



BRAND PERFORMANCE CHECK

Deuter Sport GmbH

PUBLICATION DATE: DECEMBER 2017

this report covers the evaluation period 01-07-2016 to 30-06-2017

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

BRAND PERFORMANCE CHECK OVERVIEW

Deuter Sport GmbH

Evaluation Period: 01-07-2016 to 30-06-2017

MEMBER COMPANY INFORMATION	
Headquarters:	Augsburg, Germany
Member since:	01-08-2011
Product types:	Outdoor, Promotional, Private label, Bags & Accessories
Production in countries where FWF is active:	China, Myanmar, Viet Nam
Production in other countries:	NA
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	99%
Benchmarking score	93
Category	Leader

Summary:

Deuter has shown advanced results on performance indicators and has made exceptional progress. With 99% of its own production under monitoring by FWF audits Deuter exceeds the monitoring threshold required for members beyond their third year of membership. With a benchmarking score of 93 Deuter has again achieved leader status.

Deuter has stable, long-term relationships with all its suppliers as well as significant leverage, which allows them to work effectively on improving working conditions.

While continuous efforts are still needed, the company has strong systems in place to prevent and remediate excessive overtime. All main suppliers have participated in FWF's Workplace Education Programme.

During its last financial year Deuter focused on remediation at its production location in Myanmar after a complaint investigation concluded that the factory had unintentionally employed a child labourer. All remediation steps have been implemented so far.

Challenges remain in monitoring smaller subcontracting locations in Vietnam accounting for less than 2% of overall FOB. Deuter has not met monitoring requirements for these locations. FWF recommends Deuter to consolidate and monitor these subcontractors in cooperation with the main supplier.

FWF also recommends Deuter to systematically implement steps to increase wage levels at its main suppliers.

PERFORMANCE CATEGORY OVERVIEW

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

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

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

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

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	99%	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.	4	4	0

Comment: Deuter's supplier in Vietnam produces almost exclusively for the company using three main production locations. At its supplier for sleeping bags, Deuter buys more than 10% of the production capacity at the site in Myanmar. This enables Deuter to work effectively on improving working conditions with its suppliers.

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.	4%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: Deuter's key supplier in Vietnam works with a number of sewing subcontractors that produce smaller order volumes for Deuter.

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.	97%	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.	4	4	0

Comment: Deuter has been working with its current supplier for backpacks since 1994 and with its sleeping bag supplier since 2003. The sleeping bag supplier opened a new production site in Myanmar in 2015 and is producing a portion of Deuter's production there.

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: Deuter did not add new suppliers during its last financial year. However, their Vietnamese supplier works with different subcontractors. To ensure a proper monitoring process, Deuter receives a list of all planned subcontractors per season by the main supplier and later on a list of all subcontractors that were used. The supplier visits all subcontractors, ensures that the FWF Code of Labour Practices is signed before production starts and the Worker Information Sheet is posted.

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.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: As described under indicator 1.3, Deuter's backpack supplier uses different subcontractors and Deuter has agreed on a monitoring process with them. Most of the subcontractors used are small production locations that have never been audited before by any social compliance organisation. Deuter is aware of additional risks and is continuously discussing opportunities to reduce subcontracting and focus on a set of fixed subcontractors. While the production volume that has been outsourced to subcontractors was reduced during Deuter's last financial year, none of the subcontracting sites of the previous year were used again last year. This fluctuation makes it more difficult for Deuter to monitor and improve working conditions.

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

Comment: Deuter continuously evaluates the status of CoLP implementation at its suppliers and actively supports them to improve. Given Deuter's small and stable supplier base, it is difficult for the company to reward one production location with higher order volumes, but long-term commitments are given.

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: Deuter has a strong production planning system in place that supports reasonable working hours. The key challenge is to distribute orders evenly throughout the year to avoid extreme peak and low seasons. Suppliers receive long-term forecasts and orders are placed with long lead times. This allows the supplier to plan their production more evenly and in close cooperation with Deuter. For its sleeping bag supplier, Deuter agreed during its last financial year to limit orders to twice a year and place these orders even further in advance. A larger warehouse at Deuter's German headquarter as well as warehouse space in Asia allow storage of products, which further reduces the pressure on suppliers. Deuter's import partners, who coordinate sales outside of Germany, receive financial discounts if they place early orders. Deuter also started working on a new online forecast tool to further improve production planning. Implementation is planned for 2018.

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: For its three main production sites in Vietnam, Deuter has made significant progress in reducing overtime hours. FWF audits in 2015 confirmed that excessive overtime hours had already been reduced compared to previous audits and a complaint. According to Deuter, overtime hours have been further reduced since then and remain within legal limits. The supplier shares production records regularly to document the extent of overtime hours. The production at this supplier accounts for more than 90% of Deuter's production (FOB).

During Deuter's last financial year, FWF audited the production site in China and observed excessive overtime. After a discussion with management, Deuter adjusted their ordering schedule to better fit the factories' preference. Deuter's leverage at the production location is however limited to 3%. Another FWF member, also with limited leverage, is leading remediation efforts with the supplier. Both brands tried involving the largest client of the supplier, but were unsuccessful.

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

Comment: Deuter has a detailed understanding of how prices of its Vietnamese supplier are comprised and how labour costs account to the overall price. This information as well as current minimum wages and other benchmarks are taken into account when negotiating prices.

For its Chinese and Myanmar production sites, Deuter does not have the same level of insights, but is taking FWF wage ladder information into account.

Generally, Deuter accepts higher prices due to wage increases. In case the supplier asks for a price which is too high for new product styles to be able to sell, Deuter Sport re-works the product e.g. (reduces trims) to reach a marketable price.

Recommendation: Deuter is recommended to increase transparency in costing and productivity to gain further insight in the labour costs per product for its production locations in China and Myanmar. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

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

Comment: A FWF audit at Deuter's printing subcontractor concluded that 50% of workers were paid below legal minimum wage. Deuter took immediate action and requested the supplier to raise wages in compliance with local legislation. The supplier confirmed that they had implemented the wage increase. FWF has not verified the same.

Requirement: If a supplier fails to pay minimum wages, FWF Member companies are expected to hold management of the supplier accountable for respecting local labour law and require a time bound action plan to ensure adequate payment. Factory visits with a documents check or additional verification by FWF may be needed to verify remediation.

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

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

Comment: Following previous analysis based on FWF's wage ladder, Deuter and its Vietnamese supplier participated in a research project by the Global Living Wage Coalition in 2016. The living benchmark that was established as part of the research was not yet met by Deuter's supplier. Wages have however steadily increased, partly due to raised legal minimum wage levels, over the past years and the supplier has an above-average return rate of workers after large holidays.

In Myanmar, the legal minimum wage also doubled recently, yet wages still remain below living wage benchmarks of local stakeholders.

Deuter accepts price increases to cover higher wage costs and the use of more sustainable chemicals in production. In the past prices were fixed for three years for developed styles. During its last financial year, Deuter started accepting price increases on an annual basis. As a consequence, Deuter increased sales prices for some product lines or lowered their own margin.

Recommendation: FWF encourages Deuter to implement steps to raise wage levels based on the research conducted in 2016.

FWF also encourages Deuter to assess the hypothetical cost effects of increasing wages at its production sites in Myanmar and China towards benchmarks that are included in the wage ladder. To support companies in this process FWF has published guidance on its Living Wage Portal.

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

Comment: None of the production sites are owned by Deuter. However, Deuter's backpack supplier produces almost exclusively for Deuter for more than 20 years.

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 38

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	99%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Total of own production under monitoring	99%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

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

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

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

Comment: Once Deuter receives a CAP they assess the findings using a traffic light system and then pass it on to factory management to agree on timelines for remediation. Worker representation is not systematically involved in this process.

Recommendation: In case worker representation is applicable the CAP should be shared with worker representatives and they should be involved in setting the time frame for realising improvements.

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

Comment: Deuter staff (including top management) visits production sites on a regular basis and discusses updates on corrective actions.

During its last financial year Deuter mainly focused on remediation at its production site in Myanmar (see indicator 2.7 and 3.4).

In Vietnam FWF audited a printing subcontractor of Deuter's main supplier. While several severe issues were identified and the supplier initially was reluctant to improve working conditions, Deuter has since started a constructive remediation process with the supplier.

The audit at Deuter's Chinese production location was conducted at the end of Deuter's financial year, so follow-up activities will be assessed in the 2018 Brand Performance Check.

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.	97%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Deuter visited all production locations except for some subcontracting sites. These have been visited by the main supplier contracting the orders.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

Comment: The sites in Myanmar and China are audited by another large client. The results of these audits are not shared with Deuter.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh					6	-2
Compliance with FWF Myanmar policy	Advanced			6	6	-2
Compliance with FWF guidance on abrasive blasting					6	-2

Comment: Deuter consults FWF’s country studies as well as information of other stakeholders. The company has a thorough understanding of common risks for production in China, Myanmar and Vietnam. Deuter’s efforts to prevent and remedy excessive overtime are described under indicators 1.6 and 1.7. To stimulate dialogue between workers and management, all main suppliers have participated in FWF’s Workplace Education Programme. For China, independent worker representation remains a challenge. Also, Deuter is aware of additional challenges at subcontractor sites and has started to actively include them in their monitoring system.

In addition, Deuter is working on implementing safe chemical management at its suppliers. For its production site in Myanmar Deuter is actively following up on remediation of findings. Wage information has been included in Deuter’s social report. The supplier has completed the Basic module of FWF’s Workplace Education Programme and participated in a supplier seminar on age verification. Deuter hence fulfills FWF’s Myanmar risk policy.

Recommendation: FWF recommends Deuter to stimulate worker-management dialogue and ensure that freedom of association is guaranteed to workers. Deuter can make use of FWF’s WEP Communication module or similar trainings of other organisations.

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: Deuter actively cooperates with another FWF brand at its Chinese supplier and regularly engages with FWF brands that produce at the same factory group (in a different unit) in Myanmar.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	Not applicable	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	3	0

Comment: Deuter exceeds the required monitoring threshold, but has not met monitoring requirements for smaller subcontracting sites. Hence, no bonus points can be awarded.

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

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

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

MONITORING AND REMEDIATION

Possible Points: 24

Earned Points: 24

Additional comments on Monitoring and Remediation:

Deuter's supplier in Vietnam outsources production to a number of sewing subcontractors. All subcontracted production combined amounts to less than 2% of Deuter's FOB. However, Deuter has a leverage of more than 10% at some of these subcontracting sites, which requires them to conduct an audit. This has not been implemented during Deuter's last financial year.

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	0	
Number of worker complaints resolved since last check	1	

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

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

Comment: Deuter regularly checks whether the Code of Labour Practices (CoLP) including contact information of the local complaints handler of FWF is posted in factories in a location that is accessible to workers. The company collects photos of the posted document during visits of purchasing staff as evidence.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	70%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	3	4	0

Comment: FWF audits conducted during the last three financial years at six production locations of Deuter documented that the majority of interviewed workers at three sites was aware of the FWF CoLP and hotline. At the other three the majority of interviewed workers was not aware. At the same time four out of five main production sites have participated in FWF's Workplace Education Programme Basic module in the last three years which is also counted toward this indicator. Deuter actively distributes Worker Information Cards through pay slips to all workers.

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

Comment: Following a report by organisation SOMO that included Deuter's production location in Myanmar, FWF conducted a complaint investigation to verify findings. The investigation concluded that one worker, who was 15 years old at the time of investigation, had been hired at age 13 using a falsified ID card. 12 other young workers between 16 and 17 years were also found working without specific protection required for workers below 18 years. FWF concluded that no intentional child labour could be confirmed, but the factory was lacking appropriate age verification systems. The factory has since followed all remediation steps including ensuring that the worker aged below 16 years could attend vocational training. The factory has offered to continue her employment once she turns 16 years. In addition the factory has attended an age verification training by FWF. The full complaint report can be found on FWF's website.

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

Comment: Deuter has cooperated closely with another brand involved at the production location and also participated in a round table on the issue during a trade show.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 14

4. TRAINING AND CAPACITY BUILDING

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

Comment: All new staff members receive an introduction on FWF. Information about FWF and Deuter's CSR activities, like the social report, are shared regularly with staff for example in Deuter's internal staff magazine.

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

Comment: All staff in direct contact with suppliers is well aware of FWF membership requirements and is regularly briefed by CSR staff.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	96%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

Comment: All three Vietnamese production locations as well as the locations in Myanmar and China have participated in a WEP Basic training during Deuter's last three financial years.

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

TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 9

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: Deuter has implemented a procedure with its supplier in Vietnam to monitor subcontractors (see indicator 1.3). The production locations in China and Myanmar do not use subcontracting; printing and embroidery facilities are available in-house.

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: Staff involved in the production process exchanges regularly and aligns their actions to improve working conditions. CSR participates in monthly meetings of department heads and shares relevant updates. Prices are negotiated by top management who is aware of wage levels in the country and on-going discussions.

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	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: Deuter informs the public about FWF membership through various channels like its website, the social report, hang tags and catalogue. All communication is in line with FWF's communication policy.

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

Comment: Deuter discloses its production sites in its social report, thereby contributing to transparency about working conditions in its supply chain.

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

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 FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: CSR staff meets with the CEO once a month to discuss current developments. The Brand Performance Check is reviewed by a group of staff including top management.

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

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

Deuter encourages FWF to continue improving its WEP programme as well as supplier training on age verification. Deuter would appreciate clear guidance on the legal framework already at early stages during complaints investigations.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	38	44
Monitoring and Remediation	24	24
Complaints Handling	14	15
Training and Capacity Building	9	9
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	100	107

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

93

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

03-11-2017

Conducted by:

Lisa Suess

Interviews with:

Marco Huehn (CSR manager)

Robert Schieferle (CPO)