



# **Brand Performance Check**

**VAUDE Sport GmbH & Co. KG**

**Publication date: May 2023**

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

# About the Brand Performance Check

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

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

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

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

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

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

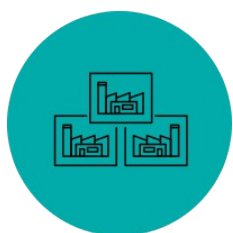
## Scoring overview

Total score: 140

Possible score: 198

Benchmarking Score: 71

Performance Benchmarking Category: Leader



Sourcing strategy

76%



Identifying continuous human rights risks

93%



Responsible purchasing practices

77%



Quality and coherence of prevention and remediation system

67%



Improvement and prevention

60%



Communication, transparency and evaluation

56%

### Summary:

Vaude Sport GmbH & Co. KG (Vaude) has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 71, the member is placed in the Leader category.

Vaude's sourcing strategy is part of its Guidebook, which is shared with factories during onboarding. It shows the company's commitment to long-term relationships and jointly improving labour conditions. The Guidebook was last revised in 2018 and will be revised again in 2023 to align more with the OECD guidelines.

Vaude developed a risk analysis matrix in line with the OECD requirements, focusing on all different kinds of risks. Vaude uses this matrix to create a prioritisation of risks in its supply chain, using a traffic light system to indicate low, medium and high risks. Based on the risk scoping, Vaude did a factory risk assessment for the first time in 2022, which will guide the sourcing strategy and internal CSR roadmap, including budgets and further prioritisation of actions at the factory level in the coming years.

In 2022, Vaude adjusted its onboarding strategy to focus more on FoA and internal grievance mechanisms and updated its regular wage survey to include more gender-disaggregated data.

Vaude has done a lot of work to ensure its practices align with the OECD guidelines on Human Rights Due Diligence (HRDD) and seems well-placed to improve its practices further in the coming years.

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

# Performance Category Overview

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

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

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

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

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

# Company Profile VAUDE Sport GmbH & Co. KG

## Member company information

Member since: 1 Jan 2010

Product types: Garments, clothing, fashion apparel, Outdoor products, Sports & activewear, Bags, Accessories, Outdoorwear, Footwear and Luggage & other travel accessories

Percentage of CMT production versus support processes 90%

Percentage of FOB purchased through own or joint venture production 10.35%

Percentage of FOB purchased directly 97%

Percentage of FOB purchased through agents or intermediaries 48%

Percentage of turnover of external brands resold 0%

Are vertically integrated suppliers part of the supply chain? Yes

FLA Member No

Member of other MSI's Partnership for Sustainable Textiles, Grüner Knopf, Blue Sign, Gots

Other Initiatives Blue Sign, Gots

Number of complaints received last financial year 8

## Basic requirements

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

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

Membership fee has been paid? 1

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

Production Country	Number of production locations	Percentage of production volume
Viet Nam	21	53
Myanmar	3	22
Germany	3	11
China	11	6
Cambodia	2	5
Portugal	4	1
Ukraine	1	1
Lithuania	1	1
India	1	0
Taiwan	1	0
Austria	1	0

## Layer 1 Foundational system's criteria

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

Comment: Vaude has a Responsible Business Conduct Policy, but some elements need improvement.

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

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

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

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

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

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

Comment: Vaude discloses 100% of production locations internally through Fair Wear's information management system.

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

Comment: Vaude discloses 100% of production locations externally on Fair Wear's transparency portal.

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

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

**Possible Points: 90**

**Earned Points: 74**

### Indicators on Sourcing strategy

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

**Comment:** Vaude has a sourcing strategy addressing influencing labour conditions, as the decision where to source depends on its country and factory risk assessments. In the past financial year, Vaude had 48 active suppliers. 75% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 16% of the production volume comes from suppliers, where Vaude buys less than 2% of its total FOB.

Vaude's sourcing strategy explicitly focuses on increasing influence through consolidation and active cooperation with other clients.

**Recommendation:** Fair Wear recommends Vaude to write down the framework for its sourcing strategy to ensure it is embedded in the organisation.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Intermediate	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	4	6	0

**Comment:** Vaude's sourcing strategy focuses on maintaining long-term relationships, which is communicated to its suppliers in its Guidebook. 74% of the member's total FOB volume comes from suppliers with whom Vaude has had a business relationship for at least five years. Vaude starts with its sourcing decisions two years prior to production. At this time, it already informs its production locations about expected production. For the production of the season Winter 2022, the forecast was, on average, 23% lower than the actual orders.

**Recommendation:** Fair Wear recommends Vaude to more explicitly commit to long-term forward-looking contracts.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy.	Intermediate	Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners.	HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations.	4	6	-2

**Comment:** Vaude developed a risk analysis matrix in line with the OECD requirements. The matrix includes all ten sector risks and plots them for each country against the scale, scope, irremediability and mitigation already in place. In addition, Vaude has done a scoping of the business model risks as well as product-specific risks. Vaude uses this matrix to create a prioritisation of risks in its supply chain, using a traffic light system to indicate low, medium and high risks. As this analysis was done in 2022 for the first time, it has not yet influenced its sourcing strategy.

Vaude has one longstanding licensee who produces for the Chinese market. Vaude is now in the process to adapt the level of guidance towards its licence partner, to ensure it is at the same level as general production partners. So far, the exchange has been good, but the production locations used by the license partner are not yet included in the risk analysis.

**Recommendation:** Fair Wear recommends Vaude to adjust its sourcing based on the results of its risk scoping. Fair Wear recommends Vaude to include its license partner's production locations into its risk scoping exercise.

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

**Comment:** It is the standard process for Vaude to inform new suppliers about Fair Wear membership by sharing the Guidebook and Code of Labour Practices. This process has been followed for all suppliers added last year. Additionally, it is standard practice in the onboarding process to visit the supplier and have a dialogue about CSR/human rights and how the supplier and Vaude can cooperate on this topic. The attitude of the supplier management towards CSR, and the willingness to change, is an important decisive factor.

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

**Comment:** Vaude collects human rights information of potential new suppliers by collecting self-assessments and existing audit reports. Once all information is considered sufficient to build a relationship, Vaude visits the production location to check the factory set-up, as well as collect information on wages and working hours. In 2022, the company adjusted its onboarding process to also include information collection on grievance mechanisms and freedom of association. The company does not collect information from workers or stakeholders to inform the sourcing decision.

In 2022, one department decided independently to source from a supplier in India, without following the onboarding procedure, because the factory had been producing for Vaude in 2015 as well. It turned out that this production location had both quality issues as well as social issues. It reconfirmed the need for the in-depth onboarding procedure Vaude has in place to ensure it produces in locations that are aligned.

**Recommendation:** Fair Wear encourages the member to collect worker and stakeholder input before placing the first order.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.	Intermediate	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	4	6	0

**Comment:** Vaude has shared information about Fair Wear's CoLP and the complaints helpline within the first year of doing business, as it is part of the onboarding process. The Worker Information Sheet has been posted.

In 2022, one Vaude factory participated in Fair Wear's onboarding pilot, which included sessions for workers and management. The company also developed a specific onboarding session for all its new production locations. In addition, Vaude organises a WEP Basic training at all production locations every three years to update management and workers about Fair Wear CoLP and the complaint helpline.

**Recommendation:** Fair Wear recommends Vaude to ensure onboarding includes introductory training for management about social dialogue and a discussion with workers on how they would like to provide feedback and report grievances to the management regarding their working conditions in its onboarding sessions.

## Indicators on Identifying continuous human rights risks

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

**Comment:** Vaude has a systematic approach to identifying human rights risks in its supply chain. Based on the factory risk assessment, it defines follow-up actions. The company still heavily relies on full audits, although it has also identified the need for training or regular on-site visits to address specific issues. In most countries, local Vaude staff regularly visits production locations, and these visits include worker interviews and collecting of supplier input.

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

**Comment:** Vaude has mapped the risks to FoA in all its sourcing countries and can explain the main risks per country, including the risks to women workers. 80% of Vaude's production comes from Vietnam, Myanmar and China, where FoA is heavily restricted. Vaude uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers on this topic. The member has supplier-level monitoring in place to assess and understand the risk at suppliers. In 2022, it asked all suppliers to fill in a survey, including information about FoA, unionisation, worker representation and CBAs.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.	Intermediate	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	4	6	0

**Comment:** The member could show it understands the basic gender risks for its sourcing countries, and for instance, identified discrimination, unequal opportunities and violence and harassment as important risks prevalent in all its sourcing countries. Additionally, in 2022 Vaude adapted its annual wage survey to include gender data per factory. Data that it collects are general workforce composition, information about contracts and job categories and wages. The member has yet to analyse the collected gender-disaggregated data at the factory and country levels.

**Recommendation:** Fair Wear recommends the member to start analysing the gender data collected at country and factory levels and connect them. Fair Wear's gender instruments can be helpful.

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

**Comment:** Vaude has a strong and systematic evaluation system for assessing suppliers' human rights performance. All supplier information, from audits, visits, trainings and surveys is evaluated based on a set framework. This information is shared with other relevant teams to guide production and sourcing decisions. Vaude does not yet extend its evaluation to its licensing partner and has not yet shared the outcome of the evaluation with its suppliers and their worker representatives.

**Recommendation:** Vaude is strongly recommended to evaluate the human rights performance of suppliers used by its licensees.

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

**Comment:** Vaude uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database.

Following the identification of an unauthorised subcontractor in Myanmar, Vaude has asked its intermediaries to explicitly mention that unauthorised subcontracting is not allowed. In addition, Vaude asked one production location in Vietnam that was using different subcontractors (with permission) to stop shifting production and pick one factory to work with. As this location did not adhere to this request, Vaude limited its orders to ensure all production would take place at the main location. Additionally, the member actively prevents unauthorised subcontracting by visiting suppliers during production.

Vaude is in the process of including its license partner in the HRDD process.

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

**Comment:** In 2022, Vaude has updated its data collection and started to ask factories explicitly about homeworkers. None of the factories indicated they use homeworkers.

## Indicators on Responsible purchasing practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.	Intermediate	Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain.	Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals.	2	4	0

**Comment:** Vaude signs a framework agreement with its manufacturers, which forms the basis of all orders. Although the framework agreement is accompanied by the Vaude Guidebook and Code of Labour Practices, the agreement itself does not support the implementation of human rights due diligence.

Agreements on individual orders are made separately in a term sheet, which also states the payment terms. The terms sheets shared stated payment of 30 days after the goods leave the factory.

**Recommendation:** Vaude is advised to review its framework agreement with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

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

**Comment:** There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The main instrument is the CSR roadmap, which outlines priorities and is discussed with top management every three months.

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

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

**Comment:** Already in the design phase of the product, a meeting takes place about which factory can produce the product. By involving the product development department in this process, the chances of late design changes occurring are decreased. Vaude requests the capacity of the suppliers in the evaluation process of the supplier. This information then feeds into the strategy for new products. Approximately nine months before delivery, Vaude and the supplier agree on order quantities per style and the estimated delivery date. The forecast is agreed upon with suppliers according to capacity. Vaude double-checks its suppliers' capacity in pieces per season. Vaude wants to know precisely how many of the to-be-ordered styles the suppliers can do per season and per month. The manufacturers indicate whether the proposed shipment dates are feasible, including the time needed for the fabric to arrive. If not, a new date is agreed upon.

As Vaude works with two seasons and has many never-out-of-stock (NOS) styles, Vaude makes use of the low season for its production as much as possible. Where possible, Vaude gives long lead times (one year) to manufacturers. This way, the manufacturer can decide when to work on the products and fill up gaps throughout the year. When deliveries are late, Vaude uses air freight so that there is no additional pressure on workers. Vaude fully covers the costs of this airfreight.

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

**Comment:** Vaude does not calculate labour minutes per style which would allow sufficient insight into the labour cost per product style. It, therefore, has no possibility of knowing exactly whether the prices it pays suffice for payment of legal minimum wages. Vaude does collect information about wage levels at all its suppliers using audits and wage surveys. The brand compares the prevailing wage levels with living wage estimates when available, but struggles with the lack of credible living wage estimates in some of its production countries.

Vaude has worked on an internal living wage strategy which the brand is implementing in the coming years. Creating insight in the labour cost, using the Fair Price app for fact-based costing of its products is a key element of this strategy. Vaude is including the requirement of open costing in its supplier Guidebook. In 2022, Vaude started working with three production locations to get more insight into the link between prices and wages.

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

**Comment:** For a part of its production, Vaude works with vendors with headquarters in Taiwan, Korea or China, while production locations are elsewhere in Asia. Vaude will mainly communicate with these headquarters and expect them to inform the production locations. All information regarding the Code of Labour Practices is shared with the headquarters and directly with production locations. Vaude expects headquarters to also be involved in audit follow-up. Vaude's local experts regularly visit all production locations to support the implementation of the CoLP.

**Recommendation:** Vaude is recommended to check if the intermediary's purchasing practices are fair and if the intermediary has adequate systems to ensure payments are made on time.

## Layer 3 Remediation and impact

**Possible Points: 90**

**Earned Points: 56**

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

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

**Comment:** Based on the risk identification as described in chapter two, Vaude has linked factory risks to appropriate follow-up for factories covering 90% of FOB. For one factory, Vaude did not draft follow-up actions because of a change in staff at the production location and it was not able to discuss possible actions.

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

**Comment:** Vaude has started to collect gender-disaggregated data per factory but has not yet included that information as part of the risk assessment, which means improvement or prevention actions do not include a gender lens. The company will do this in 2023.

**Recommendation:** Vaude is encouraged to include a gender lens in all its improvement and prevention actions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Member company's improvement and prevention programmes include steps to encourage freedom of association and effective social dialogue.	Basic	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	2	6	0

**Comment:** Vaude included some steps to encourage FoA and effective social dialogue in its follow-up actions. These steps are related to collecting more information regarding FoA in production locations and looking into possibilities to support social dialogue.

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

**Comment:** Vaude actively supports and monitors the effectiveness of internal grievance mechanisms. In 2022, the company collected information on internal grievance mechanisms and their effectiveness. The conclusion was that only one supplier had an effective internal grievance mechanism. For all other factories, Vaude has identified follow-up actions related to worker and management training.

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

**Comment:** Vaude cooperates with other customers (Fair Wear members and others) at its shared suppliers, responding to CAPs and complaints. It also cooperates in organising training at production locations.

**Recommendation:** We recommend Vaude to systematically integrate working together on preventing human rights violations in its processes. The focus could be on issues such as payment of living wage or reasonable hours of work.

## Indicators on Improvement and prevention

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.6 Degree of progress towards implementation of improvement programme per relevant factory.	70%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	6	6	-2

**Comment:** During the performance check, Vaude could demonstrate with a sample that more than two third of the CAP issues requiring improvement actions have been addressed. In addressing CAP findings, Vaude first collects documentation and factory feedback and then schedules a factory visit to follow up on individual findings.

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

**Comment:** Vaude has an overview outlining the root causes of all issues and concluded that the main root causes of all issues are underperforming factory management or the lack of knowledge on specific topics. The results of this root cause analysis have not yet been translated into concrete actions as part of the factory risk profiles.

**Recommendation:** Fair Wear recommends Vaude to translate its root cause analysis into concrete preventive actions as part of the risk profiles.

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

**Comment:** Vaude has some suppliers in Europe where improvement or prevention programmes are not needed. These cover 12% of the member's total FOB and include Vaude's own production in Tetnang. Vaude did do audits in the factories to establish the risk profile, but there were hardly any findings, and the ones that did come up were remediated quickly. Vaude is in regular contact to discuss developments regarding human rights. It has not included worker representatives or local unions in these discussions.

**Recommendation:** Vaude is recommended to include worker representation/local unions (when appropriate) in discussions with factory management on possible human rights risks.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Intermediate	Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays.	This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc.	4	6	0

**Comment:** Although Vaude's planning system supports reasonable working hours, excessive overtime still occurs at Vaude's suppliers. In 2022, 13 Fair Wear audits and three complaints indicated problems regarding excessive overtime in Vaude's production locations. One audit indicated earlier findings improved.

When excessive overtime is found, this is discussed with the supplier, and Vaude explains the brand does not want its products to be made using excessive overtime. In 2022, planning and deliveries were highly impacted by the global economic situation (high energy prices, political instability), which caused some of the overtime. Vaude's local representatives in China and Vietnam are involved in finding the root causes of excessive overtime in the suppliers. Possible root causes in China are, according to Vaude's local colleague, the internal planning of the factory, short lead times, late information about the design, and delays in fabric supply. Vaude works on these root causes through its general planning system (see 2.15), for example, by ordering up to a year in advance, but finds not all customers are interested in working on this, which can lead to excessive overtime still occurring. Vaude's local colleagues are used to getting insight into the capacity of the factories, and when they see a supplier is overbooked, they indicate this to Vaude HQ, so the purchasing department can take this into account. The purchasing/planning department is informed of findings of excessive overtime but is not involved in remediation.

Since a few years, Vaude has a year-round program in place to work on revealing the root causes of excessive overtime, which the brand was planning to implement at one factory per year.

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

**Comment:** In the previous year, 16 audits included findings regarding non-payment of legal minimum wage or legally required wage elements or indicated wages could not be verified. In three cases, it was explicitly mentioned workers did not earn the legal minimum wage. In one production location in China, this was due to incorrect piece rate calculations. Following the audit, Vaude asked the factory to update the piece rate calculations, and the factory showed proof that they had done so. On-site verification by Vaude's local representative still needs to happen due to COVID-19 measures.

In one production location in Myanmar, some daily workers were not earning the legal minimum wage when starting with the factory. Although that is legally allowed, Fair Wear requires the factories where its member brands are sourcing to pay 100% of the minimum wage from the beginning of the employment, regardless of their employment. Vaude has addressed this with the factory, and an audit done later in 2022 verified that wages are now in line with minimum wage regulations.

One audit done in Vietnam indicated that during the lockdown in 2021, workers did not earn the legal minimum wage. Vaude did check during the lockdown and after the audit that the factory followed the legal regulations, but as the government allowed wages to be lower than the legal minimum wage, workers did not get the proper wages. Vaude has not addressed this issue further.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.	Advanced	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	6	6	0

**Comment:** Vaude has a clear understanding of wage levels. A detailed analysis has been made by comparing wage levels per factory with living wage benchmarks of the Global Living Wage Coalition and legal minimum wage. Vaude found that mode regular wages of sewing operators at its factories in Vietnam are close to or above the Anker benchmark.

In 2021, Vaude created a 'Living wage roadmap'. The roadmap is an extensive and systemic plan which details the steps the brand needs to take to achieve this goal, following Fair Wear's living wage increase cycle. The plan has been agreed upon with Vaude's top management. In 2022, Vaude continued implementing the roadmap.

Vaude started discussing why wages are below living wage with some of its suppliers and focused on what the brand can do by creating a detailed living wage strategy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Basic	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	2	6	0

**Comment:** Vaude has a Living Wage roadmap which first focuses on transparency and open costing. In 2022, they reached out to two production locations to discuss the possibility for more transparency on costs. Vaude has also defined the gap between current wages and living wages, specifically focused on Vietnam. As a next step the company has to decide how to close the gap and ensure the money reaches the workers.

**Recommendation:** In order not to halt progress on this topic, Vaude is advised to work with target wages building towards a living wage estimate. A target wage can already be set even when the living wage is not yet exactly clear. In determining the living wage estimates, Vaude is advised to use the Fair Wear Living Wage Policy recommended estimates as a starting point, also if these estimates are not for the exact region where the brand is sourcing. Vaude could inquire with Fair Wear's local team what a suitable living wage might be for the region where they are sourcing, and bring this number to the factory. It is important not to set a target wage or living wage unilaterally as a brand, but to involve the employer. In determining what is needed and how wages should be increased, it is recommended to also involve worker representation.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	14%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	2	6	0

**Comment:** A calculation based on wages paid to factories as Vaude's wage surveys conducted in Vietnam and Myanmar showed that at three locations, the paid wages were higher than the Global Living Wage Coalition Living Wage estimate of 2021 (corrected for inflation).

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear Complaints Procedure.	Advanced	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	4	4	-2

**Comment:** Vaude always takes immediate action when complaints come in. Vaude shares information about complaints and remediation steps taken with Vaude staff and with other factories in order to prevent similar problems from occurring at different factories. Vaude uses the Fair Wear database to keep track of all incoming complaints, communication about follow-up, and feedback from the complaints handler, factory and complainant.

In 2022, Vaude received seven complaints. One from a production location in Vietnam regarding working hours. According to the factory, it was due to the pandemic and would be improved. The complainant was not available to verify. Two complaints from China, one regarding payments of social security, which was resolved in 2022 and one regarding working hours and forced resignation, which was resolved early 2023. Four complaints were received from two different production locations in Myanmar. One complaint was about verbal abuse, which was remediated by organising training for supervisors to improve their behaviour. Another complaint regarding an accident could not be resolved due to the fact that the complainants were not available for verification. Two other complaints are still in the process to be resolved.

Vaude analyses all complaints received every year to make a plan for how to work on root causes and recurring issues and integrates this into the factory risk profile and follow-up action plans.

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

**Comment:** In 2022, Vaude did a risk assessment at factory level and determined different actions per factory. Some of these actions are related to training. However, this assessment will guide budget decisions in 2023, so no training based on the systematic risk assessment conducted in 2022 has been implemented. Vaude did organise different WEP basic training and training related to complaint remediation.

**Recommendation:** Vaude is recommended to implement training for all factories where this follows from the systematic factory risk assessment.

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

**Comment:** The training sessions that have been conducted did not include clear follow-up steps.

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

**Comment:** Vaude's human rights risk monitoring includes a responsible exit strategy, which is communicated in the Vaude Guidebook from the start of the business relationship. In 2022, Vaude stopped production in one location in India because of problems with quality and with social issues. For this factory Vaude did not follow their standard onboarding process or their responsible exit strategy, as the factory turned out not to be a good match for Vaude.

**Recommendation:** Vaude should discuss its onboarding and exit strategy internally, to ensure it is followed by all departments.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Basic	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	2	6	0

**Comment:** Vaude undertakes activities beyond Fair Wear scope, by ensuring all tier 2 locations sign the Code of Labour Practices and go through the Vaude onboarding process.

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

**Possible Points: 18**

**Earned Points: 10**

### Indicators on Communication, transparency and evaluation

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

**Comment:** Communication about Fair Wear membership and the leader status adheres to the Fair Wear communication policy. Fair Wear membership is communicated through the company's website, on catalogs, on social media, youtube and through company presentations. Fair Wear is actively communicated within the dealers network through a dealers newsletter and workbook.

Vaude is actively involved in the German Partnership for Sustainable Textiles (PST) and other stakeholder platforms where it regularly informs the public and its stakeholders about Fair Wear membership. The CEO of Vaude also frequently shares information about Fair Wear membership during panels and interviews.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).	No reselling of external brands	Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information.	External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct.	N/A	4	0

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

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

**Comment:** Vaude publishes a sustainability report based on the GRI standards on 1 August, which is more than six months after the closure of the financial year.

**Requirement:** Vaude's social report needs to be submitted to Fair Wear in a timely manner.

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

**Comment:** Vaude publishes its supplier list on its website since several years.

**Recommendation:** Fair Wear recommends Vaude to publish time-bound plans for its suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Member company has a system to track implementation and validate results.	Intermediate	Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made.	Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback.	4	6	0

**Comment:** Vaude has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations, this is called the CSR roadmap. The internal evaluation system involves top management, as the updates regarding the CSR roadmap are discussed with top management every three months. In its evaluation system, the member does not yet include triangulated information from external sources.

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

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

## 5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Yes

Comments: Vaude engages in proactive and transparent communication via PR, social media, the CSR Report and our user service.

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Yes

Comments: Together with Fair Wear, Vaude actively participated in lobby and advocacy efforts on EU-level to emphasise the importance of a EU Supply Chain Act.

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

## Recommendations to Fair Wear

Vaude feels it is good that Fair Wear challenges its members with new requirements. However, with some of the new indicators in the performance check Vaude would recommend Fair Wear to also be ready to provide new tools and necessary guidance. The new alignment of Fair Wear focus is going in the direction of creating a lot of overhead work, paperwork and formalities. It seems that the direct work in the supply chain to create impact steps in the background and management approach is more important rather than direct improvements. Vaude feels that brands are not truly represented within the Multi-stakeholder Initiative and that there is nobody who represents the interests of the brands.

Vaude would like there to be an alternative (of continuation) of the national member stakeholder meetings, as they are an important platform for members to exchange information among themselves and with local stakeholders.

## Brand Performance Check details

Date of Brand Performance Check: 31-03-2023

Conducted by: Anne van Lakerveld

Interviews with: Anika Mauz, Vendor Management

Pascal Erath, Vendor Management

Susanne Medesi, Head of Vendor Management

Jan Lorch, Chief Sales Officer (CSO) / Sustainability & CSR Manager