



## BRAND PERFORMANCE CHECK

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SALEWA, DYNAFIT & Wild Country

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this report covers the evaluation period 01-01-2017 to 31-12-2017

## 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

SALEWA, DYNAFIT & Wild Country

Evaluation Period: 01-01-2017 to 31-12-2017

MEMBER COMPANY INFORMATION	
Headquarters:	Bolzano, Italy
Member since:	25-09-2013
Product types:	Outdoor
Production in countries where FWF is active:	Bangladesh, China, Indonesia, Myanmar, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	Austria, Cambodia, Czech Republic, Ethiopia, Germany, Italy, Lithuania, Moldova, Republic of, Slovakia, Slovenia, Switzerland, Taiwan, United Kingdom
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	97%
Benchmarking score	80
Category	Leader

## Summary:

SALEWA, DYNAFIT & Wild Country has shown progress and met most of FWFs' performance requirements. By monitoring 97% of its supply chain via FWF audits, external audits and monitoring in low-risk countries, SALEWA, DYNAFIT & Wild Country exceeds the monitoring requirements for member brands. With a benchmarking score of 80, SALEWA, DYNAFIT & Wild Country remain in the Leader category for 2017.

SALEWA, DYNAFIT & Wild Country has put into place efficient and systematic processes for doing due diligence on its suppliers both prior to starting production and once a partnership has started. Monitoring of progress on corrective action plans is systematic and detailed, and the CSR department engages with all levels of the organisation to ensure a high level of knowledge and commitment to the code of labour practices.

In 2017 SALEWA, DYNAFIT & Wild Country began to do a root cause analysis of overtime at its suppliers. Although a good start, the information has not proved to be as valuable as hoped and FWF recommends that SALEWA, DYNAFIT & Wild Country continue working with its suppliers to identify and improve excessive overtime.

SALEWA, DYNAFIT & Wild Country has created costing sheets for all styles in order to gain a better understanding of the labour costs of its products, however currently is not aware of the labour minutes required to make each style. SALEWA, DYNAFIT & Wild Country has not made progress with its suppliers on movement towards a living wage and is recommended to begin working on this with key 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.	63%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

**Comment:** At 63% of its suppliers, SALEWA, DYNAFIT & Wild Country buys at least 10% of production capacity. In 2017 SALEWA, DYNAFIT & Wild Country successfully further consolidated its supply base, from 102 suppliers to 87. This consolidation helps SALEWA, DYNAFIT & Wild Country to grow its production and leverage at its key 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.	26%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

**Comment:** SALEWA, DYNAFIT & Wild Country had 26% of its FOB coming from production locations from which it buys less than 2% of its total FOB. While still a long tail-end, SALEWA, DYNAFIT & Wild Country has successfully reduced this number by 5% in 2017.

**Recommendation:** FWF recommends SALEWA, DYNAFIT & Wild Country to continue consolidating its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, SALEWA, DYNAFIT & Wild Country should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance or necessary because they produce specific technical items. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

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.	73%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: SALEWA, DYNAFIT & Wild Country has continued to invest in long term relationships with its suppliers, having now had a business relationship over five years with 73% of its supply base. This is 20% increase in the past two years.

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

Comment: SALEWA, DYNAFIT & Wild Country has a thorough, written due diligence process that it follows before beginning production with any new location, including ensuring that the questionnaire is signed and returned before the factory is "approved" for production. SALEWA, DYNAFIT & Wild Country had 15 new production locations in 2017.

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

**Comment:** SALEWA, DYNAFIT & Wild Country has a documented and systematic process for conducting due diligence at new production locations, which involves steps required by various departments including sourcing, production and CSR. The process includes checking for relevant country-specific high risk issues, a factory self-assessment, an assessment by the quality control staff, collecting existing audits and creating corrective action plans before production begins. Only after the CSR team has all of the information do they recommend a decision on whether to start sourcing there, at which point the supplier will be included as an option for production for the planning teams.

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:** SALEWA, DYNAFIT & Wild Country, and the sourcing manager specifically, evaluate its supply base on a number of criteria, including compliance with the Code of Labour Practice. Based on a number of criteria, including remediation of complaints and CAPs, responsiveness, willingness of the supplier to cooperate, the CSR department gives input to the sourcing manager on whether to invest, divest or exit. Production decisions are made using this input. In 2017, for example, the orders at one supplier in Bangladesh were increased, partially due to their commitment to improve working conditions and improvements made.

**Recommendation:** FWF recommends that SALEWA, DYNAFIT & Wild Country share its assessments transparently with its suppliers, and involve the suppliers in setting criteria for evaluating their compliance with the Code of Labour Practices. As part of this process SALEWA, DYNAFIT & Wild Country can also ask suppliers for feedback about its own purchasing practices related to their ability to comply.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

**Comment:** SALEWA, DYNAFIT & Wild Country has a clear production planning system that is built per style. Based on the style and the general understanding of how long a product will take to make, based on complexity, plus the fabric delivery times and transport, a calculated delivery date is proposed to the supplier, who then is able to provide feedback and book production capacity. Standard labour minutes for each style however are not known, it is an estimate. A production status report is created for each order, which plans and tracks every step of production, to ensure that delays at one point aren't creating a crunch for delivery at the end. If delays do happen, SALEWA, DYNAFIT & Wild Country works with the supplier to either split orders, extend the delivery date, or ship via air.

After each season SALEWA, DYNAFIT & Wild Country does an evaluation of each order, looking at how close to planning actual delivery at each stage was. This helps SALEWA, DYNAFIT & Wild Country to better understand where delays might happen and which suppliers may not be able to fulfill the planned commitments.

SALEWA, DYNAFIT & Wild Country does not however have insight into the production capacity of its production locations to ensure that the supplier has enough regular working hours to accommodate production of an order. Without this information SALEWA, DYNAFIT & Wild Country cannot verify that its production planning systems support reasonable working hours (and do not rely on overtime) at their suppliers.

**Recommendation:** Gaining further insight into the production capacity of each factory will allow SALEWA, DYNAFIT & Wild Country to verify that its production planning is actually enough to support reasonable working hours. This information, paired with the labour minutes required per style, can help SALEWA, DYNAFIT & Wild Country ensure its production planning is not contributing to excessive overtime in its supply chain.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate 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.	3	6	0

**Comment:** In 2017 SALEWA, DYNAFIT & Wild Country started a root cause analysis of the causes of excessive overtime by sending a questionnaire to all suppliers asking for more information on the causes of overtime and asking if SALEWA, DYNAFIT & Wild Country's orders were contributing to this. Unfortunately SALEWA, DYNAFIT & Wild Country found that suppliers were not willing to be very open with their responses and as such has not been able to gather very valuable information.

At specific suppliers where overtime was found in the audits, SALEWA, DYNAFIT & Wild Country also had direct conversations on the causes. Again, however, the suppliers were not able or willing to provide much insight into the causes.

SALEWA, DYNAFIT & Wild Country has planned further analysis of the causes of overtime in 2018, including an analysis per country, looking into factors such as dormitories and migrant workers, and possibly a worker survey.

**Recommendation:** SALEWA, DYNAFIT & Wild Country should continue discussing with factory management on the causes of excessive overtime and provide support to manage overtime. SALEWA, DYNAFIT & Wild Country could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

FWF also recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

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

**Comment:** In order to be as transparent as possible SALEWA, DYNAFIT & Wild Country have created costing sheets for each style which include a cost for labour. This number is provided by the supplier, based on the complexity of the style, but is cross-checked by the costing manager. In order to do this he has created a calculation tool that approximates the labour costs per style based on complexity of garment, technical experience of factory, added features etc. Currently SALEWA, DYNAFIT & Wild Country does not know the labour minutes per style, but has a general understanding of the amount of time required to create a pocket, sleeve, do tape bonding etc, so uses this to set pricing.

The costing manager also keeps a document with current minimum wage and living wage levels per country, which is cross referenced before prices are set in order to ensure minimum wage levels are covered.

**Recommendation:** As an advanced step, SALEWA, DYNAFIT & Wild Country should continue working towards increased transparency in costing and productivity with its suppliers, to give better insight into the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. FWF recommends that over the next year SALEWA, DYNAFIT & Wild Country work towards knowing the labour-minute cost per style with some of its key suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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.	2	2	-2

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.	Basic approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0

Comment: SALEWA, DYNAFIT & Wild Country currently discusses living wages with its suppliers when negotiating prices and as part of CAP follow ups. In order to convince suppliers of the importance of paying living wages, SALEWA, DYNAFIT & Wild Country focuses on the need to retain workers in order to ensure that the factories are able to produce the technical garments at a high quality. Higher wages may be enough to ensure workers stay at one factory for a longer term.

SALEWA, DYNAFIT & Wild Country is only able to compare actual wages to living wage estimates via previous audits, as it does not have transparency from its suppliers on direct labour costs. It does however receive overall labour estimates from suppliers per style, an important step. Beyond discussions with suppliers on the important of living wages, no concrete steps have been taken to support suppliers in increasing wages.

**Recommendation:** FWF encourages SALEWA, DYNAFIT & Wild Country to discuss with suppliers about possibilities to work towards higher benchmarks. It is advised to start with suppliers where SALEWA, DYNAFIT & Wild Country has high leverage and long term business relationship. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF can give SALEWA, DYNAFIT & Wild Country specific guidance on process rollout on request.

FWF encourages SALEWA, DYNAFIT & Wild Country to make use of the resources FWF provides on living wages, including the webinar series, labour minute costing tool and the FWF Incubator.

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

## PURCHASING PRACTICES

Possible Points: 44

**Earned Points: 27**

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	81%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	16%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	97%	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

Comment: The CSR Expert is responsible for ensuring problems are followed up on, with support from the CSR team.

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: SALEWA, DYNAFIT & Wild Country ensures that audit reports and CAPs are shared with and discussed with factory management, and worker representation where applicable, in a timely manner, either in person or via email. Timelines are discussed and jointly agreed upon.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	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.	6	8	-2

Comment: SALEWA, DYNAFIT & Wild Country can show serious efforts to address CAPs and progress on resolution of issues identified. Prior to any management or staff member visiting suppliers the CSR department prepares information on the key issues to discuss and follow up on, and meets with the staff member upon return to document changes. The quality control teams in control also follow up regularly with the suppliers and provide updates to the CSR team. Documentation of improvements was not available for many issues, despite SALEWA, DYNAFIT & Wild Country asking for photos or updated policies to be shared with them.

SALEWA, DYNAFIT & Wild Country has seen many improvements at factories on health and safety issues as well as policy changes. For example in Myanmar, working together with FWF and other FWF members, a factory updated its policy on pregnancy tests upon hire and its processes on age verification.

SALEWA, DYNAFIT & Wild Country has updated CAPs available for all of its suppliers with clear tracking of improvements made, comments by suppliers and SALEWA, DYNAFIT & Wild Country staff, and which issues remain outstanding.

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.	94%	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: SALEWA, DYNAFIT & Wild Country visited almost all of its suppliers in 2017. Visits are done by the management team and quality control staff. These staff members are provided updates on outstanding social compliance issues prior to visits and are asked to participate in monitoring via discussions with factory management, doing health and safety assessments, handing out worker information cards and ensuring the worker information sheet is posted.

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

Comment: SALEWA, DYNAFIT & Wild Country completes the Audit Quality Assessment Tool for every external audit it collects and creates a new CAP for each one (either compiled from previous CAPs or created new).



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under 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.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Advanced			6	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: SALEWA, DYNAFIT & Wild Country sources from Bangladesh, Myanmar and Turkey, all of which have specific FWF risk policies.

In Bangladesh, SALEWA, DYNAFIT & Wild Country has a written sourcing policy and requires that all factories it sources from are members of the Bangladesh Accord on Fire & Building Safety. SALEWA, DYNAFIT & Wild Country is well aware of the high risks in Bangladesh and has ensured that all production locations have had a full audit and are working on remediation. SALEWA, DYNAFIT & Wild Country has not however signed the Bangladesh Accord on Fire & Building Safety itself, which is a requirement of FWF members sourcing in Bangladesh.

In Myanmar, SALEWA, DYNAFIT & Wild Country stays up to date with new developments and risks by working closely with FWF and taking on their own additional research. Prior to starting sourcing in Myanmar, SALEWA, DYNAFIT & Wild Country checked to ensure there was no known link to military, working with FWF and other FWF brands already sourcing there. In 2017 SALEWA, DYNAFIT & Wild Country participated actively with FWF on drafting a new overall policy and participated in the seminar on age verification. In particular SALEWA, DYNAFIT & Wild Country has worked with its suppliers on their policy on probation periods, ensuring that workers who are gone more than 2 days and then return to the factory do not go back on probation, thus making less wages. Additionally, SALEWA, DYNAFIT & Wild Country has supported increased social dialogue at its supplier, by encouraging them to enroll in a Workplace Education Programme.

SALEWA, DYNAFIT & Wild Country has a written policy on sourcing in Turkey that it has communicated clearly to its suppliers based there, ensuring that there is no discrimination against Syrian refugees in terms of pay, treatment or employment status. All Turkish production locations must sign this policy before the factory is "approved" for production.

In Italy SALEWA, DYNAFIT & Wild Country has done a risk assessment to see if any of the likely high risks from sourcing there apply to its suppliers. At the moment SALEWA, DYNAFIT & Wild Country has deemed that it is not a high risk for them, however they are aware of the high risks of undocumented labour and sub-contracting to Eastern Europe, which it looks for during visits and discussions with suppliers.

**Requirement:** FWF requires SALEWA, DYNAFIT & Wild Country to sign the Bangladesh Accord on Fire & Building Safety as part of its enhanced monitoring programme for Bangladesh.

**Recommendation:** FWF recommends that SALEWA, DYNAFIT & Wild Country encourage its Turkish suppliers to join a Workplace Education Programme, to ensure that that factory management is well informed about labour laws, particularly in regards to Syrian refugees.

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: SALEWA, DYNAFIT & Wild Country frequently works with other FWF members on resolving corrective action at shared suppliers, and has started engaging with other non-FWF member brands as well.

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.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

Comment: Approximately 16% of SALEWA, DYNAFIT & Wild Country's production is done in low-risk countries, of which almost all have been visited regularly, have signed the questionnaire and have posted the worker information sheet.

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

Comment: With 96% and having fulfilled its tail-end requirements, SALEWA, DYNAFIT & Wild Country does indeed conduct full audits above the minimum required threshold.

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.	Yes, and member has information of production locations	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.	1	1	0

Comment: SALEWA, DYNAFIT & Wild Country makes use of two licensees, in China and South Korea respectively. Both licensees have provided information on the production locations that they make use of.

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## MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 29

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	3	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	5	

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

Comment: The CSR specialist is responsible to addressing worker complaints and ensuring all relevant people are informed and involved.

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: A photo of the posted Worker Information Sheet is received from every factory before production begins, and then visiting staff members and the quality control teams check to ensure it is still posted when they visit.

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.	51%	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:** At 51% of SALEWA, DYNAFIT & Wild Country's FWF-audited production locations, at least half of the workers were aware of the FWF worker helpline.

**Recommendation:** SALEWA, DYNAFIT & Wild Country can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, SALEWA, DYNAFIT & Wild Country can use the worker information cards available for download on FWF's website.

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:** SALEWA, DYNAFIT & Wild Country has followed the FWF Complaints Procedure when working on the 3 complaints received in 2017, and has been actively involved in remediation and has taken preventative steps.

For the complaints received in Myanmar, SALEWA, DYNAFIT & Wild Country worked closely with factory management in resolving the complaints. Also, SALEWA, DYNAFIT & Wild Country noticed that the complaints were similar in nature and both involved the unfair dismissal of employees and subsequently worked with factory management to develop policies that are transparent and clear and applied to all employees. Additionally SALEWA, DYNAFIT & Wild Country supported follow up training at the suppliers to ensure effective internal structures of the company, and engaged local stakeholder SMART to conduct these. Following a complaint at its supplier in China, SALEWA, DYNAFIT & Wild Country worked with the factory management to update the standard working contract contained information on the dismissal process to ensure that workers were not dismissed unfairly. These updated policies were also posted in the factory to help inform workers.

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:** SALEWA, DYNAFIT & Wild Country has actively worked with other FWF members during the resolution of complaints. Of note in particular are the complaints in Myanmar, where SALEWA, DYNAFIT & Wild Country worked very closely with FWF's Myanmar team and another FWF brand to resolve a complex complaint.



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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 14

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## 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: SALEWA, DYNAFIT & Wild Country ensures that all staff are aware of FWF membership by including regular information on the intranet, sharing updates during employee meetings and doing training for retail staff.

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, including sourcing and production managers and quality control specialists are informed of FWF requirements and are in regular communication with the CSR team.

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.	Yes + actively support COLP	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.	2	2	0

**Comment:** SALEWA, DYNAFIT & Wild Country works primarily through intermediaries and agents, and they play a key part in ensuring production location compliance with the Code of Labour Practices. SALEWA, DYNAFIT & Wild Country has established structured due diligence procedures that the agents have to follow and has worked with them on how to support remediation of complaints and CAP issues.

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)	47%	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.	4	6	0

**Comment:** The Workplace Education Programme has been delivered at nine of SALEWA, DYNAFIT & Wild Country's production locations in the last three years, making up a total of 47% of its supply chain.

**Recommendation:** In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. FWF currently offers the following training modules for the WEP: Basic, Communication, Gender Based Violence, Supervisor and the Factory Guide. More info on availability in countries can be found on the FWF website. SALEWA, DYNAFIT & Wild Country should motivate its main supplier(s) to join WEP trainings.

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

Comment: SALEWA, DYNAFIT & Wild Country has a small amount of production in Cambodia, Ethiopia, Moldova, and Taiwan, however it makes up less than 1% of its total FOB so is not counted here.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 9

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## 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:** SALEWA, DYNAFIT & Wild Country keeps a well documented and up to date supplier register which includes detailed information on all production locations, including addresses, sub-contractors, number of employees and current CAP status. During the process of allocation by the planning team, they are provided with a list of already approved locations to choose from, and adding a new location is not possible without it going through the CSR team and being checked and onboarded.

Additionally SALEWA, DYNAFIT & Wild Country has staff regularly visit its production locations who monitor per style that the production is actually happening in the allocated locations. There were no indications of undocumented production locations in 2017.

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: The CSR team meets regularly with the production and costing staff and the quality control teams to keep them informed on urgent issues and working conditions at production locations. They meet face to face regularly and keep documented updates following factory visits on any improvements and conversations.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

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

Comment: SALEWA, DYNAFIT & Wild Country complies with the FWF Communications Policy and actively promotes its membership on hang tags, plaques and displays in store, consumer brochures and online communications.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	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.	1	2	0

Comment: SALEWA, DYNAFIT & Wild Country publishes its Brand Performance Checks on all brand websites and the overall group insight. It has recently embarked on project to increase transparency about its supply chain for the coming years.

Recommendation: FWF recommends that SALEWA, DYNAFIT & Wild Country additionally publish audit reports and supplier information on its websites. Good reporting helps to ensure the transparency of SALEWA, DYNAFIT & Wild Country and FWF's work.

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

Comment: The 2017 Social Report has been submitted to FWF and published on SALEWA, DYNAFIT & Wild Country's websites.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5



## 7. EVALUATION

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

**Comment:** Top management is committed to improving working conditions in its supply chain and regularly discusses with the CSR team FWF membership and how it can help this process.

**Recommendation:** As a new CEO is starting in 2018, FWF recommends that the CSR team conduct an evaluation of FWF membership with him as soon as appropriate.

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.	100%	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.	4	4	-2

**Comment:** SALEWA, DYNAFIT & Wild Country had one requirement in 2016 regarding increasing its reporting activities by publishing its Brand Performance Check on all of its brand sites, which it has now done.

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

SALEWA, DYNAFIT & Wild Country has the following recommendations for FWF:

- increase its engagement with other industry initiatives to find opportunities for engagement and streamlining of processes
- ensure FWF has a clear focus and strategy for the coming years, as it has felt less strategically focused recently
- work at increasing awareness of FWF with consumers -> this is very helpful for brands to show the value of FWF
- find a more consistent way of determining leverage at a supplier, to ensure brands are all doing so in the same way and that it is meaningful
- reward brands in the Brand Performance Check if they engage with other brands (non FWF members) on social compliance issues, as this may have an even greater impact than just collaborating with FWF members
- provide clear living wage benchmark targets
- simplify the consumer brochure to make it easier to read and understand for consumers

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	27	44
Monitoring and Remediation	29	33
Complaints Handling	14	15
Training and Capacity Building	9	11
Information Management	7	7
Transparency	5	6
Evaluation	6	6
Totals:	97	122

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

80

### PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

10-07-2018

Conducted by:

Tina Rogers, Emma Conos

Interviews with:

Alexandra Letts, CSR Expert Social Compliance and Sustainability

Danielle Arzaga, CSR Specialist

Marie Mawe, CSR Manager

Stefan Rainer, General Manager Salewa

Kai Blessenohl, Costing Manager, Apparel

Giuseppe Zucca, Costing & Production Manager, Apparel

Claudia Galvan, Purchasing Coordinator Apparel

Clemens Possenig, Quality Control Specialist, Footwear & Technical Equipment

Verena Neufeldt, Quality Senior Specialist, Footwear & Technical Equipment

Marta Pellegrino, CSR Communication

Ruth Oberrauch, Interim Management Representative