



# **Brand Performance Check**

**Haglofs AB**

**Publication date: July 2023**

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

## About the Brand Performance Check

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

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

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

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

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

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

# Scoring overview

Total score: 126

Possible score: 208

Benchmarking Score: 61

Performance Benchmarking Category: Good



Sourcing strategy

59%



Identifying continuous human rights risks

73%



Responsible purchasing practices

69%



Quality and coherence of prevention and remediation system

47%



Improvement and prevention

55%



Communication, transparency and evaluation

73%

## Summary:

Haglofs AB (Haglofs) has met most of Fair Wears' performance requirements. With a total benchmarking score of 61, the member is placed in the Good category.

Haglofs has a sourcing strategy addressing influencing labour conditions. The sourcing strategy explicitly focuses on long-lasting business relationships and includes a consolidation process. The brand's sourcing strategy does not yet privilege countries where Freedom of Association (FoA) is possible. In the past year, Haglofs conducted a country risk assessment and started to evaluate the risks at its suppliers. The member has not adjusted its sourcing strategy based on the results of its risk scoping but started, for example, at a production location in Lao People's Democratic Republic despite the assessed high risks. However, the member brand intensified the monitoring of this new supplier to cover the higher risks. Haglofs did not assess the risks at its European suppliers.

Haglofs has not developed an action plan based on its supplier's risk assessment. Instead, Haglofs' monitoring guidelines include a continuous improvement cycle (CIC) for all suppliers according to the brand's risk assessment. The brand's main monitoring tools are audits and visits, and as part of remediation and prevention mainly relies on Corrective Action Plan (CAP) and complaints follow-up and providing training modules.

Because of multiple Fair Wear audits, Haglofs has a good understanding of the wage levels in its factories but cannot yet link how its buying prices are linked to the wage levels. However, Haglofs' assessment of wage levels across factories where data is available shows that, in general, factories pay beyond minimum wage, with some examples meeting Living Wage (LW) benchmarks. Haglofs has created a living wage strategy, which has just been rolled out.

Fair Wear recommends Haglofs to expand its country and factory risk assessment, and adjust its sourcing strategy based on the outcome. The brand is strongly advised to start prioritising actions for improvement based on its risk identification and to create a time-bound action plan, including improvement and preventive actions, which goes beyond auditing and providing training, including the needed budget and adopted by top management. Furthermore, Fair Wear encourages Haglofs to continue its living wage strategy by setting the first concrete steps.

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

## Performance Category Overview

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

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

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

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

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

# Company Profile Haglofs AB

## Member company information

Member since: 1 Jan 2012

Product types: Outdoor products and Outdoorwear

Percentage of CMT production versus support processes 100%

Percentage of FOB purchased through own or joint venture production 0%

Percentage of FOB purchased directly 0%

Percentage of FOB purchased through agents or intermediaries 62%

Percentage of turnover of external brands resold 0%

Are vertically integrated suppliers part of the supply chain? No

FLA Member No

Number of complaints received last financial year 2

## Basic requirements

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

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

Membership fee has been paid? 1

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

Production Country	Number of production locations	Percentage of production volume
Viet Nam	33	75
China	9	14
Indonesia	2	8
Cambodia	2	1
Portugal	4	1
Lao People's Democratic Republic	1	0
Türkiye	4	0
Sweden	1	0

## Layer 1 Foundational system's criteria

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

**Comment:** Haglofs has a Code of Conduct in combination with different policies, altogether serving its responsible business practices. The Code of Conduct and policies are valid for the brand itself as well as for its suppliers and other business partners. The policies include Fair Wear's eight Code of Labour Practices (CoLP), sustainability standards, onboarding processes and monitoring guidelines, exit strategy as well as environmental policies and more.

Fair Wear recommends to update the brand's Code of Conduct to integrate its policies in a more implicit way. Furthermore, Haglofs is recommended to structurally include in its due diligence process and policies the voices of those who are affected by adverse human rights impacts, as well as a gender lens.

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

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

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

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

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

**Comment:** Haglofs discloses 66% of production locations internally through Fair Wear's information management system.

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

**Comment:** Haglofs discloses 66% of production locations externally on Fair Wear's transparency portal. However, the brand discloses 100% of all suppliers on its own website.

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

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

**Possible Points: 90**

**Earned Points: 60**

### Indicators on Sourcing strategy

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.	Intermediate	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	4	6	0

**Comment:** Haglofs has a sourcing strategy addressing influencing labour conditions. The member has 57 active suppliers, whereof 37 main suppliers and 20 subcontracting partners in eight different countries. 68% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 13% of the production volume comes from suppliers where Haglofs buys less than 2% of its total FOB. This includes specifically countries such as Cambodia, Lao People's Democratic Republic, Portugal, Sweden and Türkiye. The percentages are comparable to the previous year. Haglofs' sourcing strategy explicitly focuses on long-lasting business relationships and includes a consolidation process. The brand's sourcing strategy does not yet include active cooperation with other clients or privileged countries where Freedom of Association (FoA) is possible.

**Recommendation:** Fair Wear recommends Haglofs to consolidate its supplier base where possible and increase leverage at main production locations to effectively request improvements in working conditions. Haglofs could include in its sourcing strategy a plan to increase influence on suppliers by cooperating with other buyers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Basic	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	2	6	0

**Comment:** Haglofs has a sourcing strategy, including relevant Key Performance Indicators (KPIs), that focuses on maintaining long-term relationships. 54% of the member's total FOB volume comes from suppliers with whom Haglofs has a business relationship for at least five years. Haglofs does not yet have long-term business contracts but is currently working on a five year-joint business plan for its top suppliers, which will be implemented in 2023.

**Recommendation:** Fair Wear recommends Haglofs to commit to long-term contracts and to embed long-term contracts in its sourcing strategy.

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

**Comment:** Haglofs conducts a country risk scoping and includes risk benchmarks such as the Corruption Perceptions Index, Children's Rights in the Workplace; Gender Inequality Index and Gender Wage Gap, as well as Fair Wear's eight Code of Labour Practices (CoLP). In addition, the member brand assessed the severity and likelihood of the CoLP for its high-risk countries. In its risk scoping, the member has assessed the impact and prevalence of the risks correctly. The risks of sexual harassment and gender-based violence are not included in the brand's risk scoping yet. Furthermore, there is only a basic risk scoping on business, sourcing, sector and product risks. Haglofs has yet to include input from workers, suppliers and stakeholders. The member has not adjusted its sourcing strategy based on the results of its risk scoping but started, for example, at a production location in Lao People's Democratic Republic despite the assessed high risks. However, the member brand intensified the monitoring of this new supplier to cover the higher risks. To date, Haglofs' sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively.

**Recommendation:** The member is recommended to include input from workers, suppliers, and other stakeholders in its risk-scoping exercise.

Fair Wear strongly recommends Haglofs to privilege countries where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

Fair Wear strongly recommends Haglofs to adjust its sourcing based on the results of its risk scoping. Furthermore, the brand is advised to include in its sourcing strategy not to start any production in "red flag" countries according to the brand's risk assessment.

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

**Comment:** Haglofs has a standard process in place to inform new suppliers about Fair Wear membership. After the first risk assessment, the factory will be visited, and a meeting with the management takes place to explain Haglofs' sustainability requirements. After the approval to onboard the factory and before placing the first orders, an onboarding meeting with the factory management and Haglofs' CSR manager takes place where Haglofs' sustainability requirements, including the Fair Wear membership, are explained in detail and how the supplier and Haglofs can cooperate on this topic. The factory management has then to sign the Terms of Agreement, including the CoLP questionnaire and other sustainability documents. This process has been followed for all three suppliers added last year.

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

**Comment:** Haglofs collects human rights information of potential new suppliers by collecting information about production processes, social and environmental management practices, existing audit reports, and by sending a questionnaire about operational-level grievance system in the factory, union and independent worker committee presence, collective bargaining agreements and occupational health and safety information. In case an audit report is not available, the factory will be audited before the first production takes place. In addition, each factory will be visited before the production takes place. Based on all the information given, the member brand decides whether or not to onboard a potential new production site.

Haglofs does not yet collect information from workers or stakeholders to inform the sourcing decision. The member's sourcing strategy does not mention a preference for suppliers where workers are free to form or join a trade union and/or bargain collectively.

**Recommendation:** Fair Wear encourages the member to collect worker and stakeholder input before placing the first order. Fair Wear strongly recommends Haglofs to privilege suppliers where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.	Basic	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	2	6	0

**Comment:** Haglofs has added three new suppliers in Vietnam and Lao People's Democratic Republic. The brand has shared information about Fair Wear's CoLP and the complaints helpline within the first year of doing business. The Worker Information Sheet has been posted. Haglofs organised own onboarding sessions for the management of new suppliers, but not yet for the workers. The member organised these sessions to raise awareness about the Fair Wear CoLP and the complaints helpline.

**Recommendation:** Haglofs is recommended to double check with Fair Wear about its own onboarding session to ensure that these are in line with Fair Wear's requirements. Furthermore, Fair Wear recommends to include the workers in the onboarding sessions. Fair Wear recommends Haglofs to include a discussion with workers on how they would like to provide feedback and report grievances to the management regarding their working conditions in its onboarding sessions.

## Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously monitor human rights risks in its supply chain.	Intermediate	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	4	6	0

**Comment:** In the past year, Haglofs started creating a risk assessment for its suppliers based on audit reports. The risk assessment does not yet include an assessment of the likelihood and severity and therefore does not indicate priorities where to focus on first when creating a follow-up plan. Haglofs did not reflect on the use of subcontracting partners and intermediaries in its risk assessment. Furthermore, the member brand did not conduct a risk assessment for its European suppliers.

Haglofs created factory monitoring guidelines to follow up on human rights risks in its supply chain. Haglofs defined its sourcing countries such as Cambodia, China, Indonesia, Lao People's Democratic Republik, Türkiye and Vietnam as high-risk countries. All suppliers of these countries are automatically included in the brand's continuous monitoring and improvement cycle, meaning that each production site needs to be audited at least once every three years and visited annually. Monitoring tools do not explicitly include worker, stakeholder and supplier input. Haglof's monitoring cycle does not include the suppliers in its low-risk countries, such as Portugal and Sweden.

**Recommendation:** Fair Wear recommends Haglofs to include the likelihood and severity of its factory risk assessment and whether the member causes, contributes or is linked to the identified risks. Fair Wear recommends Haglofs not to depend on audits, training modules and visits alone as monitoring instruments, but to identify the appropriate monitoring tool and frequency depending on the outcome of the risk scoping and risk assessment. Haglofs is furthermore recommended to integrate worker, supplier, and stakeholder input in its monitoring tools.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA).	Intermediate	Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention.	Use of supplier questionnaire to inform decision-making, collected country information, and analyses.	4	6	0

**Comment:** Haglofs has mapped the risks to the Freedom of Association (FoA) of its sourcing countries and can explain the main risks per country. In its risk assessment, Haglofs reviewed whether worker representation and/or unions are active in the factories. However, the member brand did not specifically assess the risk to women workers exercising the right of FoA. In 2022, the member brand had only limited capacities to communicate with worker representatives and/or local unions at the factory level.

**Recommendation:** Haglofs is encouraged to deepen its understanding of risks to FoA for each sourcing country, including risks specific to women workers.

The member is recommended to ensure supplier-level monitoring is in place to assess and understand the risk at suppliers - for example, by sending the Supplier Questionnaire to its suppliers, organising modular assessments on Social Dialogue, and having in-depth discussions with suppliers and worker representatives.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.	Basic	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	2	6	0

**Comment:** Haglofs started to include gender in its risk scoping. The brand collects benchmarking scores such as Gender Inequality Index and Gender Wage Gap for its production countries. Additionally, Haglofs started to use a gender lens when assessing the risk of the eight CoLP. For instance, Haglofs identified that women in the Lao People's Democratic Republic are often low-educated and therefore not aware of their rights, and that sexual harassment and pregnancy-related discrimination are reasons of high concern in Cambodia. Haglofs does not yet use a gender lens when assessing the risks of the eight CoLP at its suppliers but relies on the audit findings only. Haglofs actively collects gender data per factory, such as gender ratio and workforce composition, by using audit and complaint reports. The member has not yet specifically looked into how its business practices affect gender at its suppliers.

**Recommendation:** Fair Wear recommends Haglofs to expand its analysis of country-level gender risks to all Code of Labour Practices and to more systematically document these risks. The member brand can, for example, collect gender-related data such as

- Number of single mothers working at suppliers and policies to protect them.
- Distribution between women and men workers in terms of job position, security, and wage, and the risks for women workers.
- Possibilities for women workers to make their voice heard/ participate in trade unions.
- Policies to protect women workers when commuting home after late hours.

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

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

**Comment:** Suppliers' human rights performance is evaluated systematically every year. Haglofs evaluates sourcing and production-related topics as well as sustainability aspects such as audit results and supplier management. The brand systematically integrates the outcome of this evaluation into its purchasing decisions. The top-rated suppliers will be awarded higher order volumes or specific training modules. The outcome of the evaluation is shared and discussed with each supplier. Suppliers who are not scoring well will be supported to achieve a higher score in the next evaluation round. However, in case of no improvements, the member brand considers to terminate its cooperation according to its exit strategy. Haglofs has not yet shared the outcome of the evaluation with the worker representatives.

**Recommendation:** Haglofs is encouraged to expand its supplier evaluation of the factory's human rights performance so as not to rely on audit results only.

Fair Wear recommends Haglofs to share and discuss the outcome of the supplier evaluation with the worker representatives.

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

**Comment:** Haglofs uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database. The member takes measures to prevent unauthorised subcontracting or unknown locations, such as factory visits, onsite quality checks, audits, exchange with other Fair Wear brands at shared suppliers, discussions with factory management and by including a required disclosure of all production locations in its terms of agreement, signed by every supplier. Furthermore, Haglofs tries to gain an understanding of the production processes in the factory and evaluates the types of machinery available at the factory.

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

**Comment:** According to the member, generally, there is a low risk of homeworkers being used by its suppliers because Haglofs' styles require highly technical processes. In addition, when developing a product, Haglofs' developers discuss the capability with the factory's management. No audits identified the use of homeworkers. However, the brand assessed a higher risk at some factories using local trims and also at some knitwear factories. The brand checked the use of homeworkers with these special suppliers, and no homeworkers were confirmed.

## Indicators on Responsible purchasing practices

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

**Comment:** Haglofs' suppliers sign terms of agreements, which include a contract, different policies and the member brands' Code of Conduct. The contract stipulates payment terms, liability and penalties. Although the terms of agreement are accompanied by Haglofs' Code of Labour Practices, the contract itself does not support the implementation of human rights due diligence.

**Requirement:** Haglofs should evaluate its contracts to ensure that it does not place an unequal burden on its suppliers or include terms that limit the possibility of implementing the Code of Conduct.

**Recommendation:** Fair Wear strongly recommends Haglofs to include the shared responsibility of CoLP implementation in its contracts, including fair payment terms.

In its contracts with suppliers, Haglofs could ringfence labour costs to prevent negotiations from negatively affecting wages.

Fair Wear strongly recommends that Haglofs remove penalties for late delivery from its contracts or at least ensure there is 'proof of fault by the supplier'.

Haglofs is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

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

**Comment:** There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member has not yet included responsible business practices in job role competencies. Haglofs' sourcing strategy includes Key Performance Indicators (KPIs) such as long-lasting relationships, supply chain transparency, Never Out of Sale (NOS) stock programme, social dialogue and its living wage strategy. Haglofs has not yet integrated these KPIs in its production and pricing practices.

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

Haglofs could include responsible business practices in its job role competencies of sourcing and purchasing staff.

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

**Comment:** Haglofs has a strong and long-term production planning system in place and has improved this even further in 2022. The member brand has a 24-month go-to-market (GTM) plan involving product, sales operations, sustainability, marketing, suppliers, and customers along different states of a well-defined path for each season. Haglofs integrates forecasting at multiple stages into its GTM process. The GTM includes a nine-month planning process and regular communications with its suppliers. The planning is shared with suppliers, and the result of a two-way conversation is based on available capacity. Additionally, Haglofs tries to place orders outside peak seasons and relies more on its NOS programme.

In 2022, Haglofs' Vietnamese suppliers faced a lot of late material deliveries and production backlogs, leading to production delays. The brand was lenient with late deliveries, charged no penalties, supported the prioritisation of the orders, paid for faster shipping mode and, in some cases, for material transport as well. The brand put more advanced projects on hold to give its suppliers enough room and time to handle the crisis and catch up with the backlogs.

Despite its strong production planning system, seven audits conducted at Haglofs' Chinese and Vietnamese suppliers indicated excessive overtime. For more information, see indicator 3.9.

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

**Comment:** Haglofs specifies in detail the costs of each style, nominating all materials and trimmings. 26 of 36 factories give open costing sheets, and four factories give detailed information on labour minutes and values. However, Haglofs does not yet have the capability to cross-check the labour minutes given by the suppliers. Because of multiple Fair Wear audits, Haglofs has a good understanding of the wage levels in its factories but cannot yet link how its buying prices are linked to the wage levels. However, Haglofs' assessment of wage levels across factories where data is available shows that, in general, factories pay beyond minimum wage, with some examples meeting Living Wage (LW) benchmarks. Haglofs shares wage analyses from Fair Wear audits during monthly staff meetings. According to the member brand, the type of product drives the wages: for the more technical styles, the wages seem higher compared to the more competitive styles. When agreeing on prices, Haglofs does not negotiate on the labour costs.

**Recommendation:** Haglofs could use information from suppliers about what they need in terms of orders to pay at least minimum wage or current wage as input for a plausibility check.

Haglofs is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown, for example using the Fair Price app.

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

**Comment:** Haglofs has direct business relationships with almost all its suppliers except for three production sites. Haglofs has two agents and several main suppliers owning different factories. The member brand has informed its sourcing intermediaries of Fair Wear requirements, and all intermediaries signed the CoLP. The intermediaries are responsible to support the implementation of the CoLP. However, Haglofs has not discussed critical topics such as forced labour with its intermediaries nor has it checked whether the intermediaries uphold the purchasing practices as mentioned in the Common Framework of Responsible Purchasing Practices.

**Recommendation:** Haglofs could require its intermediaries to uphold the purchasing practices mentioned in the CFRPP framework.



## Layer 3 Remediation and impact

**Possible Points: 96**

**Earned Points: 50**

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

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

**Comment:** Haglofs created a follow-up plan for one Vietnamese supplier to remediate complaints and to strengthen social dialogue and the supplier's internal complaints mechanism. However, the follow-up plan does not specifically take the supplier's risk assessment into account, but describes a general contextualisation and the brand' monitoring actions. No prioritisation or concrete follow-up plans have yet been drafted.

**Requirement:** Haglofs is required to ensure that prioritisation in follow-up matches the factory's risk profile.

**Recommendation:** Fair Wear recommends the member to further improve its follow-up plans.

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

**Comment:** Haglofs has started to collect gender data per factory, such as gender ratio and workforce composition. However, the member brand has not collected enough data to include this information in its risk assessment, which means improvement or prevention actions do not include a gender lens.

**Requirement:** Haglofs must start including a gender lens in the implementation of improvement or prevention actions.

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

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

**Comment:** Haglofs discusses non-compliances on Freedom of Association (FoA) via CAP exchange. In addition, Haglofs encouraged FoA and effective social dialogue by organising Workplace Education Programmes (WEP) Communication for five Vietnamese suppliers, counting for 33% of its FOB in the past three years. The member has yet to apply a gender lens and ensure its steps to promote FoA and effective social dialogue address the specific risks for female workers.

**Recommendation:** Haglofs is recommended to, together with the supplier, distribute non-retaliation letters to workers, ensuring workers know they will not be punished for joining or forming trade unions.

Fair Wear recommends Haglofs to be more comprehensive and include more steps to promote FoA and effective social dialogue in its improvement and prevention actions.

Haglofs is strongly encouraged to ensure worker representatives are involved in the steps that the member takes to promote freedom of association and effective social dialogue.

Fair Wear recommends Haglofs to apply a gender lens and ensure its steps to promote FoA and effective social dialogue address the specific risks for female workers.

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

**Comment:** Suppliers' internal grievance mechanisms are assessed at the start of the business relationship and are monitored systematically by conducting audits and providing training modules such as WEP basic and communication. In cases where audit reports revealed findings regarding ineffective grievance mechanisms, the brand follows a remediation and preventive action plan (most times Corrective Action Plan (CAP)). The remediation of findings related to internal grievance mechanisms (CAP follow-up) of its suppliers is systematically considered in purchasing decisions. Haglofs does not yet have an active exchange with worker representatives to evaluate the functioning of the internal grievance mechanism at the production sites.

**Recommendation:** Fair Wear recommends Haglofs to always involve suppliers and worker representatives in the assessment of the internal grievance mechanism and to share and discuss the outcome of the assessment with the above stakeholders, who should be encouraged to lead a discussion on how the mechanisms can be improved.

Fair Wear recommends Haglofs to ensure that the evaluation of internal grievance mechanisms of its suppliers is specifically considered in purchasing decisions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Intermediate	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	4	6	0

**Comment:** Haglofs cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. Furthermore, the member brand cooperates with other Fair Wear members on taking preventive measures, such as providing WEP communication training at shared suppliers. Haglofs cooperates with other customers on a case-by-case base.

## Indicators on Improvement and prevention

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.6 Degree of progress towards implementation of improvement programme per relevant factory.	53%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	4	6	-2

**Comment:** During the performance check, Haglofs could demonstrate with samples that 53% of the CAP issues requiring improvement actions have been addressed. In addressing CAP findings, Haglofs collects factory feedback and proof of evidence for resolved findings. In case of a lack of improvement in audit findings, visits will be scheduled to discuss the issue with the factory management in person.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Intermediate progress	Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe.	Update on prevention programmes.	4	6	-2

**Comment:** Haglofs regularly investigates the root causes of all issues and concluded that the main root causes of all issues are lack of social dialogue, insufficient understanding of labour law and implementation of policies, and lack of functioning internal grievance mechanism. The root causes were discussed with the factory management. However, Haglofs does not specifically distinguish between improvement and prevention plans; as for the brand, this goes hand-in-hand. The brand organised social dialogue training, supported capacity building and implementation of policies as well as improvements related to internal grievance mechanisms at its suppliers.

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

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

**Comment:** Haglofs has some suppliers where improvement or prevention steps are not needed. These cover 1% of the member's total FOB. Haglofs did not conduct a factory risk assessment and does not have a system to ensure possible human rights risks are regularly discussed with these suppliers. Haglofs has yet to include worker representatives/local unions in discussions with factory management on possible human rights risks.

**Requirement:** Haglofs needs to ensure its assessment of factories not needing any improvement or prevention programmes is based on a risk assessment.

Haglofs must regularly discuss possible human rights risks with factory management in factories where no prevention or improvement programmes are necessary.

**Recommendation:** Haglofs is recommended to create a systematic plan which details at which interval the member will discuss possible human rights risks at its suppliers and which human rights risks should be discussed.

The member is recommended to review which factories do not need any improvement or prevention programmes regularly, for example, yearly.

Haglofs is recommended to ensure worker representation/local unions (when appropriate) are included in discussions with factory management on possible human rights risks.

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

**Comment:** Despite its strong production planning (see indicator 2.15), Haglofs faces excessive overtime at its production facilities. Seven out of 14 audits conducted in the past financial year indicated findings related to excessive overtime or intransparent working hour documentation. Haglofs analysed the root causes of these findings. According to the member, late material deliveries and production backlogs were significant causes for excessive overtime, as well as seasonal peaks and late changes to products or production volumes. The member brand supported its suppliers by being lenient regarding late deliveries, charged no penalties, supported the prioritisation of the orders, paid for faster shipping mode and, in some cases, for material transport as well. The brand put more advanced projects on hold to give its suppliers enough room and time to handle the crisis and catch up with the backlogs. Furthermore, Haglofs analyses its own production planning and increased the lead times for its orders, relying more on its NOS programme and trying to place orders out of the peak season. However, the member brand finds it difficult to tackle the issues around excessive overtime, as this issue is caused by multiple external factors such as, for example, other customers. Yet, Haglofs does not cooperate with other customers to tackle the excessive overtime at its suppliers together.

**Recommendation:** Fair Wear advises Haglofs to discuss with its supplier which solutions included in the Fair Working Hours Guide are applicable.

If audits are not possible, Haglofs could use alternative monitoring tools such as worker surveys to investigate working hours.

Fair Wear recommends cooperating with other customers at the factory to increase leverage when mitigating excessive overtime.

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

**Comment:** In the previous year, six audits included findings where allowances, bonuses or social security benefits and statutory leaves were not paid as legally required, or wages could not be verified due to inconsistent or incomplete records. Haglofs responded to these findings via exchange in CAPs and could show some improvements. If transparency issues are continuously identified throughout the audits with no room for improvement, it will negatively impact the factory evaluation and thus be reflected in the brand's sourcing strategy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.	Basic	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	2	6	0

**Comment:** Haglofs has created a living wage strategy, including several KPIs to measure its progress. The strategy contains five pillars related to the brand's sourcing practices, enhancing supplier capability, support of social dialogue, learning to understand how wages at production sites are formed and financing the increase of wages. The overall aim is to increase the order volume at factories where a living wage is paid. As this strategy has just been implemented, the brand could not show progress on all pillars. For example, the brand has not yet defined at which supplier the strategy will be rolled out first or has not yet defined where the money comes from to finance wage increases.

Haglofs' assessment of wage levels across factories where data is available shows that, in general, factories pay beyond minimum wage, with some examples meeting LW benchmarks.

**Recommendation:** Fair Wear encourages Haglofs to discuss with suppliers about different strategies to work towards higher wages and develop a systemic and time-bound approach. It is advised to start with suppliers where the member is responsible for a large percentage of production and has a long-term business relationship.

Fair Wear encourages Haglofs to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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

**Comment:** Haglofs has created a living wage strategy, which has just been rolled out. Haglofs has defined to use the Global Living Wage Coalition (Anker) method as a living wage benchmark. However, this has not yet been discussed with its suppliers. Also, the brand has yet to define where the money comes from and how increased prices can benefit wage increases.

**Recommendation:** To support companies in analysing the wage gap, Fair Wear has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	45%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	4	6	0

**Comment:** Eight audits of 2022 have shown that the wage levels at seven Vietnamese suppliers and one Chinese supplier are above those set by the Global Living Wage Coalition or the Wage Indicator Benchmark. These production locations present 45% of Haglofs' total production volume. Although Haglofs cannot yet link its prices to the wage levels at its factories, nor has it agreed on a living wage strategy with its suppliers, Fair Wear acknowledges that Haglofs' prices support living wage estimates.

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

**Comment:** In 2022, Haglofs received two complaints from one production location in Vietnam. One complaint was filed regarding reasonable hours of work, safe and healthy working conditions and employment is freely chosen. This complaint has been resolved. The other complaint was filed regarding living wages and safe and healthy working conditions, and the investigation is still ongoing.

Haglofs always takes immediate action when complaints come in. The member brand involves internal and external teams such as sourcing, development and buying or other brands to follow up on the complaints. Furthermore, Haglofs analyses the root causes of the complaints and creates a prevention program, such as WEP communication training for repeated complaints. However, this was not yet done for the supplier of the last two complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training appropriate to the improvement or prevention programme.	Intermediate	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	4	6	0

**Comment:** In the past three years, Haglofs organised 12 WEP Basic and five WEP Communication training modules at its Chinese and Vietnamese suppliers. The decision to provide training to its suppliers depends on the improvement and remediation plans based on audit results and complaints as well as the outcome of continuous monitoring.

**Recommendation:** Haglofs is recommended to implement training for all factories, also where this is not part of its improvement and/or prevention programme.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Intermediate	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	4	6	0

**Comment:** Haglofs has not yet received all training reports and awaits those to decide on appropriate follow-up. For those training modules where reports were provided, Haglofs actively followed up by discussing the highlights and recommendations with the factory management, requiring to share the outcome with the worker representatives, and requiring internal training for those workers who could not participate. For those training modules where no report was available, Haglofs double-checked whether the training took place and asked about the factories' experience. The member has not yet used the results of the training as input for its human rights risk monitoring.

**Recommendation:** Fair Wear recommends Haglofs to use the training results as input for Haglofs's human rights risk monitoring.

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

**Comment:** Haglofs' human rights risk monitoring includes a responsible exit strategy. In the past financial year, some of the member brand's suppliers terminated their business relationship with Haglofs due to minimum order quantities (MOQs) or the decision to reserve the capacities for other (bigger) customers. The member brand did not actively stop cooperation with any of its suppliers. Some factories were not included in the brand's supplier list anymore; however, these suppliers were already exited as part of pre-planned sourcing consolidation work in the previous years. The exit procedure took place according to the Haglofs' exit strategy, which means that the supplier received on-time information about the planned exit, orders were gradually reduced, and the impact on the workers in relation to the leverage was reviewed. In case cooperation with a high-leverage factory due to CSR issues will be terminated, the phase-out process will take place at a slow pace.

Haglofs' responsible exit strategy is not part of its suppliers' agreements and is not shared and discussed with its suppliers.

**Recommendation:** Haglofs could include the responsible exit strategy as part of its suppliers' agreement or contract.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Member company's activities do not go beyond the indicators or scope.	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	N/A	6	0

**Comment:** Haglofs does not yet undertake activities related to human rights that go beyond Fair Wear's scope.

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

**Possible Points: 22**

**Earned Points: 16**

### Indicators on Communication, transparency and evaluation

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

**Comment:** Haglofs communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. Haglofs reports about its Fair Wear membership on its website, in workbooks and educational material and in social media. Furthermore, Haglofs actively communicated at Black Friday about the risks of giving discounts. Yet, Haglofs does not use on-garment communication or display its Fair Wear membership in its webshop.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).	Intermediate	Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information.	External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct.	2	4	0

**Comment:** Haglofs sells one external brand. The member has collected information about the human rights due diligence of this brand. The external brand is not a member of a credible initiative.

**Recommendation:** Haglofs is recommended to select external brands that are members of a credible initiative.

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

**Comment:** Haglofs has submitted its social report, which Fair Wear approved. Haglofs has also published the report on its website.

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

**Comment:** Haglofs published its social and sustainability report, which include some factory-level data and remediation results, on its website.

**Recommendation:** Haglofs is recommended to include more factory-level data in its reporting and ensure suppliers consent with data sharing.

Fair Wear recommends Haglofs to publish time-bound plans for its suppliers.

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

**Comment:** As part of its sustainability strategy, Haglofs started to track progress and check if implemented measures have been effective in preventing and remediating human rights violations.

The internal evaluation system involves top management. In its evaluation system, the member does not yet include triangulated information from external sources.

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

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

## 5 Appreciation chapter

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

**Comments:** Haglofs' CSR Communication manager works with engaging consumers, the media or Non-Government Organisations (NGO's). For more information, see Haglofs' social media.

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Not applicable

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

## Recommendations to Fair Wear

Haglofs recommends Fair Wear's audit team to discuss relevant findings with factories' management, also in case findings are added to the CAP after the closing meeting. As these findings are not discussed in the closing meeting, the brand faces difficulties in the follow-up of such undiscussed findings.

Haglofs recommends Fair Wear to ensure that training reports are provided in a timely manner. Furthermore, Haglofs recommends Fair Wear to integrate an automatic notification in its system, once the training reports are available for download

## Brand Performance Check details

Date of Brand Performance Check: **08-05-2023**

Conducted by: **Annet Baldus**

Interviews with: **Fredrik Ohlsson - CEO**

**Frida Vingard - HR/Sustainability Director**

**Jiwon Jang - CSR Manager**

**Heidi Karjalainen - Legal Manager**

**Johanna Back - Sourcing Director**

**Marie Broberg - Buying Manager**

**Sara Skogsberg - CSR Comm. Manager**