



# **Brand Performance Check**

## **Deuter Sport GmbH**

**Publication date: December 2023**

This report covers the evaluation period 01-07-2022 to 30-06-2023

## About the Brand Performance Check

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

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

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

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

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

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

# Scoring overview

Total score: 140

Possible score: 186

Benchmarking Score: 75

Performance Benchmarking Category: Leader



Foundational system's criteria

100%



Sourcing strategy

73%



Identifying continuous human rights risks

80%



Responsible purchasing practices

77%



Quality and coherence of prevention and remediation system

67%



Improvement and prevention

73%



Communication, transparency and evaluation

89%

## Summary:

Deuter has shown good results and relevant progress. With a total benchmarking score of 75, the member is placed in the Leader category.

Deuter has a sourcing strategy that focuses on maintaining long-term relationships. However, the brand does not yet have written contracts with its suppliers. Deuter has developed an encompassing onboarding programme and a thorough due diligence process for new suppliers.

The member brand conducted risk scoping on country and supplier levels for Tier 1 and Tier 2. Deuter developed a risk analysis matrix in line with the OECD requirements, focusing on various risks. The member uses this matrix to create a prioritisation of risks in its supply chain, using a traffic light system to indicate low, medium and high risks. Deuter has also determined appropriate monitoring tools as an outcome of the risk scoping.

In addition, Deuter did a factory risk assessment that led to the development of action plans and to review its sourcing strategy. In particular, the brand has decided to exit Myanmar as the current political situation does not allow it to conduct enhanced Human Rights Due Diligence (HRDD).

To improve working conditions in its supply chain, the brand generally works with shared capacity planning and has a long forecast and stable production; a target living wage was set and paid for its main suppliers in Viet Nam, counting for almost 89% FOB; training sessions were offered to improve dialogue and open communication between workers and factory management in Viet Nam; and some gender-disaggregated data were collected. Deuter has also developed and piloted an external grievance mechanism for Tier 2 that allows workers to directly share their complaints with the brand.

In the last financial year, Deuter has also reviewed its internal practices to ensure alignment with the OECD guidelines on HRDD and seems well-placed to further improve its practices in the coming years. In the next financial year, the brand should focus on further implementing its living wage strategy, continue including freedom of association and adding gender equality in its action plans. The brand is also encouraged to have written contracts with all its suppliers and discuss the responsible exit strategy with all its supplier base, even if there is no intention to leave the factory.

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 Deuter Sport GmbH

## Member company information

Member since: 1 Jan 2011

Product types: Outdoor products, Promotional wear and accessories, Bags and Luggage & other travel accessories

Percentage of CMT production versus support processes 98%

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

Percentage of FOB purchased directly 94%

Percentage of FOB purchased through agents or intermediaries 0%

Percentage of turnover of external brands resold 0%

Are vertically integrated suppliers part of the supply chain? No

Comment

FLA Member No

Member of other MSI's/Organisations Partnership for Sustainable Textiles, Bluesign, Bluesign, R-D-S, EOCA, Bundnis fur nachhaltige Textilien

Other Initiatives Bluesign, R-D-S, EOCA, Bundnis fur nachhaltige Textilien

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

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

Production Country	Number of production locations	Percentage of production volume
Viet Nam	19	95
Myanmar	2	5

# Layer 1 Foundational system's criteria

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**Possible Points: 8**

**Earned Points: 8**

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

Comment: Deuter has a solid Responsible Business Conduct Policy in place.

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

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

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

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

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

**Possible Points: 78**

**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.	Advanced	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	6	6	0

**Comment:** Deuter has a sourcing strategy addressing and influencing labour conditions.

The member has 21 active suppliers, including subcontractors.

Almost 100% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers.

Less than 1% of the production volume comes from suppliers where Deuter buys less than 2% of its total FOB.

Deuter's sourcing strategy explicitly focuses on increasing influence through consolidation and active cooperation with other clients. The company is also in regular contact with other Fair Wear and non Fair Wear brands to cooperate and positively influence labour conditions in Viet Nam and Myanmar.

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:** Deuter has a sourcing strategy that focuses on maintaining long-term relationships.

100% of the member's total FOB volume comes from suppliers with whom Deuter has had a business relationship for at least five years. In particular, the brand has been working with its main suppliers in Viet Nam and Myanmar for more than three decades. However, the member does not commit to long-term contracts yet.

**Recommendation:** Fair Wear recommends Deuter to commit to long-term contracts and to embed these 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:** Deuter conducts risk scoping and includes all risk factors (country, sector, business model, sourcing model and product level). In Myanmar, the brand has scoped enhanced risks for all Code of Labour Practices; in particular, Freedom of Association (FoA), the payment of living wages or the legal minimum wage and gender-based violence are at a extremely high risk. In Viet Nam, Deuter has scoped FoA, the payment of living wages or the legal minimum wage and excessive overtime as high risks. Deuter has not identified particular high risks related to its business model and sourcing model. However, the brand has not correctly scoped the product level risk. As such, the brand has to review the product level risks in the risk scoping.

In its risk scoping, the member has assessed the impact and prevalence of the risks correctly.

The risk scoping includes a gender lens. The member has scoped the risks to women in each sourcing country and for each Code of Labour Practices. However, the brand has yet to include a gender lens for the business model, sourcing model and product level.

Deuter has included input from workers, suppliers and stakeholders. Their input is included in the risk scoping by analysing Fair Wear audits, training reports, visiting factories and by engaging with local stakeholders.

The member adjusted its sourcing strategy based on the risk scoping, as the outcomes of the scoping are included in decision-making regarding its responsible exit from Myanmar. In particular, Deuter has assessed that it is not possible to conduct enhanced human rights due diligence in this country due to the highly volatile political situation.

To date, Deuters sourcing strategy does not explicitly mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively. However, the brand actively supports dialogue and good communication between workers and factory management in Viet Nam. In addition, the member decided to exit Myanmar also because FoA and social dialogue are too endangered due to the political situation in the country.

**Recommendation:** Fair Wear recommends Deuter to review the product level risks in its risk scoping, by scoping how its products and the related processes impact human rights.

Fair Wear strongly recommends Deuter to make explicit in its sourcing strategy that it privileges countries where workers can freely form or join a trade union and/or bargain collectively.

Fair Wear also recommends the members to include a gender lens in the risk scoping for the business model, sourcing model and product level.

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

**Comment:** It is the standard process for Deuter to inform new suppliers about Fair Wear membership by sharing information via e-mail (e.g., the responsible business conduct where Fair Wear and the Code of Labour Practices are mentioned), organising online calls with the factory's management and/or conducting onsite visits.

Additionally, the brand always engages on a dialogue with suppliers about human rights and how Deuter and them can cooperate on this topic. In particular, based on the brand's sourcing strategy, suppliers must show interest in cooperating with Deuter to improve human rights and labour conditions to be selected as new business partners.

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.	2nd+ year member and no new production locations selected.	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.	N/A	6	0

**Comment:** This indicator is not applicable as Deuter did not add any new suppliers in the financial year under review.

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.	No production locations in the first year of business.	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.	N/A	6	0

**Comment:** In the previous financial year, Deuter has not added any new suppliers.

## Indicators on Identifying continuous human rights risks

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

**Comment:** Deuter has a systematic approach to identifying human rights risks in its supply chain and has assessed the risks for its main suppliers. It has determined the appropriate monitoring tools and frequency per country.

For instance, the brand monitors its suppliers in Viet Nam with audits, onsite visits, regular online meetings with the CSR department of its business partner and by engaging with local stakeholders.

Given the political situation in Myanmar, the brand changed its monitoring tools. In particular, the brand relies on online calls with its business partner and the consultation of local stakeholders. In this financial year, the brand could not visit this production location nor conduct audits.

Next to its systematic approach, the brand ensures it uses different monitoring tools that include input from workers, suppliers, and other stakeholders. These tools are Fair Wear audits and calls or onsite meetings with local stakeholders.

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

**Comment:** Deuter has mapped the risks to Freedom of Association (FoA) in all its sourcing countries and can explain the main risks per country, including the risks to women workers.

Based on the risk analysis, Viet Nam formally protects the right to FoA and social dialogue, but, in practice, all trade unions must be under the legal purview and control of the country's only trade union confederation. In recent years, Viet Nam modified the law on FoA and social dialogue; however, exercising these rights may present risks for workers and trade unionists. The level of unionisation of women is very low; as such, they are systematically underrepresented in trade unions and at negotiation tables. In addition, women, who tend to be overrepresented in low-pay jobs with temporary contracts, are at higher risk of retaliation and gender-based violence.

In Myanmar, the right to FoA and social dialogue is de facto non-existent; trade union leaders face retaliation, including detention. Women are at an even higher risk, given the atypical forms of employment they are normally given.

Deuter, that can demonstrate advanced knowledge and understanding of FoA in the countries where it sources, uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers and local stakeholders on this topic.

The member has supplier-level monitoring in place to assess and understand the risks at suppliers.

In particular, in Viet Nam, the brand uses Fair Wear audits, analyses the reports of the social dialogue training events at its suppliers, and talks with worker representatives during factory visits. In addition, the member knows that one Vietnamese supplier has recently renegotiated and enforced a new Collective Bargaining Agreement (CBA).

In Myanmar, the brand monitors the effectiveness of the right to FoA and social dialogue through calls with its business partner. Based on these exchanges, Deuter knows that most workers do not want to become worker representatives as they fear retaliation; as such, the factory management appointed worker representatives but they do not engage in any form of dialogue. The brand was unable to use other monitoring tools, given the political situation in Myanmar.

**Recommendation:** The member is recommended to use additional supplier-level monitoring tools - for example, the Social Dialogue tools in Fair Wear's FoA Guide and modular assessment on Social Dialogue.

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

**Comment:** Deuter has included a gender lens in its risk scoping.

The member could show it understands the basic gender risks for its sourcing countries, Viet Nam and Myanmar.

According to the risk analysis, in Viet Nam women tend to have little to no awareness on what constitutes gender-based violence, are at higher risk to work overtime and their reproductive health may be endangered due to the chemicals used.

In Myanmar, Deuter has identified gender-based violence and participation in trade union activities as prevalent risks for women.

Additionally, Deuter actively started collecting some gender disaggregated data in relation to its production locations in Viet Nam. Data that it collects are the workforce composition, wages and the level of awareness of women on gender-based violence. This information is collected through research projects and payslips. Based on the data collected, women tend to have limited awareness of what gender-based violence is; a gender pay gap of almost 4% was found; and most of the production line supervisors are women.

Deuter could not collect any gender-data at the factory level for the Myanmar production location due to the extremely volatile situation in the country.

The member has yet to conduct a thorough analysis of the collected gender-disaggregated data at the factory and country levels.

**Recommendation:** Deuter is recommended to collect gender data per factory related to every Code of Labour Practices.

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:** Deuter has a strong and systematic evaluation system for assessing suppliers' human rights performance. The brand evaluates all its suppliers on a yearly basis in relation to all international labour standards (Fair Wear's Code of Labour Practices). This evaluation is based on the findings of the monitoring and verification/validation tools used by the brand (e.g, audits, factory visits, training reports etc.).

Deuter systematically integrates the outcome of this evaluation into its purchasing decisions. As the brand has one supplier per product, the member cannot easily exit a supplier who is not well performing on human rights and working conditions. Therefore, the brand, based on the evaluation, supports the suppliers in improving working conditions by offering training, making payments in advance, accepting the proposed prices and financing wage increases. However, repeated non-compliance and lack of transparency may lead to exiting the supplier. In particular, Deuter has started a responsible exit process from Myanmar, due to the assessed impossibility to conduct enhanced human rights due diligence and the lack of collaboration from its business partner.

Deuter shares the outcome of the evaluation with its suppliers but has not yet included worker representatives.

**Recommendation:** Fair Wear recommends Deuter to share and discuss the outcome of the supplier evaluation not only with its suppliers but also with their worker representatives if elected.

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.	Intermediate	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.	2	4	0

**Comment:** Deuter has a written policy on subcontractors that was shared and signed by all suppliers. The brand also 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.

Additionally, the member actively prevents unauthorised subcontracting in Viet Nam by visiting suppliers during production (every four weeks), and assessing their production capacity. Given the impossibility to visit the supplier in Myanmar and the non-trustful communication with its business partner, the brand cannot entirely exclude the use of unauthorised subcontractors.

**Recommendation:** Deuter is recommended to consider working with its Quality Controllers in Myanmar to visit and monitor that its production takes place in the factory.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Intermediate	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.	2	4	0

**Comment:** Deuter has identified whether homework is prevalent in its sourcing countries. According to the member, there is a very low risk of homeworkers being used by its suppliers. In Myanmar, the brand produces sleeping bags. This type of product requires special sewing and filling machines that are extremely expensive, and the production process cannot be executed by hand only. In Viet Nam, one audit conducted in 2023 found the use of homeworkers. The brand followed up with the factory management, and a policy prohibiting the use of homeworkers was issued. The brand cannot exclude that similar episodes happened in other production locations in Viet Nam.

**Recommendation:** Fair Wear recommends Deuter to conduct a capacity analysis looking into specific production processes to validate the suppliers' statements that no homeworkers are used at all Vietnamese suppliers.

## 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:** Deuter did not use contracts with its suppliers in the fiscal year under review. So far, the brand has requested its suppliers to sign a declaration of compliance with the Deuter's promise. However, Deuter's Promise does not yet regulate payment terms, the consequences, and the causes of delays and production mistakes.

**Requirement:** Deuter needs to use written contracts with all its suppliers that include shared responsibilities and support the implementation of human rights due diligence.

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

Deuter is also 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.	Advanced	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.	6	6	0

**Comment:** Deuter shares relevant CSR information with other departments.

There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. In particular, all Deuter departments, including the CEO, have monthly meetings where they also exchange on CSR topics, including audit findings and wage levels.

The member includes responsible business practices in job role competencies. For instance, advanced analysis competences are included in the job description of the sourcing and planning manager.

The sourcing and purchasing staff work with Key Performance Indicators (KPIs) supporting good sourcing and pricing strategies. Examples of these KPIs are: the gradual increase of the target living wage share over the years, the gradual reduction of overtime, and the increased participation of women in workers' committees.

**Recommendation:** Fair Wear recommends Deuter to further specify its KPIs on overtime and women empowerment by using percentages related to a specific timeline.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.15 Member company's purchasing practices support reasonable working hours.	Intermediate	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.	4	6	0

**Comment:** Deuter has a structured production planning process that allows forecasting up to 12 months in advance. In addition, production planning is revised monthly, if necessary. The brand does not work with seasonal collections and, in this way, can avoid adding additional production pressure during peak seasons. In the last financial year, Deuter has further adjusted its purchasing practices to reduce overtime by non accepting late orders from its customers for the most complex products and by providing discounts for early orders.

Deuter shares its production planning with its suppliers and expects them to communicate if the proposed plan is feasible and supports reasonable working hours (as business partners have direct contact with suppliers and subcontractors, they are expected to know the respective production capacity and share it with Deuter to review the production planning). The sourcing and planning manager at Deuter and the business partners share a document where the production cycle and the number of working hours are regularly updated. This system allows to evaluate the production planning and make adjustments where necessary. Given the trustful relationship with its suppliers, Deuter is flexible and open to changing the estimated time of departure (ETDs), if needed. However, the brand could not show that the forecasting accuracy is increasing each year.

**Recommendation:** Fair Wear encourages the member to evaluate with its suppliers if its forecasting accuracy is increasing across financial years.

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.	Advanced	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.	6	6	0

**Comment:** Deuter has a strong understanding of the wage levels at its suppliers and connects this understanding to its own buying prices. Deuter has an advanced insight into the labour component of its prices and knows the number of actual sewing minutes needed for a style. The member also knows the labour minute value at most of its suppliers. In particular, Deuter used the labour minute cost methodology and the Fair App to get insights into the labour cost of its products and to train its business partners in calculating prices. The brand works in close cooperation with its main suppliers when setting prices. After product development, sample pricing is implemented in Deuter's PLM system, including information on material costs, labour costs and overhead costs. Deuter sets a target price that is only used internally. Next, a sample and a price are asked for from the supplier. If the supplier provides a price that does not meet the brand's internal price target, then Deuter takes the product back into development to reduce material costs or workmanship, but will not negotiate the price with the supplier. In any case, labour costs are not negotiable and must always be covered. Deuter includes changes in legal minimum wage and inflation in its buying prices.

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:** Deuter's sourcing model purposely excludes the use of sourcing intermediaries.

## Layer 3 Remediation and impact

**Possible Points: 90**

**Earned Points: 64**

### 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.	Intermediate	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.	4	6	0

**Comment:** Deuter has drafted follow-up plans, and it almost completely matches the risk profile.

In Viet Nam, the brand has drafted a joint action plan for all the production locations. In this country, the brand aims to reassess the supplier's policies and their implementation. In addition, the brand has created specific actions to support social dialogue and improved communication between the factory management and the workers.

In Myanmar, the brand's actions are mainly focused on following up the received complaints and implementing the responsible exit strategy.

Based on the risk identification as described in chapter two, Deuter has linked factory risks to appropriate follow-up for factories covering 66% of FOB.

The brand has yet to include clear timelines and budget lines for its actions.

**Recommendation:** Fair Wear recommends the member to further complete/improve its follow-up plans by including clear timelines and budget lines.

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:** Deuter has yet to include a gender lens in its action plans.

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

**Recommendation:** Deuter is recommended to extend its gender lens to the implementation of all its improvement and preventive 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.	Intermediate	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.	4	6	0

**Comment:** Deuter included comprehensive steps to encourage FoA and effective social dialogue in its improvement or prevention actions. In particular, the brand has offered training on open communication between the suppliers and workers in Viet Nam and Myanmar. In addition, Deuter has worked together with one of its Vietnamese suppliers to sign the renewal of a collective bargaining agreement that has expired. 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:** Deuter 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 Deuter 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 systematically monitored every year.

Workers at the Vietnamese suppliers can use complaint's inboxes, emails and/or approach the workers' representatives to report labour rights violations.

Deuter assessed that there is no internal grievance mechanism available to workers in Myanmar. In particular, workers fear retaliation and are not sufficiently trained to engage in dialogue with the factory management.

Deuter supports and monitors the mechanism, and responds when the mechanism is ineffective. In particular, the brand has organised training events at two Vietnamese suppliers and at the production location based in Myanmar to support effective dialogue and open communication between factory management and workers.

**Recommendation:** Fair Wear encourages Deuter to continue supporting the establishment of the internal grievance mechanisms at the production location in Myanmar.

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

**Comment:** In the last financial year, Deuter shared one production location in Viet Nam with another Fair Wear member and used to collaborate to respond to Corrective Action Plans (CAP) and complaints.

Deuter cooperates with Fair Wear and non-Fair Wear brands that source from Myanmar. While the brand regularly attends the meetings organised by Fair Wear for members who are still active in this country, Deuter has joined the SMART initiative for Myanmar to collaborate with brands on preventive actions (e.g., training sessions at suppliers) and monitoring or validation activities (e.g., factory visits or audits).

**Recommendation:** Fair Wear recommends Deuter to document the status of joint follow-up actions. Even though one brand commonly takes the lead, it is important to be kept informed of the status.

## 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.	64%	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:** In the past financial year, Deuter has received one audit report from one production location based in Viet Nam.

During the performance check, the member could demonstrate that more than two-thirds of the CAP issues requiring improvement actions have been followed up. Almost all occupational health and safety findings and irregular salary deductions have been promptly followed up by the brand in cooperation with the supplier and resolved. In addition, the supplier has now adopted one policy against gender-based violence and another one to regulate overtime. Finally, the supplier started paying family support for workers who have parenting duties as there is no kindergarten on the factory's premises.

The CAP issues that require improvement actions and are still open are issues that are more complex or structural, and therefore need more time to be remediated. However, Deuter has shown that it also followed up on more structural and complex issues, such as living wages and excessive overtime.

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

**Comment:** Deuter has identified some root causes of the CAP issues and discussed these with its suppliers. In particular, the brand identified the root causes of lack of social dialogue and open communication at its Vietnamese suppliers. According to the brand, the lack of trust and fear of retaliation from workers, on the one hand, and the lack of understanding of the benefits of dialogue and open communication by its business partners and factory management, on the other hand, are the root causes that hinder FoA and social dialogue.

The member has started to develop some preventive steps addressing these root causes. In particular, the brand is in contact with local stakeholders to implement supportive actions in the next financial year.

**Recommendation:** Fair Wear recommends Deuter to further identify root causes of CAP issues together with its suppliers.

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.	No factories in the respective risk profile	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.	N/A	6	0

**Comment:** Deuter has no suppliers where improvement or prevention steps are not needed.

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:** In the previous financial year, the brand conducted one audit at one of its Vietnamese suppliers and it mentioned excessive overtime.

Deuter analysed the root causes of these findings. According to the member, the fluctuations in orders, insufficient workforce, and overbooking for suppliers are the main causes for excessive overtime.

The member has taken action to address the root causes. Deuter and its business partner in Viet Nam have discussed the topic and agreed on new approaches to reduce excessive overtime. On the supplier's side, Deuter's business partners in Viet Nam hired more workers and moved some production to subcontractors. On the brand's side, Deuter plans together with its suppliers, provides discounts to customers who order in advance and does not accept late orders for the most complex products. The situation is different in Myanmar. According to the brand, there is no excessive overtime at its production location as other customers have cancelled orders due to the political situation. However, the brand's efforts needs yet to be verified whether they led to demonstrably less overtime.

**Recommendation:** Fair Wear advises Deuter to discuss with its supplier which solutions included in the Fair Working Hours Guide are applicable. Fair Wear also 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, the audit conducted in Viet Nam included findings regarding non-payment of legally required wage elements. In particular, workers engaged in training activities organised by the factory management were not paid their full salary and the trade union membership quote was deducted from the salary of many workers without their prior consent, as required by law. Deuter responded immediately to these findings by asking the supplier to send the payslips of workers and required the supplier to pay all the due amount. Deuter showed documentation of remediation during the brand performance check. The brand has also received complaints on the lack of payment of wage components from the production location in Myanmar. While Deuter has followed up in a timely manner, the issues are not yet resolved due to lack of cooperation of the business partner.

**Recommendation:** Fair Wear recommends Deuter to enact preventive measures (e.g., by training the supplier on how to calculate the due wage components).

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

**Comment:** Deuter has a basic overview of the wage levels at its suppliers.

The member discusses the topic of wages with almost 100% of its suppliers.

Deuter understands which suppliers pay wages below living wage estimates as a consequence of the member's policies/actions. Deuter followed up on this and reviewed internally how the member's practices could be altered and has created strategies to address these. In particular, the brand has revised its product development process by reducing the number of colours and models per product. The brand has yet to analyse if this new approach led to increased efficiency and costs reduction.

Deuter has done a thorough root-cause analysis to find out why wages are below the living wage. In particular, the brand's prices policy and inefficiencies at the supplier level are among the main causes of wages below living wages. Based on the root-cause analysis, Deuter has developed a time-bound plan to enable the systemic increase of wages at its Vietnamese suppliers. On the one hand, Deuter has increased the final price for its customers to finance higher wages for factory workers and, on the other hand, the supplier has invested in new sewing machines that simplify repetitive tasks. The brand has tried to develop such time-bound approach for its production location in Myanmar, but its business partner did not show any interest and did not actively collaborate with the member.

**Recommendation:** Fair Wear encourages Deuter 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.	Advanced	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.	6	6	0

**Comment:** Deuter has started to address the topic of living wage internally, by developing a living wage strategy and consulting together with the CEO, who is also responsible for setting prices. Deuter has an overview of wages paid in the production locations in Viet Nam and has discussed wage increases with these factories. However, the member has limited insights on the wages at the production location in Myanmar. At the same time, the Deuter's business partner is not interested in implementing any strategy as the brand will leave the factory in the next financial year.

Deuter has analysed the costs of financing wage increases across its supply chain and the impact on its FOB.

Deuter has set a target living wage (Anchor benchmark) at its main Vietnamese suppliers counting for almost 89% of its total FOB. Working with its suppliers, Deuter has developed a time-bound plan to gradually increase wages until the target wage is reached.

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

In case Fair Wear members are interested in developing a joint approach to improve wages at a shared supplier, Fair Wear can give advice on measures that need to be taken by Deuter to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

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.	89%	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.	6	6	0

**Comment:** Deuter uses fact-based costing to ensure its prices support the payment of a living wage estimate at Vietnamese suppliers, accounting for almost 89% of Deuter's FOB. This does not immediately translate into workers from all departments receiving wages above the Anchor benchmark.

Based on the evidence shown during the brand performance check, Deuter showed that, on average, a living wage share is paid at suppliers responsible for almost 89% of Deuter's FOB.

**Recommendation:** Fair Wear recommends Deuter to conduct a root cause analysis to check how it is possible that the paid wages are not above a living wage benchmark while the brand calculates with this benchmark in its pricing and has high leverage.

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.	Intermediate	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.	2	4	-2

**Comment:** Deuter received two complaints in the past financial year, about wage deductions and paid leave at its supplier in Myanmar. The member actively responded to these complaints as per Fair Wear’s Complaints Procedure. In particular, the brand involved the supplier in drafting remediation plans. The supplier circulated the leave policy among the workers, but the complainants have not yet received the due amount for the requested annual leave. During the next brand performance check, it will be assessed if remediation was provided to workers.

**Recommendation:** The member is recommended to further follow up on the complaints received in the last financial year and to take steps to prevent similar complaints from occurring in its supply chain. In addition, Deuter could use the outcome of complaints to determine follow-up actions in its broader improvement and prevention plans.

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

**Comment:** The member has enrolled two of 19 its Vietnamese suppliers with findings on FoA and social dialogue in the following training modules: Communication and Factory Dialogue Programme. This training programme focuses on management-worker dialogue within factories, which can lead to better communication and help address grievances and concerns in a timely manner.

The brand has also conducted social dialogue training sessions for the factory management of the Myanmar production location. However, the brand has not requested Fair Wear to assess the quality of such training and, therefore, it can not counted in the brand performance check.

**Recommendation:** Deuter is recommended to implement training for all factories where this is 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.	Advanced	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.	6	6	0

**Comment:** Deuter followed up on all training results by analysing the reports, assessing the root causes of the lack of communication between workers and factory management, and discussing the benefits and challenges of the training with its business partner in Viet Nam. Additionally, the member used the training results as input for its human rights risk monitoring, by engaging in discussion with local stakeholders to improve dialogue at the factory level and planning follow-up actions. In particular, the brand has planned meetings between the factory management and Fair Wear Viet Nam country manager to explain the benefits of dialogue and how to approach workers and their requests.

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:** Deuter's human rights risk monitoring does not include a responsible exit strategy applicable to all its suppliers. In particular, the brand develops responsible exit strategy plans if it intends to exit a supplier.

In the past financial year, the member stopped with one Chinese supplier as the factory management did not intend to hire new workers despite the exceptionally high excessive overtime. While the brand is not aware of what happened to the workers after the exit, Deuter has checked that wages were paid until it exited.

As Deuter will exit Myanmar in the next financial year, the brand has developed a responsible exit plan and discussed it with its business partner. In particular, the brand has informed the supplier about the exit with almost one year notice to ensure it could find new customers and do not lay off workers. In the responsible exit strategy, the brand has discussed the topic of wages with the supplier to ensure that all the wage components, including the severance payment, will be paid to workers.

**Recommendation:** Fair Wear strongly recommends to have a responsible exit strategy in place. Deuter could include the responsible exit strategy as part of its suppliers' agreement or contract. The member could also discuss the responsible exit strategy with its suppliers, for instance, as part of its supplier evaluation.

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

**Comment:** Deuter undertakes activities related to human rights that go beyond Fair Wear's scope. In particular, the brand has conducted the risk-scoping and assessment exercise for the production locations in Tiers 2 and 3.

In addition, Deuter has developed an external grievance mechanism tool for production locations in Tier 2. This digital complaints system allows workers to submit their grievances via an automated chat. Deuter's employees can track and process these complaints on the associated resolution platform. In the last financial year, the brand piloted this tool and collected feedback from workers.

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

**Possible Points: 18**

**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:** Deuter communicates accurately about Fair Wear membership on its website. In addition, the member also uses other channels to inform customers and stakeholders about Fair Wear membership. By using social media channels, newsletters, on-garment communication, press releases and a digital learning module about Fair Wear Foundation, Deuter actively spreads the Fair Wear message.

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

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

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Social report is submitted to Fair Wear and is published on the member company's website.	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:** Deuter has submitted its social report, which Fair Wear approved. The member 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:** Deuter published its social report, which includes some factory-level data and remediation results, on its website. Deuter included factory-level data: the full factory list for Tier 1 and beyond, the most recurring harms based on audit findings, and the complaints received at the production location in Myanmar.

The brand does not yet report its time-bound improvement plans.

**Recommendation:** Fair Wear recommends Deuter 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.	Advanced	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.	6	6	0

**Comment:** Deuter has a system 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 includes triangulated information from external sources, such as workers' interviews, the outcome of dialogue with suppliers and meeting minutes and reports from local stakeholders.

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

**Comment:** In the previous performance check, no requirements were included.

## 5 Appreciation chapter

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

**Comments:** Deuter joined the 'People Friendly Fashion', an initiative set up by Fair Wear Foundation, in response to Black Friday. The initiative encourages more responsible, sustainable purchasing behaviour. It also demonstrates how to help create a more equitable world for textile workers. The member took part in the initiative and replaced Black Friday with Green Friday. Instead of encouraging greater consumption through discounts, they supported an environmental project and donated 10% of the revenue from online sales from 25-27 November 2022. In addition, Deuter has also released an interview on the importance of understanding suppliers' needs, and how brands can help prepare for corporate Due Diligence obligations in supply chains at national and EU levels.

**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.: Yes**

**Comments:** Deuter participated in the 'Who Made Your Clothes Initiative' as part of Fashion Revolution Week. This movement was created to inspire consumers to make a change in the fashion industry by holding companies accountable and increasing supply chain transparency. In addition, the member contributed to a learning event on living wages organised by the German Federal Ministry for Economic Cooperation and Development in 2022.

## Recommendations to Fair Wear

Deuter recommends Fair Wear to conduct the brand performance check every two years to provide its members with sufficient time to implement its action plans at the factory level.

The brand supports the alignment of Fair Wear methodology with the OECD guidelines on human rights due diligence. At the same time, as Deuter joins more than one multi-stakeholder structure, it recommends Fair Wear to collaborate further and align with like-minded organisations to reduce double reporting.

Deuter is positively impressed by the data management system recently launched by Fair Wear (HRDD facilitation tool). However, the brand recommends Fair Wear to include all OECD risks and introduce new functionalities (e.g., save and compare supply chain data across multiple financial years).

# Brand Performance Check details

Date of Brand Performance Check: **09-10-2023**

Conducted by: **Gemma Giammattei**

Interviews with: **Robert Schieferle - CEO**

**Anna Steffen - Quality and CSR manager**

**Marco Heuhn - Head of quality management and CSR**

**Natalie Birke - Quality and CSR manager**

**Stefan Kuball - Head of finance and administration**

**Sebastian Schmidt (Head of Supply Chain & Procurement)**

**Christina Völlinger (Head of Marketing)**