



Brand Performance Check
Outdoor & Sports Company Ltd.

This report covers the evaluation period 01-01-2021 to 31-12-2021

About the Brand Performance Check

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

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

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

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

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

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

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

Brand Performance Check Overview

Outdoor & Sports Company Ltd.

Evaluation Period: 01-01-2021 to 31-12-2021

Member company information	
Headquarters:	Cheshire , United Kingdom
Member since:	2012-06-30
Product types:	Sports & activewear
Production in countries where Fair Wear is active:	Bangladesh, Bulgaria, China, India, Indonesia, Myanmar, Viet Nam
Production in other countries:	Cambodia, Hungary, Philippines, Serbia, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	93%
Benchmarking score	78
Category	Leader

Summary:

Outdoor & Sports Company Ltd. (hereafter referred to as OSC) has shown advanced results on performance indicators and has made exceptional progress. With a benchmarking score of 78, OSC is once again placed in the Leader category. Although the monitoring threshold does not determine the category this year, OSC has fulfilled the monitoring requirements at suppliers providing 93% of its production volume.

Corona Addendum:

The second year of the pandemic still significantly impacted the brand's operations. OSC faced many challenges in the production countries, especially Vietnam and Myanmar, accompanied by significant fabric delays throughout the supply chain. On the other hand, the brand had a very successful business year thanks to the increased demand for outdoor products. The second year of the pandemic also stressed the importance of sustainability for OSC, leading to a new hire for environmental sustainability. And the decision to further extend the team in 2022 with an assistant for CSR.

Due to the severe impacts of COVID-19 on the on-time deliveries, OSC drastically changed the critical path schedule of order placement. The brand placed orders two months earlier to ensure suppliers have sufficient time for production, including possible delays. OSC paid for all orders in full and on time and did not negotiate discounts because of COVID-19. The brand made no changes to payment terms. With one supplier, the brand agreed to support the supplier's liquidity by prepaying orders.

OSC conducted seven audits in 2021, ensuring more insight into the working conditions after a year of relying more on alternative monitoring tools. OSC focused on remediation of the findings related to excessive overtime (China) and the topic of wages (Ukraine and Serbia). Due to travel restrictions, no supplier visits were possible in 2021.

OSC followed up on COVID-19 impacts at the supplier as an integrated part of regular meetings. The brand registered information on regional or country lockdowns in a COVID-19 overview for all suppliers. If a lockdown occurred, the brand diligently followed up on wage payments. For Vietnam, OSC joined a group of Outdoor members to investigate if legal minimum wages were paid during factory closures.

OSC showed good practice in their work on Freedom of Association and the right to collective bargaining, which the brand identified as a high risk for China and Vietnam. OSC created a Collective Bargaining Agreement (CBA) Questionnaire and sent it to fourteen strategic partners in China and Vietnam; all suppliers replied and shared documentation.

Overall, OSC has strong systems to enable proper human rights due diligence and actively works on high-risk areas in its supply chain. The brand must focus on the biggest challenges of excessive overtime and living wages in the upcoming year.

Performance Category Overview

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

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

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

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

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

1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	61%	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: In 2021, the percentage of the production volume from production locations where OSC buys at least 10% of the production capacity increased slightly from 57% to 61%.

Recommendation: Fair Wear recommends OSC to continue to consolidate its supplier base where possible. Especially to reevaluate those cases in which only one active supplier is based in a specific country, such as Bulgaria, Cambodia, Hungary, Indonesia, Philippines, United Arab Emirates.

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.	17%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	2	4	0

Comment: With 17% of the production volume from production locations where OSC buys less than 2% of its total FOB, the brand has a relatively long 'tail-end' for production. But this is less when compared to the last two years (19% and 22%). OSC has a robust internal process to limit the number of production sites. OSC reviews the tail-end periodically. Suppliers are categorized as 'specialized', 'one more season to go', 'last orders placed' etc., allowing the member to review their progress on supply chain consolidation.

That apart, some tail-end suppliers will remain as OSC has several carry-over styles and specific products such as accessories in smaller quantities. Those products require particular skills or machinery to fulfil quality and safety standards.

OSC had a very successful business year, resulting in a significant increase in production volume in 2021. The member expects this will increase their tail end in the short term but will decrease again over time through increased leverage per supplier.

Recommendation: Fair Wear recommends OSC to carefully monitor its tail-end in the future to ensure that even though the supplier base might be growing initially, it will decrease again.

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.	70%	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: The sourcing strategy of the member is focused on long-lasting partnerships with suppliers to deliver high-quality products consistently. 70% of OSC's production volume comes from production locations where the member's business relationship has existed for at least five years.

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: In general, new production locations receive a sourcing pack with a questionnaire with the Fair Wear Code of Labour Practices. In 2021, OSC started sourcing at one new production location in Bangladesh. OSC could show the signed questionnaire for this factory.

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 suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

Comment: OSC has a formal due diligence policy outlining the stages when selecting new factories. CSR is the gatekeeper of this process and has the right to veto - suppliers must fulfil all CSR requirements before the purchasing department can place an order.

OSC works directly with all their suppliers and generally visits new production locations at least once during the onboarding. Due to COVID-19, also in 2021, no factory visits were possible. During the sampling and pricing stages, OSC defines whether the supplier conforms to supplier guidelines and meets its ethical requirements. Existing audits are analysed, and a preliminary CAP is established. The brand also discusses Fair Wear membership requirements and the factory's willingness to be audited by Fair Wear's audit team.

In 2021, OSC followed up on COVID-19 impacts at the supplier as an integrated part of daily and weekly meetings and email exchanges. The brand registered information on lockdowns for all suppliers in a COVID-19 overview. The CSR manager collected wage sheets to ensure legal minimum wages were paid, despite temporary factory closure during lockdowns. In some cases, the brand also requested monthly attendance sheets from the factory to check if there were any visible changes in worker numbers/ factory capacity and working hours. The brand has created individual files per supplier to document and track COVID-19-specific updates and information.

The brand conducted audits at seven suppliers using both Fair Wear and external audits. The audit reports included limited COVID-19 information leaving the brand to mainly depend on information shared by the suppliers as mentioned above.

OSC started relationships with one new factory in Bangladesh. As Bangladesh is a new sourcing country for OSC, the member followed a thorough due diligence process. The brand used the Fair Wear Country Study and checked the following main points: registration under the Bangladesh Accord, fire and building safety requirements and the existence of a worker and anti-harassment committee. The member collected a BSCI audit report (2019) to understand risks and collected additional wage information. A CAP was created and shared with the factory but OSC received no reply on the remediation status. Due to COVID-19 restrictions, it was the first time that OSC did not visit a new partner before bulk production took place.

Recommendation: If OSC receives an existing audit report, it is advised to check the follow-up status of the issues mentioned in the report. The remediations status can give an idea about the suppliers' commitment to remediate CAP findings.

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: In general, OSC has a supplier appraisal twice a year: a spreadsheet provides a score to each factory on product specifics, quality, logistics and communication, documentation and progress on Fair Wear requirements. This spreadsheet is colour coded to immediately flag low scores. For a score lower than 3, the member asks the concerned team to provide specific examples of instances leading to the low score to offer suppliers objective feedback. These examples will be discussed again with the concerned supplier as part of the continuous improvement process. The supplier appraisal also informs the member's supplier consolidation process.

When exiting suppliers, OSC follows Fair Wear's responsible exit policy. OSC stopped working with one Chinese supplier in 2020. The exit process took two years of open engagement and gradual phasing out as part of a mutual agreement. The demand for the specific product produced by this supplier decreased. As a result, OSC had only very small orders left. The exit process was concluded in 2021.

Throughout the year, OSC was in constant contact with its suppliers to keep track of the impact of COVID-19 on them. OSC did not cancel any orders since the outbreak of the pandemic. To help their suppliers, the member brand agreed with one supplier to pay orders in advance to support the suppliers' cash flow. In addition, OSC extended lead times and accepted delays without penalties. Please also review indicator 1.6. for more details.

Recommendation: Fair Wear recommends OSC to share and discuss the outcome of the supplier evaluation with all its suppliers. Furthermore, Fair Wear recommends OSC to consider how it can stimulate progress on social issues, for example, by offering price increases, bonuses or financial support to resolve issues.

As it is not always possible to reward suppliers with more volumes, OSC could look into other incentives that reward suppliers' commitment to the CoLP. An example would be to offer training for skill building/capacity development, placing more NOS styles.

Fair Wear recommends OSC to incorporate the exit strategy process into their new Responsible Business Conduct Policy, which is currently being developed.

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: OSC has a robust and integrated production planning system. The member works with a critical path schedule and splits orders for suppliers to spread the production until the final delivery. OSC determines all deadlines regarding production lead time in partnership with suppliers. The sourcing team remains in daily contact on updated forecasts etc. Generally, these discussions include updates on available capacity, possible increases in order and how the supplier can manage this, and in case of order increases of other clients, how OSC can accommodate those by staggering or moving its orders forward.

After every season, there is an evaluation to discuss how the production went and if there are areas of improvement. Once samples are approved, no further changes are made to the product designs. Production of the never-out-of-stock (NOS) items and bestsellers is planned during factories' downtime to mitigate overtime issues.

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

Until last year lead times were between 100 and 120 days; in 2021, OSC changed the critical path of order placement drastically to ease pressure on suppliers. Instead of using retailer forecasts like before, OSC placed orders two months earlier based on historical orders. Like this, the brand could improve the delivery delays by ensuring suppliers have sufficient time for production despite capacity issues, fabric delays etc. Due to the new critical path, the deadline for style approvals by the product team also moved forward. While taking pressure from the supplier, this change significantly increased the risk of high stock for OSC. Also, in 2021 the brand stayed fully committed to any products produced for them.

Recommendation: Once root causes of excessive overtime are known, the brand can use the Fair Working Hours Guide and check what solutions, processes and tools are linked to a particular root cause. The member can then discuss with suppliers what solutions need to be implemented. It is crucial to include supplier feedback in the evaluation, and the brand may consider collecting anonymous supplier feedback to invite more candid answers.

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: As mentioned under Indicator 1.6 in 2021, OSC focused on mitigating supplier pressure by increasing lead times and placing orders two months earlier to reduce delivery delays and prevent excessive overtime. This action of significantly increasing the lead time of up to 180 days shows advanced efforts of the brand.

In three Fair Wear audits conducted in 2021 at production locations in China, the audit teams found excessive overtime. The brand has high leverage at two of these factories (18% and 53%); at the third factory, leverage is low at 5%.

OSC acknowledged excessive overtime as the biggest challenge in their supply chain. The member discussed excessive overtime with all three factories. Throughout the year, the member reviewed attendance sheets monthly at all suppliers. Through these checks, the member saw improvements; most workers did not work more than 60 hours. During the Brand Performance Check OSC shared those files. The suppliers identified different root causes. At one supplier, delays in raw materials lead to excessive overtime, even though OSC confirmed they accepted late shipments for all cases where materials were delayed to decrease the risk of excessive overtime beforehand. At another supplier, a miscalculation of the sewing minutes of a jacket from another brand led to capacity issues and excessive overtime.

Another root cause was the absence of workers and reduced workforce due to COVID-19. OSC explained it is difficult for the factory management to foresee the high absence rate had a significant impact on production capacity and hence led to excessive overtime.

The brand is aware of the linked 'low wages' issue leading to demand for overtime by workers. With one Chinese tail-end supplier, the member analysed how reducing the current 66 working hours per week (detected in the audit report) to 60 working hours would impact wage levels. The factory management also indicated how much the FOB price needs to increase to cover the loss of income in case of working six hours less per week. This analysis is part of an ongoing discussion, and conclusions are yet to be made.

Recommendation: The brand identified the 'low wages issue' as one of the leading root causes of excessive overtime. OSC should focus on that and follow up on the analysis done at one of its Chinese suppliers, which suggested an increased FOB price in case of reducing the working time from 66 hours to 60 hours. Fair Wear recommends to extend the analysis to more factories where this applies.

For other root causes, OSC identified, the member could hire local experts to support individual suppliers in workforce capacity planning and other root causes identified. Fair Wear could recommend qualified persons upon request.

Fair Wear recommends to cooperate with other customers at the factory to increase leverage when trying to mitigate excessive overtime hours.

Once root causes of excessive overtime are known, the brand can use the Fair Working Hours Guide and check what solutions, processes and tools are linked to a particular root cause. The member can then discuss with suppliers what solutions need to be implemented. Including supplier feedback in the evaluation is crucial, and the brand may consider collecting anonymous supplier feedback to invite more candid answers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: With its bigger suppliers, OSC works with open costing per style. With smaller suppliers, open costing is only shared on request. Overall, prices are still negotiated based on experience and knowledge of the price of fabric, design, and workmanship; the labour minute value data offers the design team insights on additional costs that come with added design specifications. In 2021 prices were highly affected by increased freight and material prices, which also led to increased retail prices and FOBs.

In price negotiations, OSC simplifies technical specifications to meet a target price rather than pushing the factory to lower prices. OSC consistently pays the agreed price, including late deliveries or repeat orders. Based on supplier feedback, the member reviews and incorporates fluctuations in raw material costs, overhead costs, and others with increased prices.

OSC has not yet systematically connected the labour minute value calculations to wage levels at production locations with its suppliers. The member brand took its first steps with two Chinese suppliers. As mentioned under 1.7., at one Chinese supplier OSC did an in-depth analysis based on one style. The member analysed working hours, wage levels and the option to increase the FOB prices to reduce the risk of overtime (in case motivated by additional income due to overtime). At another strategic supplier (40% leverage), OSC analysed wage data: piece work rates per skill level, direct and indirect labour cost and overhead. The brand used this data to get insights into what workers earn per month. High indirect were identified and will be followed up. The next step planned is using the Fair Price App at that supplier.

OSC tested the Fair Price App at two Chinese suppliers as a starting point. Further rollout with other suppliers started already in 2022 and will be continued.

Recommendation: Fair Wear recommends OSC to rollout the analysis as done at the two Chinese suppliers in 2021.

OSC could provide suppliers who don't use open costing training on product costing and how to quote prices, including (direct and indirect) labour costs. FairPrice product owners can conduct such training in all Fair Wear production countries.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: OSC is actively monitoring its supply chain to ensure payment of legal minimum wages. In 2021, in two factories audited by Fair Wear, auditors found issues with paying wages and benefits.

For one factory, the audit from March 2021 could not verify wages due to falsifying wage records. The brand followed up on the finding, learning that the factory implemented electronic time registration. The supplier installed the finger scan system and shared wage and attendance records as part of the remediation. OSC cross-checked all proof for bonuses. Verification of legal minimum wage payment would require an independent audit according to the member, which is not planned. OSC recommended that Fair Wear implements such a service.

At another Chinese supplier, the audit finding mentioned that the overtime premium was not paid as legally required. OSC followed up by checking attendance sheets and wage records to analyse overtime payment which was more complex due to their piece-rate system. Also, here, no verification by a third party took place.

To ensure due diligence related to COVID-19 and the lockdowns in Vietnam, OSC joined a group of outdoor members to investigate if legal minimum wages were paid during the factory closures. The group developed a detailed questionnaire on wages from July - to November 2021, including minimum and average wages, the number of workers (suspended, three onsite, normal working), temporary suspension, contract termination, government support, and wages paid by the factory. In the last column of the questionnaire, the factories had to conclude if anybody in the factory received wages below the legal minimum wage during the lockdowns. Through the questionnaire, OSC discovered that there was a risk that legal minimum wages were not paid. No other Fair Wear member is sourcing from this tail-end supplier. OSC discussed the option internally if the brand could pay back part of the missing wages. The group of outdoor members approached the Fair Wear Vietnam team to get guidance on best practices in case wages below legal minimum wage were found. Members, including OSC, are still waiting until guidance has been published to decide how to follow up.

Recommendation: For production locations where wages could not be verified in the audit, Fair Wear strongly recommends OSC to always verify whether legal minimum wage issues have been resolved in case factory management claims so. OSC could plan a monitoring visit of Fair Wear's auditors to check whether the issue has actually been resolved.

For the tail-end supplier in Vietnam OSC must follow up as soon as the guidance from Fair Wear Vietnam team is available to support workers who have missed wages due to impacts COVID-19 in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

Comment: OSC paid for all orders in full and on time and did not negotiate discounts because of COVID-19. The brand made no changes to payment terms. With one supplier, the brand agreed to support the supplier's liquidity by prepaying orders.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	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	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

Comment: Given the many supply chain challenges OSC faced in 2021, living wages were not a primary focus area for the brand. OSC knows that most of its suppliers are not paying a living wage. OSC compares the wage levels of production locations using information from audit reports and wage data collected. With the factories closest to minimum wage, OSC actively discusses this topic to make factory management aware that workers' wages should be enough to cover basic needs, even if workers do not do overtime.

In 2021 OSC started a living wage project collaborating with another Fair Wear member at two suppliers based in Eastern Europe. At both suppliers, OSC has high leverage: At the Ukrainian supplier, the leverage is 56% leverage, and at the Serbian supplier, the leverage is 36%. Thanks to the collaboration, the leverage was increased even further. The two brands used the wage information reported in the 2021 audits by a third party as a base for their analysis. The starting phase of the project concentrated on analysing wage levels, defining the wage gap to the living wage benchmarks and defining a target wage. For the Ukrainian supplier, a target wage was determined. The plan was to discuss those cases where workers currently do not reach the target wage. But due to the outbreak of the war in Ukraine, the discussions are on hold. At the Serbian supplier, a target wage is not yet defined as several benchmarks need to be reviewed.

Recommendation: Fair Wear encourages OSC to discuss different strategies to work towards higher wages with suppliers and especially to take the next steps at the Serbian supplier.

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).	None	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.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	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.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	6	0

Comment: As mentioned under 1.11, a target wage has been defined at the Ukrainian supplier, where OSC has 56% leverage. The target wage of 10.818 UAH (net) covering the cost for three household members was defined during a living wage survey as an integrated part of the external audit conducted in 2021. No further discussions took place on how workers' wages below target wage could be increased and how OSC and the other member could contribute to the increase, e.g. by increasing their FOB prices. Due to the outbreak of the war, the living wage project is currently on hold.

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

Recommendation: To support companies in analysing the wage gap, Fair Wear has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models. It is advised that the strategy for how to finance wage increases is agreed upon by top management.

In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	0

Comment: The external audit report conducted at the Ukrainian supplier stated that wages could be considered a living wage for an average worker. Reviewing the audit results in detail showed that the above statement included wages, including overtime payments. After deducting overtime premiums, only one out of 24 workers reached the living wage benchmark of 10.818 UAH (net).

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

Recommendation: We encourage OSC to show that discussions and plans for wage increases have resulted in paying a target wage to those workers below the target wage at the Ukrainian supplier.

OSC is encouraged to roll out their approach to other suppliers and define the missing target wage at the Serbian supplier.

Purchasing Practices

Possible Points: 52

Earned Points: 34

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	90%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	3%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	93%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: OSC has a dedicated CSR staff member 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

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

Comment: Audit reports and Corrective Action Plan (CAP) findings are shared with factory management. The CSR manager keeps track of the status of the findings. Issues are prioritised, and when an urgent follow-up is needed, OSC ensures that the supplier responds on time.

Worker representatives are not systematically involved after the audit to find solutions for identified issues or to monitor implementation. The CSR manager asks the factories to inform worker representatives but does not check if they are informed and involved in CAP remediation.

Recommendation: Before an audit takes place, OSC is recommended to check with the supplier whether worker representatives are active. This way, they can be involved from the start of an audit and invited to the audit opening and exit meeting. Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

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.	Intermediate	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: OSC systematically addresses CAP follow-up. The sourcing and CSR teams discuss the follow-up of the CAPs with their suppliers through emails and virtual meetings. The CAP issues are ranked with a colour code that indicates the status of the remediation process. During the Brand Performance Check, OSC could demonstrate an ongoing follow-up of CAPs at various suppliers.

Despite the COVID-19 pandemic, audits were conducted at seven suppliers in 2021 (three Fair Wear and four external audits). The CAPs from these audits were followed up by email, sending emails back and forth with supporting documentation (photos, copies of safety protocols, etc.) to show proof of remediation. The member asked Fair Wear country managers for translation support to understand local documents where needed. At one supplier, where the brand's leverage was small, some CAP issues missed verification, e.g. via photo documentation. At another audit, OSC repeatedly asked about a finding on the grievance mechanism, but the factory did not give an update within almost one year of follow-up.

Other complex findings, for example, related to living wages or over time, much progress could not be achieved and are still being discussed with the supplier.

The member shared that COVID-19-related issues were missing in all CAPS, both from Fair Wear and external audits. Whereas in 2020, a specific COVID-19 risk questionnaire was used to follow up with all suppliers in 2021, the brand followed a more risk-based approach. The member maintained a close contact via email and regular virtual meetings with all suppliers. The member did a thorough follow-up by collecting wage slips and attendance records when a high risk was identified, such as wage loss during lockdowns.

Despite the brands' efforts to know more about the impact of COVID-19, the lack of information in the audit reports limited the brands' ability to get verified information, leaving the brand to depend on information solely shared by the suppliers.

Recommendation: Fair Wear encourages OSC to continue its efforts to analyse root causes, explore prevention mechanisms and strengthen the verification process when suppliers share document-based evidence. In addition, OSC needs to double-check if evidence has been shared when remediation is marked as completed.

OSC could organise joint training for its suppliers in one country or region to ensure more commitment from suppliers to remediate more structural issues and facilitate peer-to-peer learning.

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

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2021.

Due to COVID-19 restrictions, neither the OSC team was still not able to visit factories; instead, regular video calls took place. OSC's China quality team could visit some supplier locations. But to limit the need for interaction in the factory (for Health and Safety reasons), the brand did not ask the team to do Health and Safety checks or verify CAP findings.

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: Though OSC mainly relies on Fair Wear audits, the member collected external audit reports for two suppliers in 2021. For the BSCI audit in Bangladesh, a CAP was created and shared with the supplier. The quality assessment tool was not used for this audit as an own Fair Wear audit was requested. According to the brand, the report fulfilled the general requirements. For the Better Work audit at a Cambodian factory, OSC checked to follow up on findings via email; the formal remediation is done via the local Better Work team. Fair Wear officially accepts the Better Work methodology, and OSC did not need quality assessment.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	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
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: OSC monitors and analyses common risks for their sourcing countries and products using the information provided by Fair Wear (country studies, stakeholder information) and other non-governmental organisations.

Bangladesh

OSC started sourcing in Bangladesh for the first time in 2021 and followed a thorough due diligence process. The brand used the Fair Wear Country Study and did a pre-check on the following criteria: Registration under the Bangladesh Accord, fulfilment of fire and building safety requirements, and the existence of a worker and anti-harassment committee. The member collected a BSCI audit report (2019) to understand risks, and a CAP was created and shared with the factory. In addition, OSC collected wage information. Due to COVID-19, a factory visit was not possible. OSC reviewed the Bangladesh Accord on the website but did not further remediate pending issues flagged in the CAP. Two more suppliers in Bangladesh underwent above mentioned due diligence process, but no orders have been placed yet. All three factories mentioned are covered by the Bangladesh Accord. OSC is considering joining the Bangladesh Accord as a signatory brand in the future.

Myanmar

The brand is aware that additional due diligence is required about production in Myanmar and worked with existing supply chain partners who had started production in Myanmar. The brand visited the factories multiple times before placing its first order in 2019. OSC works with two factories in Myanmar, where other Fair Wear members are also sourcing. In cooperation with other Fair Wear members, the brand actively worked on addressing complaints and audit findings. The member worked closely with the factory and the supplier management on issues concerning worker representation. Fair Wear has audited the production locations in the past but planned audits had to be postponed in 2020 due to COVID-19 2021 due to the military coup. As the audit reports are outdated, the member has not published the wage ladder of this factory in its social report. OSC enrolled one production location in the Fair Wear WEP communication training, but the module is yet to be completed due to COVID and the military coup.

In 2021 the main concern for the brand was the effect of the military coup, which started in February 2021. OSC stayed in close contact with the factories and stakeholders to evaluate the situation weekly. Also, the buying and sourcing team focused on Myanmar to ensure production could continue. In addition, the member followed all updates, member calls and policies provided by Fair Wear. The member hired an external consultant in 2022 to visit one factory. Fair Wear will assess these efforts in the next Brand Performance Check.

COVID-19

In 2021, OSC followed up on COVID-19 impacts at the supplier as an integrated part of daily/weekly meetings and email exchanges. For all suppliers, information on lockdowns was registered in a COVID-19 overview. OSC collected wage sheets to ensure legal minimum wages were paid despite temporary factory closure if a lockdown occurred. In some cases, the brand also requested monthly attendance sheets from the factory to check if there were any visible changes in worker numbers/ factory capacity and working hours. The brand has created individual files per supplier to document and track COVID-19-specific updates and information. The brand did not cancel any orders, and there were no late payments. OSC covered costs of raw materials for postponed orders, and no factory exit took place for COVID-19 reasons.

Vietnam - COVID-19

To ensure due diligence related to COVID-19 and the lockdowns in Vietnam, OSC joined a group of Outdoor brands to investigate if legal minimum wages were paid during the factory closures. The group developed a detailed questionnaire on wages from July - to November 2021, including minimum and average wages, the number of workers (suspended, three onsite, normal working), temporary suspension, contract termination, government support, and wages paid by the factory. In the last column of the questionnaire, the factories had to conclude if anybody in the factory received wages below the legal minimum wage during the lockdowns. Through the questionnaire, OSC discovered that there was a risk that legal minimum wages were not paid. No other Fair Wear member is sourcing from this tail-end supplier. OSC discussed the option internally if the brand could pay back part of the missing wages. The group of outdoor members approached the Fair Wear Vietnam team to get guidance on best practices in case wages below legal minimum wage were found. Members, including OSC, are still waiting until guidance has been published to decide how to follow up.

China - forced labour

OSC has a clear statement not tolerating forced labour and communicated this with suppliers. The member has read the report about forced labour and all country studies and information Fair Wear shared. OSC participated in research about forced labour by an independent third party. No forced labour was found in OSC's current supply chain.

Freedom of Association - China and Vietnam

Freedom of Association and the right to collective bargaining were identified as high risk by OSC for China and Vietnam, which was confirmed in various audit findings. Therefore, the brand focused in 2021 on creating a Collective Bargaining Agreement (CBA) Questionnaire consisting of eleven questions on a.o. worker representation, the election process, CBA, training and CAP follow-up involvement. The questionnaire was sent to 14 strategic partners in China and Vietnam, and all suppliers replied and shared documentation. To verify and translate some of the evidence, local Fair Wear country staff was involved. Fair Wear recognizes these efforts of OSC with an advanced score under other risks.

Other risks identified by OSC:

Payment of Living Wages - As also 2021 audits confirmed, payment of living wages remains a high risk in OSC's supply chain (see indicators 1.11- 1.14).

OSC has identified specific risks per production country and follows up either via existing CAPs or during meetings and email exchanges:

China - High risks identified by OSC in China are excessive overtime, FoA/social dialogue and forced labour.

Vietnam - OSC defined FoA/social dialogue and payments of social security, severance, benefits and overtime as high risks in Vietnam.

India - OSC identified gender-based violence as a critical risk in India.

United Arab Emirates - Excessive overtime is the main risk OSC defined for their supplier in the United Arab Emirates.

Recommendation: OSC needs to remediate outstanding CAP findings from the Accord audit at the new supplier. The brand should prioritise issues that are flagged as being behind schedule.

Fair Wear encourages OSC to join the Bangladesh Accord.

Fair Wear recommends to enrol the new Bangladesh suppliers for the WEP violence and harassment prevention training.

The member is encouraged to apply a gender lens to the COVID-19 risk assessment.

Fair Wear recommends OSC to follow up in detail with strategic partners on the CBA questionnaire results. For example, gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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: OSC actively cooperates with other Fair Wear members in resolving corrective actions, in several cases taking the lead. In the last business year, close collaboration took place at eight different suppliers involving seven Fair Wear member brands and one non-Fair Wear brand. In cases where other members lead this process, the brand could demonstrate that they are well-informed about the remediation status.

In addition, OSC has actively cooperated with other brands as part of its due diligence approach when identifying new suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

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

Comment: OSC sources in one production location in low-risk countries, responsible for 3% of its total FOB. OSC has a very close relationship with the supplier based in the UK. In the past, OSC sales, production, and quality staff confirmed the placement of the Worker information sheet. The production volume of this production location counts towards the monitoring threshold.

Recommendation: OSC is encouraged to visit its production locations in the UK again in 2022.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	Yes	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	2	2	0

Comment: Fair Wear audits were conducted in eleven tail-end production locations in China, India, Myanmar and Vietnam in the last three years.

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.	Yes, and member has collected necessary information	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

Comment: OSC has three external brands and collected information about the production locations of their order from these brands. One of the locations is also a supplier for OSC.

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).	0%	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	0	3	0

Comment: OSC has three external brands but they are not members of any other credible initiative.

Recommendation: OSC is encouraged to ensure progress towards an external supplier base that is covered by either Fair Wear or have another acceptable system in place for monitoring its supply chain.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 31

Earned Points: 26

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	3	
Number of worker complaints resolved since last check.	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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The CSR manager is responsible to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: OSC requests photos from all suppliers to ensure that the worker information sheet is posted in factories. As soon as factories can be visited again, this will be checked during a visit. For 2021 audits were the main source to confirm worker information sheets were published.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	All production in low-risk countries/training not possible	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable in 2021.

Ten suppliers enrolled in training such as WEP Basic in the last three financial years. This means the member company actively raised awareness at factories responsible for 30% of FOB (excluding low-risk).

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: In 2021, OSC received one complaint at a shared tail-end supplier based in China.

The complaint about excessive overtime has been closed based on improvements in overtime hours shown in factory-provided documentation. The CSR manager took the lead in this shared complaint and was actively involved in the remediation through discussions with factory management and collecting evidence from the supplier.

As Fair Wear could no longer contact the complainant, it was impossible to verify that no excessive overtime occurred as per attendance records and wage slips. The member did no root cause analysis to investigate why working hours in that part of the production occurred. Worker representatives were not involved in the remediation of the complaint. Also, an audit from 2020 confirmed excessive overtime. Therefore, the risk of excessive overtime at the factory remains high and requests continuous monitoring.

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

It is recommended to uncover the root causes of complaints and prevent them from recurring. The complaint identified one specific area where excessive overtime took place. Therefore, it is recommended to review with factory management if this area is a bottleneck in production and if there are possibilities to prevent excessive overtime in future. (e.g. analysis of production flow, communication, production step planning etc.)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: OSC collaborated with another Fair Wear member to address the complaint at the shared factory. OSC took the lead in the remediation and the follow-up with the factory.

Complaints Handling

Possible Points: 11

Earned Points: 8

4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: The CSR manager provides Fair Wear training to new staff, informing them about the CoLP and OSC's commitment to Fair Wear membership. Every staff member in the head office receives the Fair Wear CoLP leaflet. That apart, Fair Wear-related information is included in sales launches.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: The CSR manager shares updates with the sourcing team about Fair Wear requirements. A sourcing meeting occurs every six to eight weeks, where supplier appraisal, CAPs, and supplier consolidation are discussed. Thanks to the close collaboration with the sourcing and logistics director, many CSR topics are discussed as part of the daily business.

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, Fair Wear audit findings.	N/A	2	0

Comment: While the member places orders in Myanmar and China through a buying office based in Taiwan, OSC directly engages and interacts with the factories on all matters. Hence this indicator is rated as (N/A).

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	All production in low-risk countries/training not possible	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable in 2021.

One Chinese supplier participated in the ILO SCORE Training modules covering:

- Module 1: Workplace cooperation: a foundation for business success
- Module 2: Quality - Managing continuous improvement

That apart, OSC enrolled one production location in Myanmar in the Fair Wear WEP communication training, but the module is yet to be completed due to the military coup.

Factories responsible for 11% of FOB (excluding low-risk) have participated in training programmes supporting human rights transformative processes.

Recommendation: Fair Wear recommends OSC to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural and structural change to improve working conditions. To this end, OSC can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	Active follow-up	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	2	2	0

Comment: OSC collects training reports and reviews the topic with suppliers. At one supplier in China, which participated in ILO Score training, the brand agreed with the factory to involve workers in setting up a workers committee, which has not been done yet. It is currently a challenge to contact the factory's CSR manager. Therefore, OSC could not ensure yet that the factory had made improvements. In addition, OSC is following up with the help of a monthly spreadsheet which includes quantitatively reporting on grievances and suggestions by workers. The brand acknowledged it needs qualitative data to ensure proper remediation.

Recommendation: Fair Wear recommends OSC improve the follow-up at their Chinese supplier and move from a quantitative to a qualitative follow-up to ensure improvements are made. OSC should also discuss with factory management if the factory CSR manager is absent, who can take up tasks to ensure issues are followed up timely.

Training and Capacity Building

Possible Points: 5

Earned Points: 5

5. Information Management

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

Comment: OSC has direct relationships with all suppliers and prohibits subcontracting in their supplier contracts. The local China quality team visits the factories at different production stages, allowing them to check the production locations for unauthorised subcontracting. In 2021, these were possible again but only to a limited extent.

That apart, with the CSR manager being the gatekeeper to authorise any suppliers to be added to the financial system, a double check is done to ensure the supplier list is kept updated. OSC makes an exception for printing and embroidering, though suppliers must inform OSC before production starts. The brand registers and checks requirements for all suppliers and subcontractors in the Fair Wear database.

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: Thanks to the close collaboration with the sourcing and logistics director, many CSR topics are discussed as part of the daily business. In general, the CSR and sourcing teams share travel plans which allow the CSR manager to update staff to follow up on corrective action plans and pending areas during factory visits. But as there were no travels in 2020 and 2021, the sourcing teams were informed of issues and CAP findings to check with suppliers during online meetings. Information about working conditions at production locations is accessible to all.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: Public communication about Fair Wear membership complies with Fair Wear's Communication Policy. Fair Wear Logo, a link to www.fairwear.org and a brief explanation about the membership are displayed on all brand websites. On the websites of Ronhill and Sprayway, information about Fair Wear information is difficult to find. The leader logo on the hang-tags of the member's products aligns with the communication policy.

Recommendation: Fair Wear recommends to improve visibility so that external stakeholders can find information on social responsibility easily on the brand website of Ronhill and Sprayway.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

Comment: OSC focused on transparency during the last business year and increased the disclosed suppliers on the Fair Wear website from 73% to 96%.

The Brand Performance Check and social report are published on the brand's website. While the member indicates countries and the number of production locations per country in its social report, it does not disclose specific information about production locations.

Recommendation: Fair Wear recommends Outdoor & Sports Company Ltd. to disclose 100% of production locations to other Fair Wear members in Fair Force and on the Fair Wear website.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: OSC has submitted its social report to Fair Wear and published the report on all three brand websites.

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

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

Comment: Brand Performance Check score and recommendations are discussed with management and shared with the Board.

Recommendation: Fair Wear advises OSC to organise a meeting with management and sourcing staff to discuss the outcomes of this performance check and use those to formulate future plans.

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.	50%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: OSC received three requirements during its last Brand Performance Check, one required to analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases. The brand has taken small steps to explore possibilities of wage increases at a tail-end supplier, but this did not go further than a theoretical calculation for one style. The analysis focused on assessing the needed FOB increase to reduce overtime at the supplier. The second requirement has been to set a target wage for its production locations. As the first step, the member has addressed this by reviewing the wage data collected from two production locations. The member started a living wage project in collaboration with another Fair Wear member, which included setting a target wage for one of the two production locations involved in the project. A holistic approach is still missing. The third requirement to fulfil last year's requirements was partly achieved as mentioned above.

Recommendation: It is important to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check.

- developing a strategy to finance the costs of wage increases
 - setting a target wage for both production locations of the living wage project
-

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

OSC would appreciate more practical advice on how to get closer to workers. The brand thinks webinars are a good source of information but tend to be too theoretical and not hands-on.

Fair Wear could shorten the length of policies and guidelines to lead the brands quickly where they need to go.

OSC would like to have guidance on country risks for all Non-Fair Wear countries and sector risks (there are many Fair Wear brands from the outdoor sector).

OSC would appreciate actual step-by-step guidance on how to get closer to workers

OSC highlighted again that the Fair Wear.org website is very difficult to navigate. Also, the member hub has many issues, making it very hard to find the information you need. Too much time is spent searching for the right information.

OSC mentioned during the Brand Performance check that the scoring of three points for indicator 2.12 is unreasonable. This gives the indicator too much weight and the member loses important points due to that.

OSC's social media coordinator suggested that Fair Wear could have an email list with relevant communication topics and news that Fair Wear will share in the upcoming month. OSC would appreciate it if brands were more actively involved in campaigns or if a joined campaign could be planned, e.g. by UK member brands. OSC thinks there could be more awareness about Fair Wear by using the brands.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	34	52
Monitoring and Remediation	26	31
Complaints Handling	8	11
Training and Capacity Building	5	5
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	92	118

Benchmarking Score (earned points divided by possible points)

78

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

10-05-2022

Conducted by:

Julia Kraemer

Interviews with:

Hamish Dunn - ME Product Director

Kevin Offer - CSR Manager

Sarah Forte - Logistics Director

Steve Rothwell - Sourcing Director

Richard Talbot - Marketing Director

Smita Lad - Manager Accounts

Kerry Mellor - Social Media & Digital Content Co-Ordinator