



## BRAND PERFORMANCE CHECK

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Vaude Sport GmbH & Co. KG

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this report covers the evaluation period 01-01-2016 to 31-12-2016

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation 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. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF'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 FWF 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 FWF 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 FWF's work.

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

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

## BRAND PERFORMANCE CHECK OVERVIEW

Vaude Sport GmbH & Co. KG

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Tettnang, Germany
Member since:	15-11-2010
Product types:	Outdoor, Sportswear
Production in countries where FWF is active:	Bulgaria, China, Myanmar, Turkey, Viet Nam
Production in other countries:	Austria, Cambodia, Croatia, Germany, Lithuania, Philippines
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	100%
Benchmarking score	89
Category	Leader

## Summary:

VAUDE has implemented most of FWF's management system requirements and has even gone above and beyond in its efforts. The company has consolidated its supplier base in recent years, limiting itself to a select number of nominated suppliers in China and Vietnam.

A structured and detailed evaluation of suppliers forms a crucial basis for sourcing decisions. By audits conducted by FWF teams, meeting monitoring requirements for production sites in low-risk countries, and conducting audits in countries where FWF is not active, VAUDE has been able to raise its monitoring threshold to 100% of its 2016 production volume, which meets FWF requirements for brands at 3+ years of membership.

VAUDE has established strong, integrated systems at the company level. Due to full-time staff in Asia and frequent visits by VAUDE staff to the production sites, VAUDE's CSR team possesses in-depth knowledge about its production sites. The monitoring and remediation of findings at the production sites is a joint effort of all staff members in close contact with the production sites.

VAUDE has identified working hours, wages, and freedom of association as the biggest challenges relevant to its supply chain. In 2016, VAUDE conducted a wage and overtime analysis, which enabled the company to set priorities and address the root causes of the findings. The outcomes of the study encouraged VAUDE to consolidate fabric suppliers even further, resulting in the ability to split production more equally over the year. Outcomes still need proofing during audits. VAUDE joined FWF's Living Wage Incubator, which creates a unique opportunity for exploring living-wage payments at sample production sites while learning from other FWF member brands. To address the challenge of freedom of association, VAUDE has enrolled its bigger suppliers in China and Vietnam in FWF's Workplace Education Programme. In Myanmar, VAUDE implemented the EU SMART project, which included factory training programmes. For this engagement, VAUDE got granted at the FWF Annual Conference in 2016, together with two other FWF member brands.

VAUDE adequately responded to complaints filed by workers and has particularly been active in remediating problems found at a Turkish supplier.

VAUDE reports comprehensively on its sustainability efforts through the Global Reporting Initiative (GRI) framework. VAUDE has published its production sites and the addresses of these online.

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

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

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

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

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	65%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

Comment: 65% of VAUDE's supplier volume is bought from factories where the company has substantial leverage (at least 10% of the factory production capacity). VAUDE has been in process of consolidating its supplier base the past years. The company works with approximately 45 first tier suppliers of which the majority have been long term partners where VAUDE has substantial leverage. The company's sourcing strategy includes limiting the number of active suppliers per product group.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	23%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

**Comment:** 23% of production volume from production locations come from sites where VAUDE buys less than 2% of its total FOB. This is a total of 31 production sites. Although only 4 out of these 31 site require an audit according to FWF requirements, VAUDE has conducted audits at 16 sites. Some of the production sites with higher requirements are falling under FWF's definition of low risk-countries. They have all been visited by VAUDE CSR staff in the past financial year. Social standards in general and best practice implementation and remediation have been discussed during those visits.

VAUDE reported that the amount of production locations where they buy less than 2% of its total FOB is this high because VAUDE decided to slowly phase out production at several of those sites in 2016 and 2017 to ensure a smooth transfer for both sites.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	52.44%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** VAUDE has revised its purchasing strategy in the past years which is why only 53% of the production locations come from suppliers with a business relationship of at least five years. Several suppliers changed locations and a few new suppliers were selected. A majority of the new production sites are only new due to the fact that the factory management decided to change location of the production site. Management, staff and workers remain the same already longer than 5 years. Immediately after knowing that the production site moves, VAUDE has initiated audits and WEP trainings to ensure that high social standards are kept.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: All new production locations (6 in total in 2016) have signed and returned the questionnaire with the CoLP before first bulk orders were placed. Pictures of the CoLP hung up at the production sites have been taken and were shown to FWF during the Brand Performance Check.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

Comment: VAUDE has a system to evaluate the risks related to labor standard violations when selecting a new supplier. Staff of VAUDE (quality control and CSR) always visit the locations first. The company collects existing audit reports and researches other clients sourcing at the factory. In case another FWF member is working with the factory, it is a significant advantage for starting the business relationship. VAUDE requires suppliers to be transparent on subcontractors; preferably all processes are done in house, if not the subcontractors are included in the monitoring system for implementing the Code of Labor Practices. Full audits are conducted at sewing subcontractors. VAUDE assesses the willingness of manufacturers to cooperate on implementing improvements during a meeting when the CoLP is explained. Local VAUDE staff give a presentation on FWF and explain the FWF audit methodology in detail. A basic health and safety check is conducted in addition to a checklist that includes detailed questions on working conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

**Comment:** Suppliers are evaluated twice a year together with all VAUDE staff involved with the manufacturers. Social compliance is discussed during meetings with the factory management on the international yearly trade fair where longer term strategy is determined. Local VAUDE staff is heavily involved in evaluating supplier performance and provide input to head office.

The supplier's performance on social standards is part of the decision making which leads to the consolidation plan of VAUDE. Suppliers that were not performing well on implementing the Code of Labour Practices will not receive more orders while improved audit results were a reason to continue the business relationship.

Consolidating the supplier base is still part of VAUDE's strategy. Several factories received less order volume as they failed to demonstrate progress in 2016 or did not show willingness to improve. Others who performed well regarding social compliance and showed willingness to improve last year received more orders and were defined strategic partnerships.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** VAUDE has a strong, integrated system in place. Approximately nine months before delivery, VAUDE and the supplier agree on the production capacity and how many pieces of what style will be produced when. VAUDE forces dealers to place orders earlier. The forecast is agreed upon with the supplier according to their capacity. The manufacturers will indicate whether the proposed shipment date is feasible; if not a new date is agreed on. The communication with the factory is documented in the forecast sheet, where factories can reply and provide comment to the planners. Orders are often split between 3 different delivery dates. In 2016 VAUDE had a closer look at fabric suppliers and the times and ways production sites order fabric. Since different production sites sometimes ordered the same fabric at fabric suppliers but on different dates throughout the year, VAUDE has consolidated this process now ensuring fabric is orders from different factories at the same time. This allows the fabric supplier to work more efficiently and production sites to have longer time for production itself.

VAUDE staff conducts in-line quality inspection and is present during production time. VAUDE always has on stock items; the number of carry over styles increased in the past financial year which is another attempt to cover the low season of factories.

**Recommendation:** FWF suggests to further analyse the impact of the improved production planning system on working hours in the factory. It would be interesting to be able to connect the early order placement system to a decrease of pressure of sudden orders. In combination with FWF audits to verify the working hours and feedback from factory management, conclusions may be drawn on the impact of VAUDE's planning on working hours in factories where VAUDE has high leverage.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	6	6	0

**Comment:** To overcome the occurring overtime, VAUDE has several instruments to mitigate the risk: a flexible planning system with their own warehouse that allows them to adjust the delivery dates to the retailer when needed; the option to prioritize orders, move orders from factory to factory, or spread orders that can be handled in time. A last case scenario is air freight.

However, reducing excessive overtime in Asia remains the biggest challenge which is also shown in the FWF audits. FWF conducted 16 audits at VAUDE production sites in China, Myanmar and Vietnam in 2016. Except for two sites in Vietnam, overtime work was found.

**Recommendation:** VAUDE is encouraged to further assess the impact of its efforts on working hours in production locations. After knowing the root causes from the evaluation, next year effects should become visible in reduced numbers of excessive overtime found during audits. More specifically, the company can measure the impact of decreasing the fabric and trim delays on working hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0

**Comment:** VAUDE takes local minimum wages into account during product pricing. The company has a formal costing system per style. It includes the fabric and trim price, handling costs, profit and the CMT price, but not the exact share that goes to workers' wages. VAUDE discussed this ambition internally, but found that it is not possible to receive the exact amount that is paid to workers from the manufacturer. In order to get a guarantee for payment of at least minimum wage the company aimed to look at production settings and price entry special items that potentially had a negative aspect on producers. Based on the Cut Make Trim calculations, VAUDE can estimate the wage levels as input for their own price setting. After the first prototype, the manufacturer can indicate if the target price is not feasible. If not, VAUDE changes the drawing, design considerations, the fabric, the own price calculations or the retail price. In addition, nearly all factories in high risk areas are audited by FWF to ensure payment of at least minimum wage.

**Recommendation:** FWF suggests piloting programmes to gain more insight into the relation between pricing and the labor costs at suppliers where VAUDE has high leverage and transparency. For instance the factory in Vietnam that is owned by VAUDE's founder.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2

**Comment:** At one production site in Myanmar problems were reported about payment minimum wage. It was observed that all workers received the basic salary of trainees for 3 months and were paid 50% of the minimum wage during that time. Workers who are under probation for 3 months are paid 75% of the minimum wage. After working for six months, the workers are regarded as permanent workers who are fully paid. This is according to the Myanmar law but not right according to the CoLP. As the stricter law applies, this needs improvement.

VAUDE has received the audit report only in the beginning of 2017 when a visit to the production site in Myanmar is planned to discuss wage payments.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0

**Comment:** VAUDE analyzed and compared all FWF wage ladders from the audited factories in China and Vietnam. A detailed analysis has been made by listing all wages per factory in comparison with the local minimum wages, Asia Floor Wage benchmarks and Collective Bargaining Agreements where applicable. In Vietnam, VAUDE collected data from stakeholders Molisa (Vietnam labour department) and GIZ to have regional benchmarks.

Audits conducted in 2016 showed a gap towards living wage benchmarks; however three reports concluded that wages at the production sites are higher than minimum wages and making good steps towards living wage benchmarks. In some audited factories some departments earn above living wage estimates.

VAUDE has collected wage data for the factory in Myanmar and has involved workers in the discussion on wage levels in Vietnam and China.

VAUDE has joined the FWF living wage incubator challenge in 2016 which aims for payment of living wages at project factories.

**Recommendation:** Looking into issues such as piece rate systems, productivity and training will support creating impact to increase wage levels. FWF encourages VAUDE to further support suppliers to close the gap to the first living wage benchmarks through the analysis they conducted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	5%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	1	2	0

Comment: VAUDE owns one factory in Germany which is used for bag production. Another factory in Vietnam is owned by VAUDE's founder and counselor but working completely independent from VAUDE and is hence not counted as owned by the member company.

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## PURCHASING PRACTICES

Possible Points: 46

Earned Points: 36

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	91%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	8%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	100%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: The responsibility to implement the Code of Labour Practices is integrated within the production department of VAUDE. The company has designated staff in Germany and full time staff in both China and Vietnam to coordinate the CAP follow up process. In addition, VAUDE QC staff frequently visit the production locations and have shared responsibility to follow up on problems identified by the monitoring system.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Advanced	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	8	8	-2

**Comment:** VAUDE has a strong system to document and monitor improvements made after an audit. The company shows advanced evidence of understanding the relevant issues from FWF stakeholder information. In 2015/16 VAUDE introduced a new system that explains how CAPs should be followed up for every staff involved within VAUDE. The system categorizes findings with the required follow up actions within a clear time-frame. Critical findings for instance require immediate response from factory by email and are followed by two onsite visits. The VAUDE board is involved in case the audit reveals crucial problems. Noncritical findings can be handled through desktop follow up, and visits by local staff.

Furthermore, the feedback from the factory management on the implementation status of improvements, is cross-checked by VAUDE's local staff who visits the production sites regularly. Worker interviews are conducted to verify whether the statement of implementation from factory management is correct. In case the factory management response varies from the answers from the workers, VAUDE ensures CAP implementation. The process of implementation of all CAPs is analyzed per factory on a yearly basis and progress documented in a separate sheet by means of ranking the implementation; this forms the basis for prioritizing and marking which issues should be discussed with general management. This analysis is discussed with the factory management during factory visits. Meaningful efforts are shown to realize improvements, particularly in the area of health and safety which is checked on annual basis.

In 2016 VAUDE has started to include worker representatives and unions more in the process of following up CAPs where possible. VAUDE realized that including worker representation needs different approaching in different countries. E.g. they experienced in China that staff did not want to be functioning as worker representatives when electing in a democratically way. By asking to sign up co-workers as worker representatives those people felt honored to be functioning as worker representatives and also took up the job to follow up CAPs with the management. In Vietnam such issues weren't faced. A posting of the new elected worker representatives at the production board was enough to get started.

In 2016 VAUDE has started with self-assessments at embroidery and printing sites. Findings there are also included in the follow up systems of CAPs as described above. At two suppliers (in China and Vietnam), VAUDE trained the supplier to be able to implement social standards at their subcontractors.

**Recommendation:** All production locations of sewing is monitored under strict and enhanced requirements; this can be expanded to printing and embroidery.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	100%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Production sites are visited each year several times by VAUDE staff. This is especially the case for all production sites in China, Vietnam and Myanmar. CSR staff at headquarter made a tour in 2016 visiting all production sites in Austria, Bulgaria, Croatia Germany and Lithuania.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: VAUDE collects available audit reports from suppliers and conducts the FWF audit quality assessment tool. Results of this analysis are shared with FWF for preparation of audit teams before conducting a new audit. In most case VAUDE schedules a FWF audit at those production sites as well. In the Philippines where FWF is not active, VAUDE cooperated with other FWF members to organize a joint audit. In 2016 FWF accounts four external audits towards the monitoring threshold which make a total of 1.35% of VAUDEs overall FOB.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Advanced			6	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: VAUDE sources at one factory in Myanmar. VAUDE fulfills all requirements according to the FWF position paper Myanmar. VAUDE sources at this production site since 2003, starting a relationship long before the suspension of economic sanctions by the EU, US and other Western countries.

The production site has been audited by FWF in 2014 and again in 2016. Several findings could be improved. Overtime, living wages and awareness of workers of the CoLP remain a challenge.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: VAUDE shares audits and CAPs with other customers of the production sites. VAUDE took the lead to follow up CAPs in many of the shared audits and took initiative in coordinating the CAP follow up process and keeping the others informed. A joint training project was provided in Myanmar.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	Member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0

Comment: Approximately 7% of VAUDE's 2016 purchasing volume comes from areas that are classified by FWF as low risk. Monitoring requirements are fulfilled for production in low-risk countries. The CSR responsible at the headquarter made a tour visiting all production sites of VAUDE in Austria, Bulgaria, Croatia, Germany and Lithuania. Visits were scheduled to know more about all their efforts, to introduce VAUDE goals, to discuss FWF requirements and to conduct an on-site health and safety inspection. In case of existing audit reports, findings of those were followed up.

In general VAUDE found these production sites - in comparison to the Asian ones - to be producing and working more sustainably. VAUDE believes that due to strict regulations by the local government with high standards and regular follow up checks, labour standards are kept at a high level.

Travel documents, pictures and minutes have been shown to proof during the Brand Performance Check.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	90%+	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	3	3	0

Comment: VAUDE conducts audits at all their sewing production sites - no matter how small or big of value to the company.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	0	1	0

**Comment:** VAUDE works together with one licensee who produces some of VAUDE's apparel collection by himself and sells these products in the Chinese market.

The contract between the licensee and VAUDE has been signed long before VAUDE joined FWF. Adding social standards to the contract means changing the overall contract with the licensee which VAUDE finds difficult. VAUDE is aware of the risks which are implied by not knowing where the production takes place sold via the licensee. VAUDE knows that the licensee conducts social audits under a different scheme. VAUDE is currently training local staff to be able to conduct audits at the sites used by the licensee.

**Requirement:** FWF requires VAUDE to include social standards in the contract with the licensee and to collect all necessary information about the production locations used by the licensee.

## MONITORING AND REMEDIATION

Possible Points: 33

**Earned Points: 32**

## Additional comments on Monitoring and Remediation:

VAUDE started an extra subcontractor project in 2016: Sewing subcontractors are handled differently from printing and embroidery. All subcontractors for sewing fall under the standard FWF monitoring requirements. The extra project since 2016 aims to have management from sewing suppliers trained to be able to conduct self-assessments at embroidery and printing sites. Embroidery and printing sites need to be disclosed to VAUDE and are maintained in an excel sheet at the company. They are not entered in the FWF database.

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	2	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: Both CSR responsible staff at VAUDE in Germany and Asia are responsible for handling complaints. Both travel to the production sites frequently and see addressing worker complaints as a shared responsibility which is best addressed face-to-face with the factory management. When the factory management was in Europe meetings took place to discuss follow up of complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

Comment: Local VAUDE staff visits the production sites regularly. Checking the posting of the Worker Information Sheet is part of every visit. In the checklist other VAUDE colleagues use when visiting the supplier a question is included to check whether the Worker Information Sheet is posted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	41%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	2	4	0

**Recommendation:** Most of VAUDE's factories are audited several times and awareness increased also by WEP trainings. At 41% of the production sites at least half of workers are aware of the FWF worker helpline. Few factories showed workers were not aware however the Code of Labour Practice was posted at the sites. At one production site, the CoLP was not posted, workers were not aware. Reason for this relatively low score is also that VAUDE conducted audits before order placement at the site. Since the audit results determine whether or not VAUDE sources at these production sites in future, VAUDE did not yet share all details about FWF with the factory management and hence factory management could also not yet inform the workers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: VAUDE has an own internal complaints procedure with clear steps and responsibilities. In handling complaints VAUDE is actively involved in follow up with a big role for local staff in remediation. VAUDE uses the topics from complaints to analyze and evaluate suppliers. VAUDE pays additional attention to overtime issues, particularly through their local staff and analyses the root causes of excessive overtime.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 13

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

**Comment:** FWF information can be found online, all staff at VAUDE has access to the FWF documents on the company's server.

Staff at Vaude is made aware of FWF membership in several ways:

The Vaude Academy offers a session about social standards and Fair Wear Foundation every year. All employees of Vaude are free to join Vaude's Academy program. The program is mandatory for new staff.

VAUDE conducted a survey among all company employees on the importance of VAUDE improving working conditions.

Every summer there is a sales meeting where sales staff is trained. FWF membership is always on the agenda.

In addition news on current happenings are shared through internal mailings and intranet. Updates on social standards are part of the monthly meetings with the head of the product departments.

VAUDE's top management is informed and updated on a yearly basis.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** No additional training is needed aside VAUDE Academy. All staff in direct contact with suppliers are involved in the follow up of FWF's monitoring systems. Weekly meetings take place to ensure that everybody is aware of current happenings. Local staff are trained on health and safety issues to better enable them to detect health and safety violations. The training was expanded in 2015 and 2016 by making local staff accredited auditors. VAUDE staff joins the FWF seminars, stakeholder meetings and annual conference. THE CSR department keeps an overview of who from VAUDE travels where and meets whom at what fair. This allows adequate briefing of that person before meetings are taking place. With this combined effort suppliers see that it is not only CSR people from VAUDE asking for social standards but everybody working at VAUDE headquarter.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	N/A	2	0

**Comment:** VAUDE keeps direct contact and business relationships with its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	85%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

**Comment:** VAUDE finds the educational programme very important, to encourage suppliers and their employees to discuss working conditions. 4 factories have participated in FWF's Workplace Education Programme in 2016. 35 factories have participated since the beginning of the program in 2014. All factories were open for the training and reported that the training was useful. Some of the trainings have been conducted to verify or remediate complaints at the production sites. Management of some sites wished for more follow up possibilities after the training and want further trainings which go beyond labour standards and grievance mechanisms addressing factory specific needs.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	97%	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	4	4	0

**Comment:** Together with three other outdoor brands, VAUDE has established a training program for management and workers in Myanmar. The organization SMART has trained all participants. FWF training material was used, country specifics included and everything translated for local use. In addition, a complaints hotline was established by having SMART as a complaints handler and spreading the complaints handler number during training and audits.

## TRAINING AND CAPACITY BUILDING

Possible Points: 13

**Earned Points: 13**

## Additional comments on Training and Capacity Building:

VAUDE works together with ILO Better Work in Vietnam and has factory management trained on issues such as labour laws. VAUDE covers the cost for the factories to participate.

## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

**Comment:** VAUDE staff is regularly at the production sites conducting in-line inspections. Before an audit takes place VAUDE actively discusses the potential use of subcontractors with management and analyses production capacity and workforce during visits. Especially Asian QC staff is at the factories during production frequently. In case an audit shows the manufacturer uses subcontractors, VAUDE investigates whether they are used for VAUDE orders. Subcontractors are also visited by CSR staff in case they are located on-site and are part of the QC visits if they have an essential role in product quality. VAUDE asks the factories twice a year to send an update concerning subcontractors in use. Purchasing volumes at factories could be verified by checking financial accounts.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** Everybody at VAUDE, including local staff, has access to the server where all information with regard to labor conditions at the production sites is filed. Information is shared explicitly with staff in contact with production sites and communication is documented. Local staff are mostly working and living around the factory locations, but are own VAUDE staff. The QC team is now also part of the product development phase to better understand comments from the factory.

There are regular internal production meetings that include CSR staff.

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## INFORMATION MANAGEMENT

Possible Points: 7

**Earned Points: 7**

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

**Comment:** Communication about FWF membership and the leader status adheres to the FWF communication policy. FWF membership is communicated through the company's website, on catalogs, on social media, youtube and through company presentations. FWF is actively communicated within the dealers network through a dealers newsletter and workbook. The Leader status is part of the company's PR strategy and mentioned in several press clippings.

VAUDE is an actively involved in the German Textilbuendniss and other stakeholder platforms where they regularly informs public and stakeholders about FWF membership.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Production locations are disclosed to the public	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

**Comment:** VAUDE includes the results of the brand performance check in its sustainability report. The sustainability report is according to GRI standards; comprehensively reporting on audit results, remediation activities and complaints. The 'leader' status is communicated through several channels including social media, on garment communication, catalogs and during fairs. In 2016 VAUDE decided to put their supplier list online. For now this is a list stating all names and addresses of the production sites. Future plans are to have products linked to the production sites to be even more transparent about the supply chain and production towards customers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

**Comment:** The social report of VAUDE is submitted and published on VAUDE's website as part of the sustainability report based on the Global Reporting Initiative (GRI) G4 Guidelines.

## TRANSPARENCY

Possible Points: 6

**Earned Points: 6**

### Additional comments on Transparency:

VAUDE is exceptionally transparent on their website reporting about the status of monitoring and remediation at the production sites.

## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: Top management is involved to systematically evaluate FWF membership on a yearly basis. FWF and audit results are regularly discussed during production meetings. The CSR project team includes production and management staff to ensure an integrated approach. The performance check results are shared with management and sales staff as well as with the local staff to see where improvements can be made.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

1. VAUDE supports FWF's requirements towards licensees. The company believes that it is necessary to focus more on conditions at production sites of licensees. VAUDE recommends FWF to include requirements at licensees into FWF's overall requirements step by step over the coming years.
2. Since years VAUDE like other German member brands ask for more communication material in German. VAUDE sees a German FWF website as crucial to be able to keep supporting FWF in the German market. According to VAUDE, recent negative and unclear media about FWF in Germany is a result of a not satisfactory communication strategy of FWF in the German market.
3. VAUDE would like FWF to consolidate the information in the audit reports to make them more reader friendly for colleagues internally at VAUDE but also towards the customers. Easy overviews showing audit results would help to communicate audit results.
4. VAUDE wishes FWF to do more story telling. VAUDE finds FWF reporting very fact based and hence not useful for end customers. VAUDE would appreciate FWF to use complaint reports as base for success stories.
5. Within the FWF database it is not possible to link one subcontractor to two different suppliers which is the case in VAUDE's supply chain and a wish to be fixed. All sewing sites are included in the database. To include also embroidery and printing sites VAUDE sees the necessity to have them be visually highlighted as different from sewing. Otherwise there would be too much data and no overview anymore.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	36	46
Monitoring and Remediation	32	33
Complaints Handling	13	15
Training and Capacity Building	13	13
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	109	122

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

89

### PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

23-02-2017

Conducted by:

Stefanie Santila Karl; Emma Conos

Interviews with:

Jan Lorch - Head of CSR and Sales

Thomas König - Head of Planning and Purchasing

Susanne Medesi - Head of Production Management

Antje von Dewitz - CEO

Ralf Geiger - Head of Marketing

Anika Mauz/Sven König - Production Management & CSR