suppliers.

In the past financial year, the member terminated the business relationship with three suppliers in Cambodia, Bangladesh and China. Additionally, Equip announced a responsible exit for other suppliers, but production was still running in 2023/2024. Equip only placed test orders at the supplier in Cambodia and decided not to produce in this factory. The exit from suppliers in China and Bangladesh was a joint decision. The leverage in all three factories was very low. Together with the suppliers, Equip agreed on a phase-out period. Furthermore, Equips checks on the impact on workers.

For exiting the factories in Myanmar, Equip consulted internal country and manufacturing specialists, industry stakeholders and suppliers. The formal responsible disengagement process started already in October 2022. Equip confirmed with its remaining Myanmar supplier that it will commence responsible disengagement and move production to one of the partner's other owned sites outside of Myanmar. The last production order was placed in the previous financial year. Equip received its final shipment from Myanmar in January 2024 and no longer has any production in the country.

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:** Equip 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: 18** 

**Earned Points: 16** 

#### 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:** Equip communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. By using social media channels, newsletters, on-garment communication and press releases, Equip 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).	No reselling of external brands	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 multistakeholder initiatives that verify their responsible business conduct.	N/A	4	0

**Comment:** Equip does not sell external brands.

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:** Equip has submitted its social report, which Fair Wear approved. The social report is published 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:** Equip published its social report, which includes factory-level data and remediation results. The factory-level data the member included main audit findings, complaint details, training outcomes and risk analysis results. Equip has yet to disclose its full factory list and its time-bound improvement plans.

**Recommendation:** Fair Wear recommends Equip 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.	Advanced	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.	6	6	0

**Comment:** Equip has a system to track progress and check if implemented measures have effectively prevented and remediated human rights violations. In its evaluation system, the member includes triangulated information from external sources, such as suppliers, employees and other relevant external stakeholders through conducting a materiality assessment.

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

**Comment:** In the previous performance check, no requirements were included.





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# **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**

Equip mentioned that there are many delays from Fair Wear in regard to providing training programmes and reports. There is a lack of communication about the deadline, when a brand can await a training report. In general, Equip is missing transparency about Fair Wear's strategic decisions and the development of new guidances and policies.

Furthermore, Equip mentioned that the new Brand Liaison approach is not suitable for the member brand, as they miss direct contact with Fair Wear. They feel that Fair Wear lacks communication and wish to have more personal contact again.

Equip wishes for a wider engagement with Fair Wear brands, but also beyond Fair Wear membership.

## **Brand Performance Check details**

Date of Brand Performance Check: 02-07-2024

Conducted by: Victoria Lauer

Interviews with: Matt Gowar (Executive Chair, Board)

Debbie Read (Head of Corporate Communications and CSR)

Haydn Cornish-Jenkins (CSR Manager)

Bethan Jones (CSR Data Support Assistant)

Michelle Swan (Head of Buying)

Matt Bingham (Director of Operations)

Tom Kazianis (Group Management Accountant)

Lesley Barker (Head of Development)