

SUSTAINABILITY INITIATIVES FOR RESPONSIBLE BUSINESS CONDUCT

Alignment assessment of Fair Wear Foundation

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Foreword

This report presents the findings of the OECD's assessment of Fair Wear Foundation's brand performance checks and related policies, tools and guidance against the recommendations of OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector (OECD, 2018^[1]) (hereafter OECD Garment Guidance). The initial, full assessment occurred between 2020 and 2022, followed by a re-assessment of revised standards in 2024.

The assessment of Fair Wear Foundation falls within the OECD's ongoing pilot project of alignment assessments in the garment and footwear sector. It is the fourth pilot assessment conducted by the OECD. Completed assessments are publicly available on the OECD's website (OECD, n.d.^[2]). Please refer to the assessment methodology (OECD, 2024^[3]) for further details.

The OECD Garment Guidance provides enterprises in the garment and footwear sector with step-by-step recommendations to conduct risk-based due diligence in order to identify and address the most severe and likely risks and impacts in their operations and supply chains. The Guidance is relevant for all enterprises in the sector, at all stages of the supply chain. This includes, among others, retailers, brands, manufacturers, textile producers, global commodities traders, ginners and raw material producers.

The OECD Secretariat would like to thank Fair Wear Foundation for its willingness to volunteer for an alignment assessment and acknowledge the time and effort spent by Fair Wear Foundation staff and the sizeable steps Fair Wear has taken to strengthen alignment with OECD due diligence standards.

This assessment and report was prepared and carried out with co-funding from the European Union.

By starting the alignment assessment process and using the alignment assessment tool (AAT) (OECD, n.d.^[4]), initiatives agree to abide by **terms and conditions of use** (OECD, 2024^[5]). The use of the alignment assessment tool and completion of an OECD alignment assessment does not imply any endorsement by or affiliation with the OECD. For an initiative to claim to be aligned with OECD Due Diligence Guidance (standards or implementation), it must achieve a rating of 'fully aligned' in the overall conclusion of the relevant section of the alignment assessment.

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1 Initiative, assessment scope and methodology

About Fair Wear

Fair Wear Foundation (hereafter Fair Wear) was founded in 1999 as a multi-stakeholder initiative. It brings together approximately 140 member brands¹ to mitigate labour and human rights impacts in global garment supply chains. Fair Wear assesses its members based on their implementation of human rights due diligence for all 'after fabric' production processes including a focus on cut-make-trim (CMT) production. Fair Wear facilitates, supports and monitors member brands' risk management, and monitors factory-level compliance with the Fair Wear Code of Labour Practices (CoLP). See Table 1 for a summary of Fair Wear's scope of activities as taken into account in the assessment, and as described in more detail below:

Supply chain scope: Fair Wear defines the scope of its activities as 'everything after fabric'. This covers all production locations and stages of product assembly after the production of fabric, leather, trims, or other components. Within the assembly stage of garment production, it distinguishes two types of production processes – cut-make-trim and support processes – and two types of suppliers – “main” or “first tier” suppliers (usually cut-make-trim factories that sell finished garments to brands) and subcontractors (such as printing and embroidery facilities).

Geographical scope: During the assessment period, Fair Wear had teams present in the following countries: Bangladesh, Bulgaria, India, Indonesia, Myanmar, North Macedonia, Romania, Tunisia, Türkiye and Viet Nam. These teams were responsible for monitoring developments at country and regional levels, carrying out factory audits, organising workplace training and handling local complaints received through the Fair Wear grievance mechanism.

Staff roles: Fair Wear staff occupy a number of roles referred to throughout this report, including:

- The *brand performance checker* who conducts the annual brand performance check.
- A *brand liaison* who acts as a first point of contact for brands and supports their communication with the Fair Wear team as needed. This role is always separate from the *brand performance checker*.
- A *country manager* who leads the local team including audit staff and complaints handlers among others.
- An *auditor*, who is a member of the in-country team.
- A *complaints handler* who receives and processes complaints.

Member expectations: Members are required to pay an annual membership fee, sign the Membership Agreement and undergo annual brand performance checks (hereafter BPCs) against performance indicators. Since late 2023 (and included in the scope of the Revised Standards Assessment only) Fair Wear members also are required to adopt a human rights due diligence policy and action plan in line with Fair Wear's Human Rights Due Diligence Policy (hereafter Fair Wear HRDD Policy). Fair Wear publishes

BPC reports on behalf of brands. Fair Wear members are also expected to provide Fair Wear with an annual report on their due diligence, which they are also encouraged to publish through the membership points scoring system (see below).

Performance ratings and bands: Fair Wear members are scored during their annual BPC based on their performance against the indicators contained in the Brand Performance Check Guide (hereafter BPC Guide). Points are awarded based on member brands fulfilling *basic*, *intermediate* or *advanced* requirements, with either 0 or 2 points deducted where brands' activities are insufficient. Based on their accumulated scores, members can achieve *leader*, *good* or *needs improvement* status (BPC Guide 2023)². If a member company does not improve a *needs improvement* rating to, at a minimum, *good* status within one year, they face termination, according to Fair Wear's termination policy.

Monitoring thresholds: During the initial assessment phase, Fair Wear operated monitoring thresholds for member brand supply chains which laid out auditing expectations based on pre-defined broad risk banding including distinctions between high- and low-risk countries, as well as gradually increasing the coverage of monitored suppliers over time (BPC Guide 2020, p19-20). These were replaced in the Standards by the time of the Revised Standards Assessment but are relevant for the initial Standards and Implementation Assessment findings.

Work plan, due diligence action plans and ongoing monitoring: During the initial assessment phase, members were required to develop an annual work plan intended to ensure adequate time and resources were allocated to implement the Fair Wear CoLP over the following year. This plan formed the basis of the engagement between member brands and their brand liaison (an appointed staff member) between annual BPCs. Regular meetings and their documentation were recommended but not required. By the time of the Revised Standards Assessment, Fair Wear had introduced a new risk management hub for members with a more systematic approach to developing, monitoring and following up on due diligence action plans. The OECD did not assess this process as it fell outside the scope of the Revised Standards Assessment.

Table 1. Scope of Fair Wear - summary

Issue	Fair Wear Scope
Verification or facilitation	Both
Sector focus	Garment and footwear
Geographical scope	Global, with a focus on the priority countries where Fair Wear have active country teams and auditors
RBC risks scope	Human rights, with a strong focus on labour rights through the Fair Wear Code of Labour Practices and labour-specific risks policies
Supply chain segment and production/manufacturing processes addressed	Assembly stage production, with focus on cut-make-trim including subcontractors
Evaluation of products / company practices / sites / chain of custody	Company practices
Member enterprises	Brands
Number of members	Approx. 140
OECD Due Diligence steps that the initiative claims to address	All (steps 1-6)
Summary of core activities	Annual assessments of member brands' human rights due diligence Supplier audits (assembly-stage) Brand and supplier trainings Stakeholder engagement Risk and country assessment tools and guidance Complaints handling and monitoring Policy and advocacy
Product logo	Yes, denoting Fair Wear membership (for brands with <i>good</i> and <i>leader</i> status only)
Recognition of other initiatives and/or incorporation of third-party audits or other activities	Formally: ILO Better Work for audits, training, corrective action plan (CAP) follow-up Informally: Acceptance of individual third-party audit reports that are subject to a verification process; recognition of some third-party training providers.

Methodology

The assessment is based on the OECD's Alignment Assessment Methodology for the garment and footwear sector³.

The OECD alignment assessments constitute three core components:⁴

- **Standards Assessment:** An assessment of the initiative's **written standards** against assessment criteria in the assessment tool based on the OECD Due Diligence Guidance.
- **Implementation Assessment:** An assessment of the initiative's **implementation** of its standards, including the adequacy of (a) the initiative's monitoring and accountability mechanisms for participating companies and (b) the due diligence activities the initiative itself carries out.
- **Governance Assessment:** An assessment of the initiative's governance and internal management systems against governance, cross-recognition, transparency, and other criteria.

The alignment assessment findings are based on:

- desktop review of written policies, standards, tools and methodology documents
- shadow assessments (silent observation of audits, assessments or other activities carried out by the initiative)
- interviews with internal and external stakeholders and experts.

To assess the alignment of initiatives in the garment & footwear sector, the OECD has developed an Alignment Assessment Tool (AAT) (OECD, n.d.^[4]) that translates the OECD Garment Guidance into assessment criteria and guidance. Each due diligence criterion is evaluated and assigned a rating ranging from *not aligned*, *partially aligned*, *fully aligned* or *out of scope*. There are a small number of criteria which are only scored in an assessment where the initiative is *fully aligned*, as they cover actions that companies are *encouraged* rather than *expected* to take. The *governance criteria* are separately evaluated and assigned a rating of *fully addressed*, *partially addressed* or *not addressed*. The approach to evaluating and rating criteria depends on the initiative's scope and core activities, including whether it sets requirements for and evaluates companies' due diligence performance, or facilitates due diligence through tools, guidance or other activities.

The results for each assessment stage (Revised Standards Assessment, Standards Assessment, Implementation Assessment) are based on the formula in Section 2. The Governance Assessment criteria are rated separately (see Assessment results).

For this assessment, the OECD assembled a small group of stakeholders representing suppliers, civil society and government (an informal advisory group or IAG) to act as reviewers. The OECD presented findings both to Fair Wear and to the IAG at relevant stages during the assessment. The IAG was also invited to review the final report.

Facilitation versus verification initiatives

For the purpose of OECD alignment assessments, the OECD distinguishes between initiatives that:

1. facilitate or support the due diligence process of an enterprise, including by carrying out due diligence activities on behalf of companies, but which do not assess or certify business practices, sites or products against requirements (**facilitation initiatives**⁵); and
2. set requirements for and assess or certify individual business practices, sites or products (**verification initiatives**⁶).

Many initiatives carry out a mix of facilitation and verification activities and in these situations, the assessment can be adapted to cover both aspects.

Verification initiatives also often reward different levels of performance to participating or assessed enterprises (e.g. bronze, silver, gold or levels 1, 2 and 3). The rewarded performance level can be based on fulfilling all of the initiative's mandatory criteria, meeting specific thresholds or scoring points from a mix of criteria. An alignment assessment can focus on one specific performance level if agreed in the scoping exercise.

Box 1. Assessing written standards of verification initiatives

The OECD's Due Diligence Guidance, including the Garment Guidance, set out recommendations by governments to enterprises. The voluntary nature of the language in the standards reflects this. In contrast, verification initiatives require certain business practices, evaluate performance against them and allow enterprises to make corresponding public claims. Verification initiatives often use language that varies in its degree of obligation. Mandatory criteria can use terms such as "shall" or "must," while aspirational criteria tend to use terms such as "could," "may" or "should" to express recommendations or other optional criteria. These differences in language are important because they determine what verification initiatives expect from their participating or member enterprises for a certain performance level or in order to issue a product or facility certificate and the degree of oversight they have. While the exact wording varies according to each initiative, it is important that any requirements are set out in clear language for stakeholders. Vague, aspirational, or inconsistent language between documents can result in core due diligence elements being entirely outside the scope of what the verification initiative requires and checks. Recommendations are in practice outside the scope of verification activities.

As a result, the alignment assessments do not consider recommendations to be at the same level or have the same weight as requirements as they do not inform whether a company is certified or not, or the claims that a company can make as a result. The assessment otherwise risks allowing for "fully aligned" results for verification initiatives where the initiative does not, in practice, expect companies to fulfil the criterion.

This focus on requirements does not flow from the international instruments themselves, but from the fact that the objective of verification initiatives is to require certain business practices from companies and to allow companies to make specific public claims in terms of their performance against those requirements, whether through a certification, product label or performance level. If a verification initiative aims to align with OECD Due Diligence Guidance, this involves translating the OECD's voluntary recommendations into mandatory requirements and integrating them into the initiative's systems and operations.

Source: OECD (2024^[3]), Methodology for OECD alignment assessments of sustainability initiatives, <https://doi.org/10.1787/b533c060-en>.

Scope of the Fair Wear Alignment Assessment

The pilot assessment of Fair Wear involved a full alignment assessment (standard, implementation and governance assessments) followed by a re-assessment of core standards (Revised Standards Assessment) after Fair Wear revised its standards following the initial OECD assessment⁷. **The OECD did not carry out a re-assessment of implementation or governance in relation to Fair Wear's revised standards.**

This section sets out the main assessment activities carried out for the Fair Wear assessment, as well as key methodological considerations and scoping decisions.

For the Initial Standards Assessment and Revised Standards Assessment, the OECD carried out the following activities:

- **Initial Standards Assessment:** desktop analysis of the written policies and standards listed in Annex B, notably the BPC Guide 2020.
- **Revised Standards Assessment:** desktop analysis of new Fair Wear HRDD Policy and the updated BPC Guide 2023⁸.

For the Implementation and Governance Assessments, the OECD conducted the following activities:

- Approximately **40 interviews** with Fair Wear staff, board members and representatives from the committee of experts, member brands, factory managers, international and local civil society organisations, multi-stakeholder initiatives and trade unions.
- Shadow assessments of **four brand performance checks**, with a sampling methodology that took into account, among other things: the relevant Fair Wear staff member undertaking the BPC, the size of the member brand, its sourcing locations and the sector.
- Additional **document review** of relevant documents in Annex B, as well as BPC reports (linked to the shadow assessments and others), brand social reports, brand websites (where they mention their Fair Wear membership and publish their BPCs and/or social reports), documents provided by interviewees, for example relating to the promotion of the Fair Wear *Complaints Procedure*, and the complaints database (among others).

Key methodological considerations:

- Fair Wear carry out both **verification and facilitation** activities. While the assessment considered both elements, the focus of the assessment was on the extent to which Fair Wear sets clear and consistent *requirements* for member brands; on the adequacy of its implementation and oversight activities as well as accountability mechanisms to ensure that brands are incentivised to meet these requirements and demonstrate progress over time consistent with the OECD Garment Guidance (see Box 1).
- Fair Wear's **performance levels and point scoring system** (see About Fair Wear) were taken into account in the assessment, in particular, to check whether brands were being sufficiently incentivised to carry out proactive, risk-based due diligence consistent with the OECD Garment Guidance across the BPC indicators and to ensure adequate progress on issues such as purchasing practices and public reporting.
- The majority of the assessment was carried out during the **Covid-19 pandemic**. Therefore, key shadowing activities normally included in an alignment assessment had to be adapted to the circumstances. Under the circumstances, the assessment team shadowed four BPCs which were held virtually, and carried out pre- and post- audit interviews as necessary. Instead of shadowing Fair Wear factory audits, the assessment team increased the number of interviews, including to discuss the audit process, audit reports and corrective actions with auditors, worker representatives and civil society organisations. These adaptations meant the Implementation Assessment was particularly resource-heavy, as greater time was required to scrutinise documents and set up interviews (many of which would have otherwise been part of a shadow assessment).

Key scoping decisions included:

- Cut-off date for documents: For the Initial Standards Assessment the OECD evaluated only documents that were adopted and in use for the period September 2019-September 2020 (see Annex B). Documents developed or revised after this date were out of scope. For the Revised Standards Assessment, the OECD only reviewed core documents that were adopted and in use as of January 2024 (updated BPC Guide 2023 and Fair Wear HRDD Policy). The Revised Standards Assessment therefore did not include other policy documents revised by Fair Wear or changes to implementation activities and internal governance systems between September 2020 and January 2024.

- RBC risk issues: Fair Wear was assessed against a human rights risk scope. The environmental risk modules in the OECD Garment Guidance were therefore out of scope. Although Fair Wear focuses primarily on labour rights through its Code of Labour Practices as well as its public claims and documents related to human rights. It has also developed a new Fair Wear HRDD Policy which was taken into account in the Revised Standards Assessment.
- Supply chain segment: Fair Wear was evaluated in terms of its existing supply chain focus (ie. assembly stage and two groups of production processes: cut-make-trim (CMT) and support processes) (see About Fair Wear, above).
- Own operations: Fair Wear does not differentiate between a brand's own factories (i.e. own operations) and its suppliers for the purposes of the expectations it sets for its members. For the Initial Standards Assessment and Revised Standards Assessment, Fair Wear were assessed against all criteria relating to own operations and supply chains in the OECD Garment Guidance. However, for the Implementation Assessment, the OECD did not assess the criteria related to own operations for Steps 2, 3, 4 and 6. This is because the OECD did not review any evidence relating to the implementation of Fair Wear's standards documents for members' own production (i.e. the sample of BPC reports, shadow assessments and interviews did not cover any activities of member brands with own production) under these steps. Relevant criteria are marked 'not assessed' for implementation.
- Due diligence steps: Fair Wear sets expectations for brands that relate to all six steps of the due diligence framework. Fair Wear also maintains a complaints procedure which was assessed as part of Step 6.

Please refer to the chapter on 'Scoping and planning' of the OECD Alignment Assessment Methodology (OECD, 2024^[3]) for more information on scoping decisions.

2 Assessment results

This chapter presents the overall findings of each component of the pilot assessment. Findings are presented in bar charts based on the number of criteria found to be *fully aligned*, *partially aligned* or *not aligned* per assessment stage and according to calculation formulae. A number of strengths and areas for improvement are given in a narrative format to illustrate key findings. Ratings for the Initial Standards Assessment, Revised Standards Assessment, Implementation Assessment and Governance Assessment are given for each section. For a full breakdown of ratings, see Annex A.

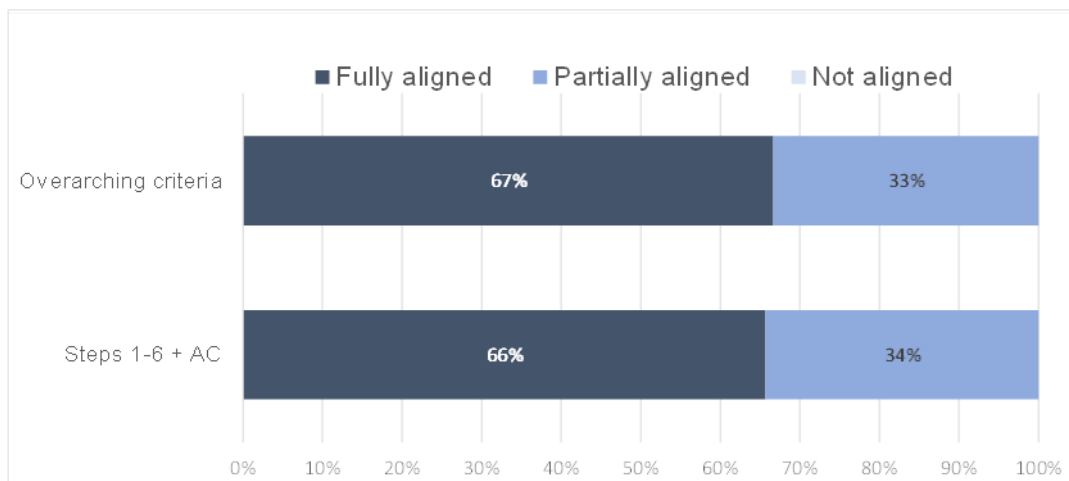
As mentioned above, the Revised Standards Assessment (2024) focused on two core standards documents adopted and in use as of January 2024 (the updated BPC Guide 2023 and Fair Wear HRDD Policy). It did not consider other policy documents revised by Fair Wear or changes to implementation activities and governance systems between September 2020 and January 2024.

Overall assessment results

Fair Wear's overall results for each component of the assessments are seen in the figures below. The introduction of a new Fair Wear HRDD Policy in 2023 and revisions to the BPC process led to a **strong finding of partial alignment for its revised standards**, including all Step 1 criteria fully aligned and improvements across all six due diligence steps.

The overall result for the Revised Standards Assessment (2024) is **partially aligned** (see Figure 1).

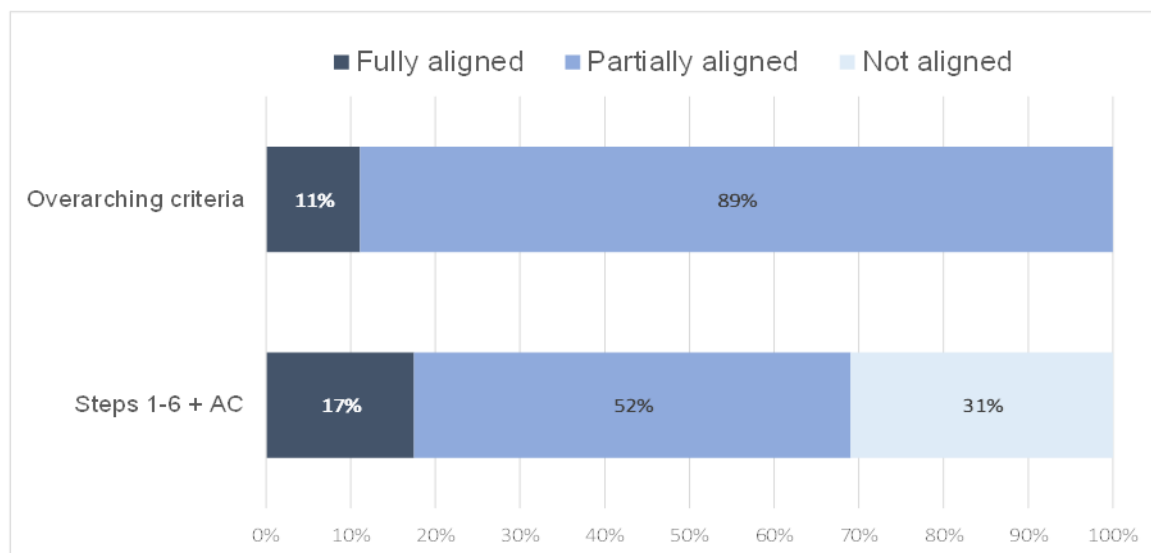
Figure 1. Revised Standards Assessment (2024): partially aligned



Note: AC = additional criteria, see Figure 11

The overall result for the Initial Standards Assessment (2022) was **not aligned** (see Figure 2).

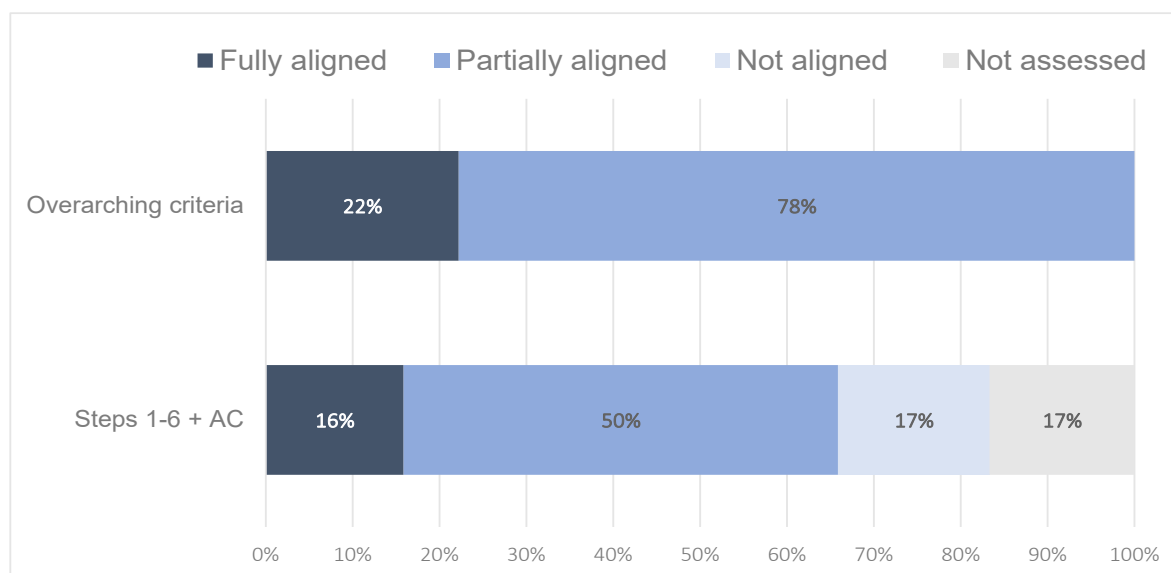
Figure 2. Initial Standards Assessment (2022): not aligned



Note: AC = additional criteria, see Figure 11.

The overall result for the Implementation Assessment (2022) was **partially aligned** (see Figure 3). The results are based on the Initial Standards Assessment carried out in 2022. The OECD did not carry out a re-assessment of implementation activities.

Figure 3. Implementation Assessment (2022): partially aligned



Note: AC = additional criteria, see Figure 11. The Implementation Assessment was carried out against initial standards (no re-assessment of implementation activities was undertaken). For the Implementation Assessment, a number of criteria in Step 2, 3, 4 and 6 have been recorded as not assessed because the interviews and sample documentation reviewed didn't cover member brands that had their own production. They are not designated out of scope for the assessment, because Fair Wear's policies and practices apply to companies' own production; they were therefore assessed in both the Initial Standards Assessment and the Revised Standards Assessment (See Annex A).

The overall results for the Governance Assessment are shown in Figure 12. The results are based on the Initial Standards Assessment carried out in 2022. The OECD did not carry out a re-assessment of governance and internal management systems.

Calculation formulae

For the Revised Standards Assessment, Initial Standards Assessment and Implementation Assessment, the overall ratings are based on the following formula:

- **Fully Aligned:** (Overarching criteria \emptyset = 100% 'Fully Aligned') + (Steps 1-6 + Additional criteria \emptyset = 80% or more criteria 'Fully Aligned') + (no 'Not Aligned' criteria)
- **Partially Aligned:** All other combinations between 'Fully Aligned' and 'Not Aligned'
- **Not Aligned:** (Overarching criteria = less than 80% of criteria 'Partially Aligned' or 'Fully Aligned') and/or (Steps 1-6 + Additional criteria \emptyset = 25% or more criteria 'Not Aligned').

General strengths

As noted at the top of this section, the introduction of a new Fair Wear HRDD Policy in 2023 and revisions to the Brand Performance Check (BPC) process took the initiative to a strong finding of partial alignment for its revised standards, including all Step 1 criteria fully aligned and improvements across all six due diligence steps.

It should be noted that Fair Wear's revised standards have stronger and more specific expectations on key labour rights issues such as freedom of association, collective bargaining and gender-related harms, adding to a pre-existing focus on living wages and overtime.

At the level of implementation, Fair Wear has many strengths, including:

- its in-country teams (including highly knowledgeable and expert auditors)
- its strong data collection and management system and member hub
- a complaints mechanism which is well adapted and mostly very effective at the local level in the countries where Fair Wear teams are active
- its emphasis on root causes, from wages and working hours to freedom of association and gender, while promoting collaboration and information sharing between members.

General opportunities for improvement

At the level of its **written policies and standards**, areas that could be strengthened to improve alignment with OECD due diligence standards include:

- more consistently integrating and cross-referencing policy expectations in the BPC Guide, the Fair Wear HRDD Policy and other policy documents
- ensuring the BPC points scoring system rewards members' due diligence activities and efforts in alignment with the OECD Garment Guidance at each performance level (not only for advanced level performance)
- ensuring the BPCs are designed to evaluate the quality of members' due diligence activities, especially across on-site risk assessments, ongoing monitoring, stakeholder engagement and audits carried out by members' own audit teams or external providers.

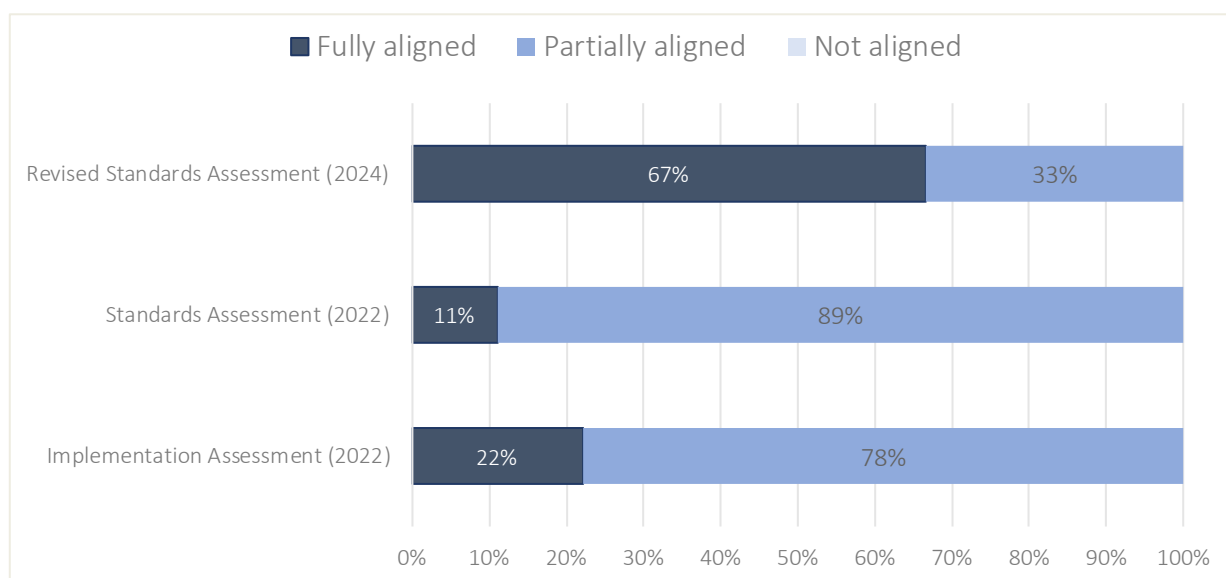
On **implementation**, Fair Wear was overall partially aligned. However, the Implementation Assessment evaluated Fair Wear at the time of the Initial Standards Assessment. No re-assessment of the implementation of Fair Wear's revised standards was conducted. Key opportunities for improvement identified at the time included:

- inconsistencies around site assessment expectations (whether risk-based and dynamic) and frequency, and how this is evaluated in the BPCs (see Step 2 in particular)
- limited checks of how far brands evaluate external audits or external audit providers, and act and build on the audit findings
- differences in the level of monitoring and oversight of member brand activities: while oversight is greatest in the countries where Fair Wear has a physical presence, Fair Wear's ability to monitor and oversee brand activities is lower in countries where Fair Wear is not active.

Overarching criteria

Figure 4 illustrates the assessment ratings for the nine overarching criteria that flow from the due diligence characteristics outlined in the OECD Garment Guidance and the OECD Due Diligence Guidance for Responsible Business Conduct. As the chart shows, **revisions to Fair Wear's BPC Guide and the introduction of the new Fair Wear HRDD Policy have substantially improved the alignment of Fair Wear's written requirements with the OECD Garment Guidance recommendations, with a majority of Fully Aligned criteria.**

Figure 4. Overarching criteria



Note: Implementation Assessment against initial standards (no re-assessment).

Revised Standards Assessment

Key strengths

Fair Wear scored *fully aligned* for six of the nine criteria in the Revised Standards Assessment. Particular strengths include, among others:

- Fair Wear's emphasis on preventative due diligence which is particularly strong for specific risk issues (living wages, freedom of association and overtime, for example) and in the context of requirements on purchasing practices and complaints. Fair Wear emphasises the links between business and sourcing models and relevant risks. For example, it emphasises the role of purchasing practices and higher-risk production methods, and focuses on how SMEs can collaborate, build leverage and long-term relationships with suppliers.
- Clear requirements for prioritising higher-risk suppliers for risk assessment in line with the OECD Garment Guidance, as well as a strong emphasis on proportionality (i.e. expectations that are appropriate to the size and circumstances of the enterprise) and improvement over time. The point scoring system and performance levels incentivise brands to make progress on many key due diligence indicators.
- Fair Wear has placed significant emphasis on applying a gender lens to due diligence throughout the system. This is particularly noticeable in Steps 2 and 3 (see below).

Key opportunities for improvement

- The BPC Guide 2023 sometimes presents non-audit risk assessment tools/methodologies as optional and doesn't always tailor expectations to the risks in question (see the risk modules in the OECD Garment Guidance) or with reference to Fair Wear's risk-specific and enhanced due diligence policies to introduce more specificity.
- The BPC point scoring system risks incentivising brands to focus on resolving corrective actions that are easiest to address, rather than focus on their most significant (ie. severe and likely) risks and impacts.
- While stakeholder engagement is central to the Fair Wear system in many ways (through their extensive country-level engagement and off-site worker interviews for Fair Wear audits and complaints procedure, it is not a universal expectation in the BPC Guide. For example, brands can score points in key criteria without engaging workers or other relevant stakeholders to inform the design of risk assessments or the creation of and validation of action plans.

Implementation Assessment (of initial standards)

The Implementation Assessment findings largely reflect the Initial Standards Assessment, with one additional *fully aligned* criterion. It is important to note that, as for other parts of this assessment, these findings do not evaluate the implementation of the revised standards, which are more closely aligned with OECD Guidance.

Key strengths

- Fair Wear encourages regular communication between its teams, member brands and suppliers (through formal supplier questionnaires as well as informal dialogue). *Brand liaisons* – Fair Wear staff appointed to support member brands on their due diligence activity separate from the BPC—play an important role here.
- Interviews and shadow BPCs indicated that, in practice, Fair Wear's expectations vary depending on the member brand's circumstances (such as the company's resources, its size and location; the size and sophistication of its due diligence processes; and how long it has been a member of Fair Wear). *Brand liaisons* and *BPC checkers* (the Fair Wear staff member assigned to conducting the BPC) both play an important role here to ensure that requirements are tailored to the brand and that progress is encouraged over time.

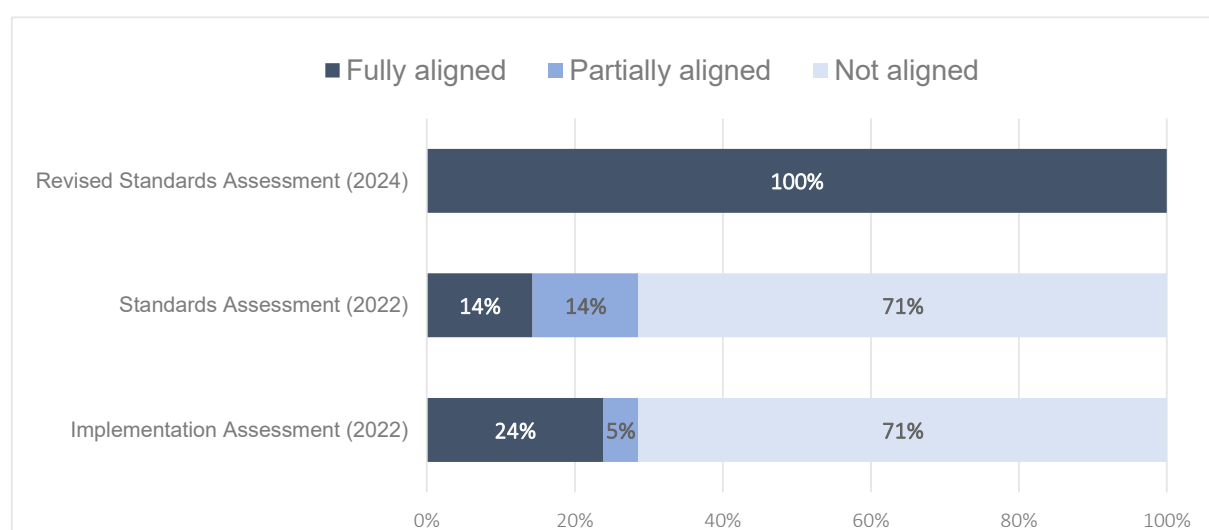
Key opportunities for improvement

- The BPCs do not include minimum scoring for different sections. This means that members awarded *leader status* can score poorly on key sections (e.g. purchasing practices) but gain points on other indicators and still retain *leader status* (see more in Steps 3 and 5).
- The BPCs that were observed adopted quite a static approach to defining risk levels, based mostly on pre-defined sector and country risk levels (per the Initial Standards Assessment). Brands were encouraged to meet monitoring thresholds via BPCs, rather than prioritise risks and suppliers per OECD standards (the monitoring thresholds have since been removed). Fair Wear did not consistently challenge brands when they prioritised suppliers over which they had most leverage (e.g. larger or long-term suppliers), rather than on the basis of severity and likelihood of harm.
- As for the Initial Standards Assessment, some inconsistencies around site assessment expectations (whether risk-based and dynamic) and frequency, as well as how this is evaluated in the BPCs. Shadow BPCs revealed limited investigation into the role of site visits as a risk monitoring tool, or brands' own stakeholder engagement independent of Fair Wear's country level engagement. Interviews and shadow BPCs indicated that Fair Wear has relatively limited oversight in practice over brands' own two-way stakeholder engagement to inform due diligence.

Step 1 - Embed responsible business conduct in enterprise policy and management systems

Figure 5 illustrates the alignment assessment ratings for Step 1. As the chart shows, **revisions to Fair Wear's Brand Performance Check Guide and the introduction of the new Fair Wear HRDD Policy have substantially improved the alignment of Fair Wear's written requirements with the OECD Guidance recommendations**, with *fully aligned* across all Step 1 criteria for standards. The Implementation Assessment findings largely reflect the Initial Standards Assessment results; no re-assessment of implementation of the new written policies and standards was undertaken.

Figure 5. Step 1 results



Note: Based on 20 criteria plus 5 encouraged criteria. Encouraged criteria are only counted when fully aligned.

Step 1 – Revised Standards Assessment

Key strengths

Fair Wear obtained **100% fully aligned criteria during the Revised Standards Assessment**, with particular strengths:

- New requirements on member brands to establish a human rights due diligence policy, tailored to the specificities of members' operations and supply chains, and approved by top management (BPC indicator 1.1, which cross-references to the new Fair Wear HRDD Policy). The latter sets out content and scope expectations aligned with the OECD Garment Guidance.
- Revised expectations on integrating due diligence into management systems, for example with stronger emphasis on brands incorporating due diligence into decision-making processes, sourcing decisions and into supplier contracts.

Step 1 - Implementation Assessment (of initial standards)

The implementation assessment for Step 1 was heavily impacted by the absence of due diligence policy requirements at the time of the Initial Standards Assessment. Fair Wear's introduction of a new Fair Wear HRDD Policy can reasonably be expected to lead to improvements in the implementation assessment ratings, however the OECD did not carry out a re-assessment of implementation.

Key strengths

- Fair Wear's member hub and tools are key strengths: Fairforce is a multi-access tool where member brands, Fair Wear teams (including assessors, *brand liaison* teams, and complaints handlers) can access and receive updates on communications, trainings, meetings, audit reports, corrective actions, complaints status and follow-up, as well as other relevant documents. The interface varies depending on the user. Interviews and access to Fairforce indicate that it is used proactively and regularly by Fair Wear teams, particularly when logging updates to address complaints in the Fair Wear system (Step 6) and for the annual BPCs. For example, brands can upload evidence which Fair Wear teams can evaluate in advance of the BPC.

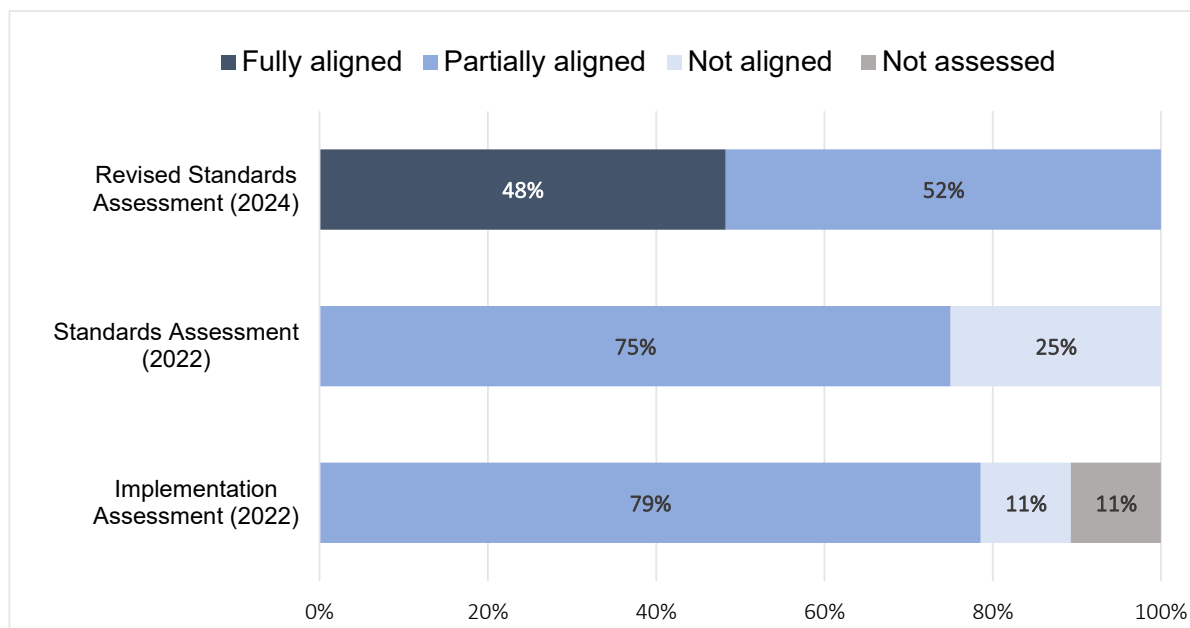
Key opportunities for improvement

- While Fair Wear's information system is a strength, it relies on brands to use it proactively. After an on-site visit or stakeholder engagement activity, for example, brands vary in how far they take the initiative to log updates on corrective action plans (hereafter CAP), follow-ups and corrective actions, as well as for dynamic risk mitigation and prevention plans.

Step 2 - Identify actual and potential harms in the enterprise's own operations and supply chain

Figure 6 illustrates the alignment assessment ratings for Step 2. As the chart shows, similarly to Step 1, **revisions to Fair Wear's BPC Guide and the new Fair Wear HRDD Policy have substantially improved the alignment of Fair Wear's written requirements with the OECD Garment Guidance recommendations**, with almost half of the criteria *fully aligned* (48%). The Implementation Assessment findings again largely reflect the Initial Standards Assessment. No re-assessment of implementation was undertaken.

Figure 6. Step 2 results



Note: Based on 28 criteria plus 3 encouraged criteria. One criterion was out-scoped for Fair Wear (2.18) and encouraged criteria are not counted unless they are fully aligned. Criteria 2.12 – 2.16 were not assessed (own operations) for the Implementation Assessment. The Implementation Assessment was carried out against initial standards (no re-assessment).

Step 2 – Revised Standards Assessment

Key strengths

- Step 2.1 (scoping exercise): Fair Wear obtained *fully aligned* for all criteria in this sub-step, with particular strengths:
 - Fair Wear’s new BPC indicator 2.3 and the Fair Wear HRDD Policy led to a more dynamic, risk-based approach to the risk scoping exercise, including clear requirements to prioritise risks on the basis of significance (i.e. severity and likelihood) and on the role of “risk factors” to inform the prioritisation exercise.
 - Fair Wear’s strong emphasis on key labour-related sector risks through Code of Labor practices allows them to pay particular attention to overtime, living wage, freedom of association and gender (including gender-specific risk policy) as well as sourcing model risk factors (e.g. emphasis on supplier consolidation, building long-term relationships, considering sub-contracting risks).
- Steps 2.2 and 2.3 (risk assessments): Fair Wear had three fully aligned criteria across these sub-steps. A key strength of the revised standards is its clear expectations on prioritisation consistent with the OECD Garment Guidance, with brands expected to build on the outcomes of their scoping exercise (e.g. BPC indicator 2.7 and Fair Wear HRDD Policy).

Key opportunities for improvement

- Steps 2.2 and 2.3 (risk assessments):⁹
 - *Risk-based assessments and assessment tools*: New “modular” assessments offer member brands a way to assess suppliers based on prioritised risks. However, it is not clear that full

assessments (ie. audits in the Fair Wear system) should be risk-based both in terms of prioritising the most significant risk issues and adapting the assessment methodology to the nature and degree of the risk as well as the local context. While the Fair Wear HRDD Policy introduces expectations for using non-audit tools, in particular, to supplement third-party audits (e.g. site visits, stakeholder engagement), this is not strongly integrated into the BPC Guide (2023), which presents non-audit tools as mostly optional.

- *Stakeholder engagement*: The Fair Wear HRDD Policy clarifies that off-site worker interviews are central to Fair Wear’s own audits and that member brands should carry out stakeholder engagement to supplement third-party audits they commission. However, this is not fully reflected in the revised BPC Guide, where “supplier, worker and stakeholder input” is only required for advanced points (BPC Guide 2023, indicator 2.7).
- *Allowance of “ad hoc” assessments at basic level performance*: Although the Fair Wear HRDD Policy is aligned, the revised BPC Guide awards members (at basic level) for “an ad hoc approach to assess human rights risks”, with a systematically risk-based approach only expected for intermediate level and above (BPC Guide 2023, indicator 2.7)
- *Members’ own and third-party assessments*: Where Fair Wear assessments are unavailable, member brands can use their own assessments or third-party audits. Where a member’s own assessments are unavailable, brands are expected to commission audits with “the most credible audit agency feasible for them” and supplement this with stakeholder engagement or “other resources”. The Fair Wear HRDD Policy states that brands should evaluate audits against OECD criteria with reference to OECD Garment Guidance, Step 2.3, p. 57 (HRDD Policy, paragraph 14). However, the standards documents do not include clear criteria or a specific framework by which brands can conduct this evaluation or refer to specific resources or tools. This is in contrast to an earlier system based on an Audit Quality Assessment Tool which, though not comprehensive, did show some criteria for evaluating the quality of third-party audits.

Step 2 - Implementation Assessment (of initial standards)

Key strengths

- Brands and manufacturers interviewed appreciate and use Fair Wear’s country- and risk-specific studies, guidance, tools, updates and webinars available on the Member Hub. Interviewees said that they cannot develop high-quality country or risk studies on their own, and this is among the key reasons they joined Fair Wear.
- Country teams and auditors appeared very knowledgeable and it’s clear that the quality and expertise of staff is high. Member Hub country pages include regular updates and guidance on countries where Fair Wear is active.

Key opportunities for improvement

The main implementation opportunities reflect the opportunities identified in the Initial Standards Assessment carried out in 2022.

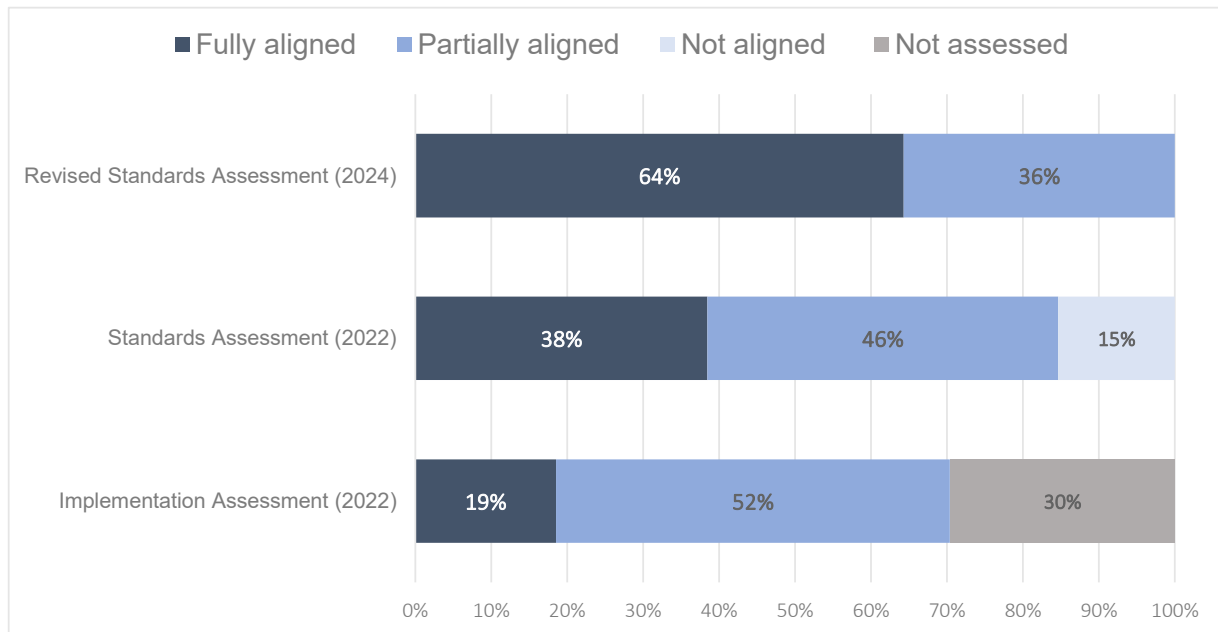
- Step 2.1 (risk scoping):
 - Fair Wear’s approach to risk prioritisation, based on the Fair Wear Code of Labour Practices and predefined country risk levels, was somewhat static, with less emphasis on dynamic, risk-based scoping by member brands based on the severity and likelihood of adverse impacts.

- Fair Wear teams had less visibility on member brands' own scoping and stakeholder engagement in countries where Fair Wear is not active (whether categorised as high, medium or low risk under Fair Wear's monitoring threshold country types).
- Steps 2.2 and 2.3 (risk assessments):
 - Limited emphasis on member brands prioritising their assessments to address risks and suppliers prioritised during the scoping exercise, and instead a focus on members hitting audit monitoring thresholds (now redundant as Fair Wear discontinued the use of monitoring thresholds, see About Fair Wear above). Assessments according to 3-tier country risk levels (high, medium, low) inhibit more dynamic and multi-layered assessment processes tailored to level and type of risk.
 - Oversight of site visits and other non-audit supplier risk assessment tools was relatively limited. Site visits counted towards the old monitoring thresholds but were not generally used and tracked as part of risk assessment or monitoring. As for the scoping exercise, Fair Wear has more limited oversight over brands' risk assessments in countries where Fair Wear is not active.
 - Oversight of the quality of third-party or member audits, or of how members themselves check the quality of, use and build on third-party audits, remained limited. Third-party audits accounted for approximately 70% of total audits at the time of the Implementation Assessment. Approximately 90% of these were verified and automatically counted towards the monitoring thresholds that were in place at the time of the initial assessment.

Step 3 - Cease, prevent or mitigate harm in the enterprise's own operations and supply chain

Figure 7 illustrates the alignment assessment ratings for Step 3. As the chart shows, **revisions to Fair Wear's Brand Performance Check Guide and the introduction of the new Fair Wear HRDD Policy improved the alignment of Fair Wear's written requirements with the OECD Garment Guidance recommendations**. Fair Wear predominantly scored *partially aligned* in the Implementation Assessment (no re-assessment of implementation was undertaken).

Figure 7. Step 3 results



Note: Based on 26 criteria and 2 encouraged criteria. As for other steps, encouraged criteria are not counted unless fully aligned. Criteria 3.01 to 3.08 (own operations) were not assessed for the Implementation Assessment. Implementation Assessment against initial standards (no re-assessment).

Step 3 – Revised Standards Assessment

Key strengths

- Fair Wear has a clear focus on helping member brands prevent labour and human rights risks and impacts through a series of measures drawn from root cause analysis, including understanding the relationships between costing and wages, order placements and overtime, providing tools to help members make progress (for example costing tools that ring-fence labour costs), and assessing a number of other purchasing practices indicators in the annual BPC.
- Fair Wear encourages its member brands to take a proactive and collaborative approach to engage suppliers as part of their action plans, including employing supplier prequalification, building leverage with suppliers (for example, by consolidating suppliers, building longer-term relationships and providing better visibility on future orders) and other measures, with a responsible exit as a last resort. Fair Wear further expects its member brands to link their sourcing decisions to the outcome of human rights assessment processes (BPC Guide 2023 indicators 2.5 and 2.10), thereby creating tangible incentives for suppliers to prevent and address harm in their facilities.

Key opportunities for improvement

While the Revised Standards Assessment found no non-aligned criteria, there are a few areas where the BPC Guide (2023) particularly could be strengthened for greater alignment:

- The expectation that member brands adopt an action plan to cease, prevent and mitigate risks and actual adverse impacts is clear in the Fair Wear HRDD Policy. In the BPC Guide 2023, however, member brands are only assessed on whether or not site-level action plans are in place (BPC

indicator 3.1), without a quality indicator, and there is no criterion looking at member brands' overall action plan¹⁰. As such, the BPC does not properly allow for an assessment of whether the company's action plans respond to the severity or likelihood of the harm.

- Throughout the assessment, it has been clear that Fair Wear considers that member-owned production facilities should be treated the same as suppliers (including monitoring requirements, etc.). This is fine in some circumstances. However, the OECD Garment Guidance sets out a clear difference in Step 3: companies should *immediately cease* activities that are *causing* adverse impacts in their own operations. This is not currently reflected in the revised BPC Guide. However, it is now clear in the Fair Wear HRDD Policy.
- There is no consistent expectation that member brands' action plans are informed by stakeholder engagement.

Step 3 - Implementation Assessment (of initial standards)

Key strengths

- Fair Wear has a strong focus on risk prevention and mitigation across many of its implementation activities. Examples include:
 - *Purchasing practices* – overall a strength with clear processes and a framework for oversight, including a number of related indicators in the BPC where member brands lose points for insufficient follow-up.
 - The focus on *internal measures* to build engagement and leverage with brands (pre-qualification, consolidation, long-term relationships) which were identified as a strength in the Standards Assessment, also flows through into practice.
 - Fair Wear's *complaints procedure* seeks to provide a remedy to complainants for actual adverse impacts, and includes a strong prevention approach (see Step 6).

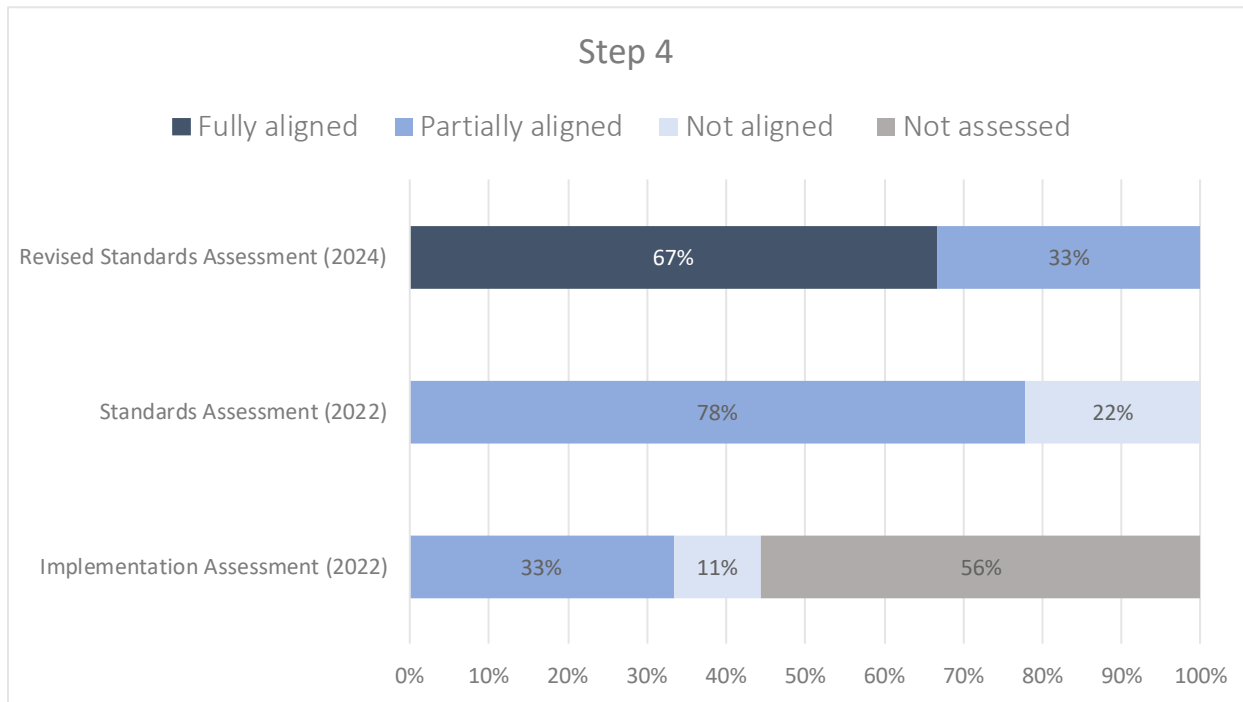
Key opportunities for improvement

- A few recurring issues appear to limit Fair Wear's oversight of members' risk-based prevention and mitigation activities, particularly the site-level follow-up on CAPs:
 - There were some instances where timely or appropriate follow-up of prioritised corrective actions for high-risk suppliers between annual BPCs was not done or recorded by Fair Wear. For example, some member brands did not regularly update or track their status on FairForce or didn't proactively raise CAP issues or blockages with their *brand liaison* (Fair Wear staff member). Several sampled audit reports that were reviewed showed multiple examples of high-priority non-conformance and failure to improve since the previous audit three years prior. Many of the audits in question were for factories supplying *leader* member brands, and identified non-conformances relating to overtime, worker awareness and living wages.
 - The *work plan*, which constituted the member brand's Step 3 corrective action plan at the time of the Implementation Assessment, tended to be fixed for the year, flowing from the BPC (and hence was not dynamic). It was not quality assessed by the BPC process, and its implementation was not systematically assessed. In between BPCs, *brand liaisons* discussed progress with member brands, but this engagement appeared to be limited to the degree of proactiveness of the member brand and was not a requirement.

Step 4 – Track

Figure 8 illustrates the alignment assessment ratings for Step 4. **Revisions to the BPC Guide and the introduction of the new Fair Wear HRDD Policy have substantially improved the alignment of Fair Wear’s written requirements with the OECD Garment Guidance recommendations.** The findings on implementation reflect the Initial Standards Assessment (with own operations criteria not assessed, per other steps 2, 3 and 6 also)—including one *not aligned* criterion for validation (4.08) as this was not part of Fair Wear’s requirements prior to the standards revisions.

Figure 8. Step 4 results



Note: Based on 9 criteria plus 1 encouraged criterion. Encouraged criteria only counted if fully aligned. Criteria 2.12 – 2.16 not assessed (own operations) for the Implementation Assessment. Implementation Assessment against initial standards (no re-assessment).

Step 4 – Revised Standards Assessment

Key strengths

- Fair Wear’s HRDD Policy is broadly aligned with step 4 monitoring, verification and validation expectations set out in OECD Due Diligence standards. In the revised standards, members are expected to take steps to validate the effectiveness of their due diligence in line with the OECD Garment Guidance, both at the site level as well as more broadly (BPC Guide 2023 indicators 3.7 and 4.5). Verification is also presented as broader than checking corrections at the site-level, extending to brand-level action plans.
- Fair Wear has introduced clear language, particularly in the HRDD Policy, to state that members retain responsibility for their own tracking and verification activities. This moves away from earlier over-reliance on audits as the main tracking and verification tool and makes clear that member brands should establish their own monitoring, verification and validation activities.

Key opportunities for improvement

- Ongoing monitoring: The BPC Guide 2023 references ongoing monitoring data which indicates that ongoing monitoring is an expectation of Fair Wear, but there is no standalone BPC indicator that assesses brands' ongoing monitoring of prioritised risks and impacts consistent with the Garment Guidance.
- Verification: The BPC point scoring system means that brands are evaluated and rated according to the percentage of verified actions (BPC Guide 2023 indicator 3.6), or how many "potential harms" were "solved" (indicator 3.7) over the previous year, with no indication that the actions covered in the selection should be prioritised according to severity or likelihood. For example, members can obtain four points if they verify 33% of actions over the year, irrespective of the severity or nature of the risk or impact. This risks incentivising brands to prioritise the easiest risks or impacts as 'quick wins' to score points.

Step 4 - Implementation Assessment (of initial standards)

Key strengths

- Ongoing monitoring: The BPC Guide 2020 broadly promotes continuous monitoring of suppliers, including through expectations that members have a system for tracking suppliers' implementation with the Fair Wear Code of Labour Practices and with an emphasis on specific risks e.g. living wage issues and overtime at the time of the assessment.
- Verification: Fair Wear verification audits and monitoring visits provide an important check and were carried out by experienced and well-qualified teams (see Step 2). Verification is otherwise realised via the BPC (brand-level) or via audits and the Fair Wear complaints procedure (factory-level).

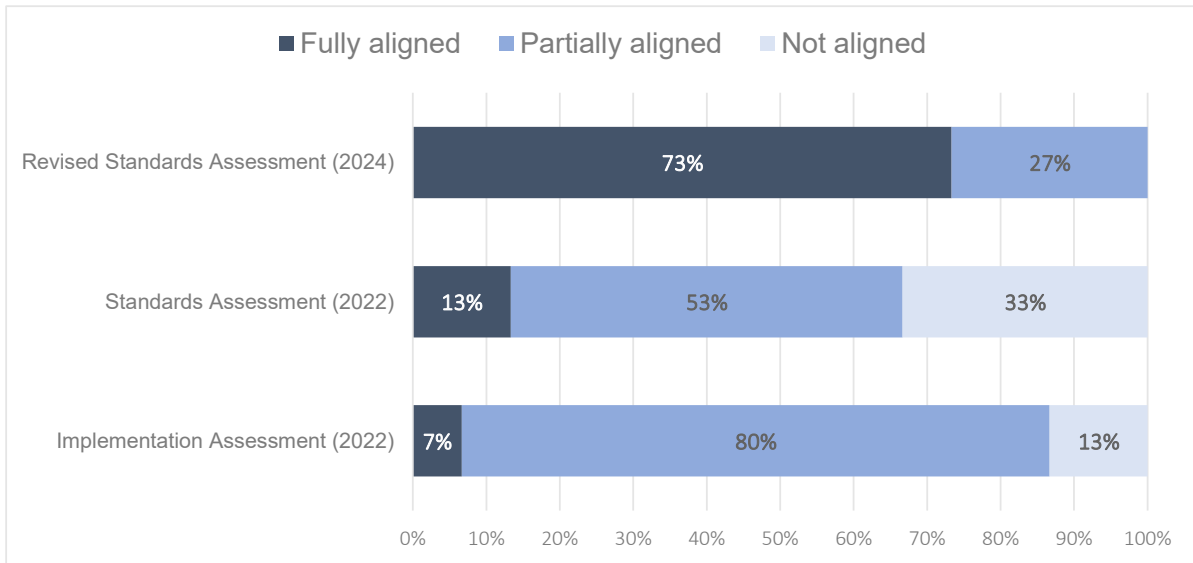
Key opportunities for improvement

- Ongoing monitoring: Fair Wear has relatively limited oversight of members' own ongoing monitoring activities via the BPCs. For example, beyond checking that the Fair Wear Code of Labour Practices and Worker Information Sheet is displayed at the facility, there was no evidence of expectations that members' site visits also contribute to the step 4 monitoring system, or that visiting teams are trained to identify red flags or engage with workers and trade unions (or other stakeholders) to feed into the monitoring process.
- Verification:
 - At the brand level, Fair Wear's oversight is primarily via the BPC. However, as for Step 3, Fair Wear does not generally require evidence that member brands progress on red flags and prioritised issues between BPCs. Corrective actions verified through member brand site visits or stakeholder engagement are not consistently incorporated into the documentation system (i.e. site level CAPs), and oversight is weaker outside of the Fair Wear focus countries. BPC reports also lack specificity or comparisons against previous years.
 - Member brands can request additional monitoring visits by Fair Wear country teams in between audits, but interviews indicated this is relatively ad hoc and not common practice. Fair Wear carries out verification audits, but the assessment team reviewed examples of factories not audited more than every three years, and interviews indicated that sampling methods can be unclear and not obviously based on risk.
- Validation: This was not a focus of the Fair Wear system when the Implementation Assessment was carried out. However, validation is now addressed in the Revised Standards Assessment (see above).

Step 5 – Communicate

Figure 9 illustrates the alignment assessment ratings for Step 5. As for other steps, **revisions to Fair Wear’s BPC Guide and the introduction of the new HRDD Policy have substantially improved the alignment of Fair Wear’s written requirements with the OECD Garment Guidance recommendations.** The findings on implementation reflect the Initial Standards Assessment with the majority of criteria rated as *partially aligned*; no re-assessment of implementation was carried out.

Figure 9. Step 5 results



Note: Based on 15 criteria. Implementation Assessment against initial standards (no re-assessment)

Step 5 – Revised Standards Assessment

Key strengths

- Fair Wear’s revised standards set out a clear expectation that companies report on their due diligence, with reference to the new HRDD Policy section 5.1 (replacing the previous social report template).
- HRDD Policy section 5.1 is broadly aligned with the expectations in the OECD Garment Guidance on public reporting.

Key opportunities for improvement

- Under the BPC Guide 2023, the publication of due diligence information on the brand’s website is for advanced points only. This means companies are still rewarded two points if they submit their report to Fair Wear but do not make the report public. As a result, the expectation that members publish due diligence information is not universal.
- At the time of the Revised Standards Assessment, Fair Wear had a number of reporting templates in use, which could present conflicting expectations. However, this could be cleared up once the social report template is harmonised with the HRDD Policy expectations, or retracted. According to the BPC Guide, member brands can take a number of alternative routes to disclosure, from

publishing the *social report* or the BPC report or publishing supplier lists. These activities are rewarded under both versions of the BPC Guide reviewed as part of this assessment.

- No explicit guidance about communicating with affected stakeholders (Step 5.2 of the OECD Garment Guidance).

Step 5 - Implementation Assessment (of initial standards)

Key strengths

- Fair Wear publishes detailed BPC reports in a timely manner. They provide relatively detailed information on member brands' activities on identified risks and due diligence processes, and recommendations for brands.

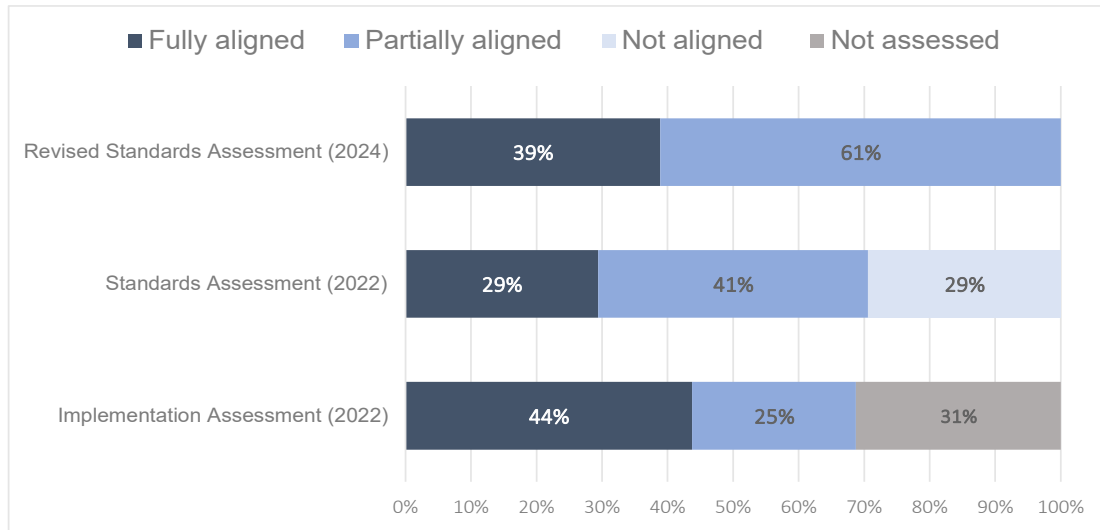
Key opportunities for improvement

- Per the Initial Standards Assessment, the Fair Wear system was at risk of insufficiently incentivising members to publish due diligence information in a consistent and accessible format.
 - Member brands could choose different routes to meet the BPC expectations on reporting (BPC Guide 2020, indicator 6.2), including complying with the transparency policy (which includes opt-outs), publishing brand performance check reports, audit reports “and/or other efforts” which could lead to inconsistencies between member brands' reporting.
 - There was no minimum score threshold for Section 6 of the BPC Guide 2020 with the implication that a brand could retain *leader* status even if it failed to publish any information on due diligence (either via a social report or BPC report).
- There was no evidence that Fair Wear teams assessed the quality or accuracy of member brands' *social reports* and *brand liaisons'* feedback on the report was very light according to one interviewee. The emphasis was instead on whether or not the *social report* was published and/or provided to Fair Wear.

Step 6 - Provide for or co-operate in remediation when appropriate

Figure 10 illustrates the alignment assessment ratings for Step 6. Fair Wear has a clear focus on remediation and its publicly accessible and well-documented complaints procedure and case database (see Box 2), as well as its leverage with its member brands to incentivise cooperation in remediation via the procedure, are clear highlights, particularly in implementation. Overall, Fair Wear's standards and implementation were assessed as predominantly ***partially aligned with the OECD Garment Guidance recommendations*** with no *not aligned* results in the Revised Standards Assessment¹¹ and Implementation Assessment carried out in 2022.

Figure 10. Step 6 results



Note: Based on 21 criteria plus 5 encouraged criteria. Encouraged criteria only counted if fully aligned. Criteria 6.07-6.12 and 6.15-6.20 are weighted as ½ point each. Criteria 6.02-6.12 (own operations) were not assessed as part of the Implementation Assessment. Implementation Assessment against initial standards (no re-assessment).

The assessment of Step 6 covered:

- Fair Wear requirements for member brands to:
 - provide remedy, where appropriate (OECD, 2023^[6])¹²
 - establish (in own operations) or support the establishment (in supply chains) of effective operational-level grievance mechanisms (OLGM)¹³
 - determine the appropriate form of remedy, consistent with the OECD Garment Guidance.
- Fair Wear’s policies for and implementation of its own complaints handling procedure¹⁴.

Box 2. Fair Wear Complaints Procedure

The Fair Wear Complaints Procedure (Complaints Procedure V2.0, updated in 2018) is a clear highlight in the Fair Wear suite of tools. Complaints are recorded via a centralised documentation system. Fair Wear staff (*complaints handlers*) act as the point of contact for complainants to the mechanism and can liaise with factory management and member brands as determined necessary according to the complaint. Fair Wear seeks to publish updates on the public Complaints database at regular intervals.

Fair Wear has specialist complaints teams in its focus countries (Bangladesh, Bulgaria, India, Indonesia, Myanmar, North Macedonia, Romania, Tunisia, Türkiye and Viet Nam at time of initial full assessment), and a centralised team to oversee the mechanism more broadly and act as complaints handlers for complaints from non-focus countries.

Source: Fair Wear, (2018^[7]), Fair Wear Complaints procedure, [Fair-Wear-Complaints-procedure-V2.0.pdf](https://www.fairwear.org/Fair-Wear-Complaints-procedure-V2.0.pdf) (fairwear.org)

Step 6 – Revised Standards Assessment

Key strengths

- Fair Wear has clear requirements (updated BPC Guide indicator 3.4) for members to actively support (at basic level) and monitor the effectiveness (at advanced level) of their suppliers' *operational level grievance mechanisms (OLGM)*. The effectiveness criteria of the UN Guiding Principles on Business and Human Rights are referenced, also in the Fair Wear HRDD Policy.
- Fair Wear's standards clearly define their *complaints procedure* (see Box 2) as a "safety net" for when local level grievance mechanisms are not present or have failed to provide appropriate resolution to a grievance (Fair Wear, 2018^[7]).
- Co-operating with the *complaints procedure* is mandatory for member brands. This is also reflected in the BPC Guide with incentives for brands to participate and actively promote the mechanism in their supplier factories. In the revised standards, these incentives have been strengthened with points only awarded when member brands have followed up on all complaints, and advanced points awarded for member brands using outcomes of complaints as an input to their prevention and mitigation activities. Negative points are now awarded for insufficient member brand response to a complaint (BPC Guide 2023 indicator 3.14).

Key opportunities for improvement

- One of Fair Wear's strengths on remedy is its broad interpretation of the relationship of a buying company to harm in a supplier's factory based on a core Fair Wear principle: "brands and factories have a shared responsibility for worker rights in line with international standards, and that conditions on the work floor are influenced by the actions of brands and factory managers" (Fair Wear Complaints Procedure). Brands are mobilised to play an active role in resolving complaints brought to them through the Fair Wear Complaints Procedure. However, because of this broad interpretation, Fair Wear does not require members to understand their relationship to the harm consistent with the OECD Garment Guidance, in order to determine their responsibility for remedy, for example in relation to purchasing practices.
- The emphasis on member brands' role in remediation has been strengthened through the HRDD Policy. However, neither in the BPC Guide nor the Complaints Procedure does Fair Wear clarify that brands are expected to contribute to remedy in any situation where the brand causes or contributes to harm, and not restricted to the harms identified through the Fair Wear complaints procedure. For example, brands are only evaluated (updated BPC indicator 3.14) for remedy of complaints that have come through Fair Wear.
- The Fair Wear Complaints Procedure doesn't include a process for appeal or escalation should a complainant not be satisfied with the outcome of the process. Related to the member brands' role, there is no indicator to evaluate the type of remedy received or other outcome reached, beyond recording that complaints were or were not addressed (BPC Guide 2023 indicator 3.14).
- Under the revised BPC Guide indicator 3.4, Fair Wear could clarify that member brands should set up OLG in their own operations to bring it in line with the new HRDD Policy and the OECD Garment Guidance.

Step 6 - Implementation Assessment (of initial standards)

Key strengths

- All brand members' participation in the *complaints procedure* is assessed via the brand performance check and complaints are tracked by Fair Wear staff and published on the complaints database.
- Based on interviews and document reviews, the complaints procedure is generally perceived to be accessible, safe and transparent, frequently used in Fair Wear focus countries (see Box 2) and run by dedicated and specialist staff. It can deliver timely remedy to complainants and seeks to reinforce local mechanisms. Particular strengths include:
 - Strong local staff in Fair Wear focus countries, including legal expertise and appropriate language skills, for example, Multiple languages are available in India and in Türkiye where Fair Wear also provides language materials in Arabic for Syrian migrant workers.
 - Staff have good knowledge of alternative mechanisms and legal avenues and frequently recommend these.
 - Staff seek to protect complainants from reprisals with appropriate preventative steps, particularly anonymity, supported by clear expectations to brand members to make protection from reprisals a red-line issue with suppliers.
 - Strong emphasis on localised remediation through a focus on the efficacy of OLG in WEP trainings (voluntary) and integration into the Fair Wear procedure.
 - Multiple access points and complaints can be raised formally or informally via Fair Wear staff.
 - The mechanism is mainly used by complainants to escalate local complaints against factories using brand leverage to get prompt remedy. It can also be used to raise complaints against member brands (e.g. about brand behaviour during COVID).
 - The mechanism works particularly well in countries where it has been well-integrated with local OLGs which are required by law and supported by the WEP training modules mentioned above that seek to strengthen those local mechanisms.
 - Many examples are documented of workers receiving appropriate remedy through the mechanism particularly in the Fair Wear focus countries, and sometimes very quickly (e.g. payments that were delayed then being paid) with complainants expressing satisfaction.
 - Strong focus on facilitating dialogue between complainants and factory management, and root cause analysis where applicable.

Key opportunities for improvement

- Per the Standards Assessment, there is little practical oversight of brands' remediation of complaints raised through channels other than the Fair Wear *complaints procedure*.
- Fair Wear do not check whether brands understand their relationship to identified or reported harms, in order to determine their role in remedy.
- Despite strong efforts, there is broadly an inequity in delivery of remedy between the Fair Wear focus countries and other countries, and between more proactive brands and brands that aren't following up effectively.
- Fair Wear has a number of optional Workplace Education Programme (WEP) training modules which include training on the Fair Wear Code of Labour Practices and the Complaints Procedure and can play a positive role in helping factories to establish or improve the workings of their operational-level grievance mechanisms. Given the important role of this training in raising awareness of the complaints mechanism and increasing the capacity of the OLG, Fair Wear

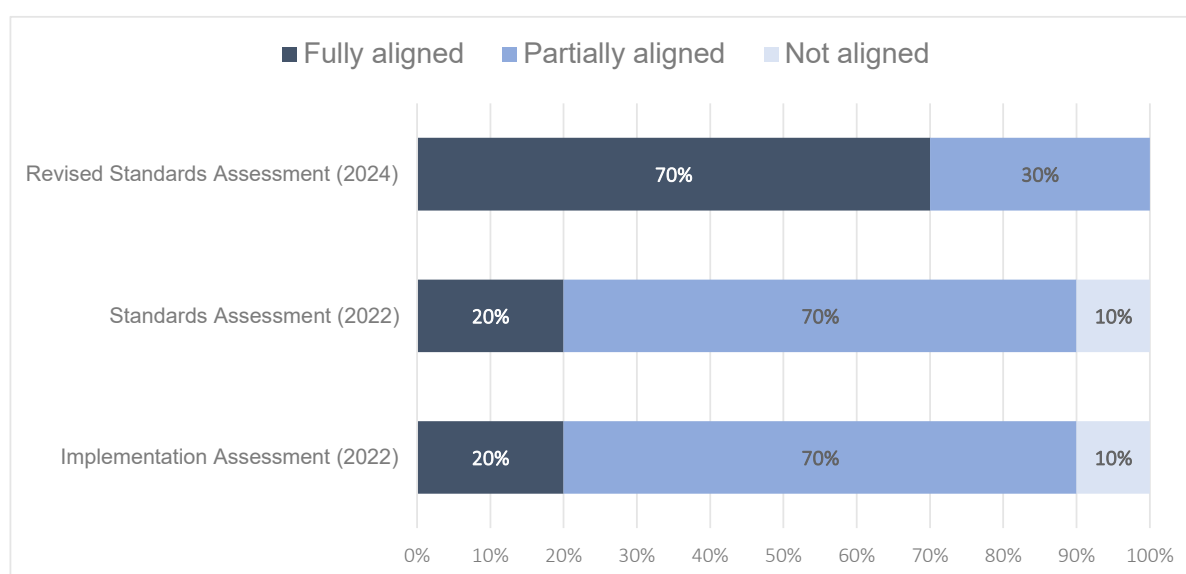
could make this a more consistently applied tool based on needs assessment, and not dependent on the resources or proactiveness of the related member brand.

- For the Fair Wear Complaints Procedure:
 - Predictability and accessibility are more limited for complainants in countries where Fair Wear is not active, owing to the inconsistency of brand follow-ups.
 - Reliance on brands for key parts of complaints handling, investigation and remediation has observed consequences for complainants: the quality of the follow-up depends on the level of resources and capacity at the member brand level, meaning different outcomes depending on the end customer, and the Fair Wear BPC cycle wasn't observed to present sufficient consequences for member brands. For example, some complaints (particularly outside of the focus countries) were reviewed by the assessment team on the database that hadn't been resolved or updated within the previous six months or longer, without concerned members losing their performance ratings. The OECD notes this may have been addressed by the updated incentives in the revised standards documents (see Standards Assessment above).
 - Remedies prioritise complainants' needs and legal context but are not benchmarked with rights-based outcomes or validated by stakeholder engagement.
 - Escalation options should be made clear where the complainant doesn't achieve the remedy they seek.

Additional criteria

Figure 11 illustrates the alignment assessment ratings for the ten additional criteria which cover specific criteria relating to collaboration, communication and accountability topics covered in the OECD Garment Guidance. As for other steps, revisions to Fair Wear's Brand Performance Check Guide and the introduction of the new Fair Wear HRDD Policy have substantially improved the alignment of Fair Wear's written requirements with the OECD Garment Guidance recommendations, leading to 70% *fully aligned* on standards. The findings on implementation reflect the Initial Standards Assessment with the majority of criteria rated as *partially aligned*.

Figure 11. Additional criteria results



Note: Based on 10 criteria. Implementation Assessment against initial standards (no re-assessment).

Revised Standards Assessment

Key strengths

Expectations on collaboration, including contribution to sector transparency and reduction in audit fatigue:

- Overall, emphasis on collaboration between member brands and with other buyers, especially around remediation and complaints resolution, were further strengthened by the revised BPC (particularly indicator 3.5)
- Fair Wear allows for and encourages collaboration on audits and the sharing of audit reports (see Transparency Policy and BPC Guide 2023, indicator 3.5). Of particular note is Fair Wear's cooperation with ILO Better Work (see Governance Assessment below).
- Fair Wear also requires its member brands to collaborate on particular pre-identified high-risk issues, for example, fire, structural and electrical safety in Bangladesh.¹⁵
- Fair Wear also has strong expectations of its member brands to collaborate with their suppliers, particularly on purchasing practices and freedom of association and collective bargaining (e.g. HRDD Policy 3.2, 4a and 3.3, 5a)
- Fair Wear promotes and supports members to be transparent about their suppliers and business relationships by rewarding members for disclosing supplier lists (Revised BPC Guide indicators 1.6 and 1.7, with reference to the Fair Wear Transparency Policy).

Accountability

- Much strengthened language in updated Fair Wear standards about companies retaining responsibility for due diligence and clarifying the role Fair Wear plays and its limits (HRDD Policy Introduction, BPC Guide 2023, indicator 4.1), for example by reiterating the supply chain scope of its activities (HRDD Policy, paragraph 2).

Key opportunities for improvement

Collaboration, including contribution to sector transparency and reduction in audit fatigue:

- In places, expectations for collaboration, including with trade unions, are scored as an 'advanced' component (e.g. BPC 3.11) on root causes of living wage gaps, whereas this engagement should be seen as part of normal risk-based expectations and hence recognised at the basic scoring level. Fair Wear could provide more consistent expectations for companies regarding collaboration with stakeholders, and broader collaboration on remedy. For example, the requirement in the new Fair Wear HRDD Policy for member brands to engage with affected stakeholders in the determination of remedy is not recognised or rewarded in the relevant BPC Guide 2023 indicator 3.14.

Accountability

- While the revised BPC Guide (2023) stresses the importance of member brands communicating about their Fair Wear membership and its role in their due diligence (see key strengths above), there could be clearer consequences for inaccurate communication on Fair Wear collaboration, for example by providing negative scoring, rather than zero points.

Implementation Assessment (of initial standards)

Key strengths

- Fair Wear actively encourages the sharing of information between members through its joint trainings and peer learning sessions, as well as collaboration to increase leverage and scale up effective measures (such as in relation to corrective actions and complaints resolution).

- Through active encouragement of the sharing of audits between members, Fair Wear promotes collaboration to reduce audit fatigue, as well as formally recognising ILO Better Work audits.
- Fair Wear fosters collaboration with trade unions and other stakeholders particularly in relation to Fair Wear's own country assessments, audits (offsite worker interviews), training and complaints procedure. OECD observed that Fair Wear has supported setting up meetings between members and stakeholders to facilitate members' work with stakeholders on research in non-Fair Wear focus countries.

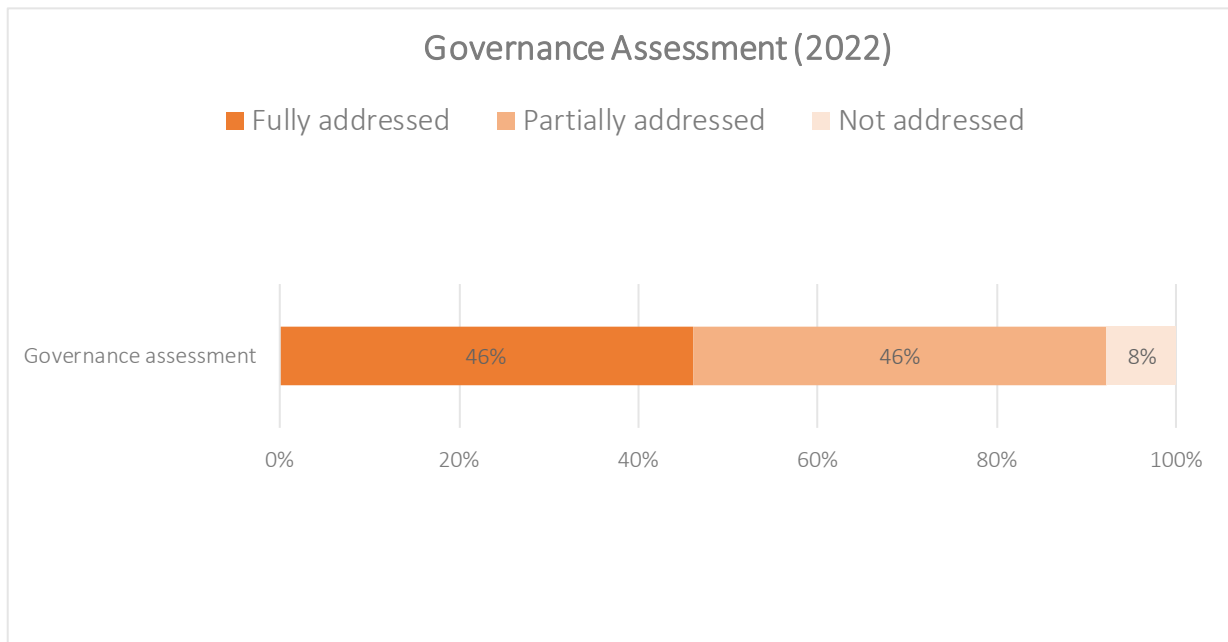
Key opportunities for improvement

- The BPC Guide 2020 combined with the traceability policy allows for a number of opt-outs which limits its use for consistent sharing of comparable information. For example, member brands can choose to share their BPC report, their Social Report, or their supplier lists (See step 5 above).
- Stakeholder engagement was not a key expectation in the context of members' action plans (the Work Plan) and ongoing monitoring (see Steps 3 and 4).
- During the initial assessment period, Fair Wear's monitoring of member brand communications was focused on the use of the Fair Wear logo. There was little emphasis on how member brands represented their Fair Wear membership in their reporting, particularly with respect to the role of Fair Wear versus the member brands' individual company due diligence responsibilities. For example, there wasn't a strong focus on reviewing the *social report*, or other communications. In the Revised Standards these roles and responsibilities are much more clearly delineated.

Governance Assessment (2022)

For the Governance Assessment, Fair Wear was evaluated against criteria not contained in the text of the OECD Garment Guidance but have emerged as key elements of good practice in the governance and management of sustainability initiatives¹⁶. The assessment of an initiative's governance therefore does not include separate standards and implementation ratings based on alignment with the OECD Garment Guidance recommendations, but instead a single rating *fully addressed*, *partially addressed* or *not addressed*.

The Governance Assessment was conducted as part of the initial full assessment, therefore Figure 12 shows the findings for the governance systems in place from September 2019 to September 2020. No re-assessment of governance criteria was undertaken.

Figure 12. Governance Assessment results

Note: Governance Assessment as part of the Initial Standards Assessment for period 2019-2020 (no re-assessment).

Key strengths

- Processes for communicating on risks and impacts to members: Fair Wear acts as a pool for country-level and risk-specific information on emerging risks, particularly for countries where it is active (country reports, use of the Member Hub, brand liaisons, and other communications to members, COVID dossier, purchasing practices guidance, living wage tool, enhanced risks policies).
- Articulation of which components of due diligence Fair Wear facilitates and the representation of scope and results: Key documents are clear on Fair Wear’s supply chain scope (i.e. assembly stage) and that it is not a certification. Fair Wear trainings for members and interviews carried out by the assessor emphasise and support this. Fair Wear also communicates clearly on its core geographical focus. Per Additional Criteria, Fair Wear’s updated standards are now clearer on members’ own due diligence responsibilities.
- Fair Wear is also strong on fostering collaboration (see Additional criteria above).

Key opportunities for improvement

- Assessing effectiveness and impact: Fair Wear is developing work on this with a new impact team in place. Current approaches to monitoring and evaluating impacts are done on an as-needed basis.
- Conflicts of interest: Fair Wear have some systems in place to prevent conflicts (e.g. separation of the case manager role; a BPC “second reader”, BPC consistency meetings). However, the OECD saw no evidence of a formal conflict of interest process and interviews indicate some risk of blurring of lines and roles, with Fair Wear at times acting as both facilitator and verifier.
- Recognition of ILO Better Work and other third-party initiatives:
 - At the time of assessment, Fair Wear’s formal recognition was limited to ILO Better Work, based on a memorandum of understanding dated 1 January 2017 (covering ILO Better Work

factory-level audits and other collaborative work at factory-level (e.g. capacity building; CAP follow/up; grievance mechanisms and complaints handling)). ILO Better Work audits automatically counted towards Fair Wear's former monitoring thresholds during the Implementation Assessment. Fair Wear does not formally recognise other third-party providers, but they do accept a high number of supplier audits by third-party providers in the BPCs (see step 2). They also have a list of approved non-Fair Wear training programs on the Member Hub.

- Fair Wear initially carried out a comprehensive desk-top assessment and multiple shadows of ILO Better Work audits, identifying differences in approach and scope, which they proactively addressed (e.g. through communication to members, updated 2019 audit template and offer of a wage ladder assessment as an 'add on' to the ILO audits). However, Fair Wear does not have a formal recognition process on the basis that this could undermine dynamic and stakeholder-driven principles of due diligence. For other auditor providers, brand liaisons take different approaches depending on the provider, with different degrees of oversight over the quality of the audits or the credibility of the third-party provider. Fair Wear are working on including third-party information on the member hub, which could include e.g. a weighting when there is no worker-validated information (not assessed).

Annex A. Alignment Assessment criteria and results

Table A A.1. Due Diligence Criteria

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
0.01	The initiative requires the enterprise's due diligence to be preventative.	Partially aligned	Partially aligned	Fully aligned
0.02	The initiative requires the enterprise's due diligence to be an integral part of decision-making.	Partially aligned	Partially aligned	Fully aligned
0.03	The initiative requires the enterprise's due diligence to be commensurate with risk (i.e. it is risk based)	Partially aligned	Partially aligned	Partially aligned
0.04	The initiative requires the enterprise's due diligence to involve prioritisation (i.e. it is risk based)	Partially aligned	Partially aligned	Partially aligned
0.05	The initiative requires the enterprise's due diligence to be dynamic.	Partially aligned	Partially aligned	Fully aligned
0.06	The initiative requires the enterprise's due diligence to be informed by meaningful engagement with stakeholders.	Partially aligned	Partially aligned	Partially aligned
0.07	The initiative requires the enterprise's due diligence to involve ongoing communication.	Fully aligned	Fully aligned	Fully aligned
0.08	The initiative requires the enterprise's due diligence to be appropriate to its circumstances.	Partially aligned	Fully aligned	Fully aligned
0.09	The initiative requires the enterprise to consider the unique position of women systematically at all stages of the due diligence process.	Partially aligned	Partially aligned	Fully aligned
1.01	The initiative requires the enterprise to establish a policy or policies that include RBC due diligence commitments regarding their own activities and operations and its supply chain.	Not aligned	Not aligned	Fully aligned
1.02	The initiative requires the enterprise to establish a policy or policies that articulate their due diligence expectations of business partners - including suppliers, licensees, and intermediaries - on RBC matters across the length of their supply chain(s).	Not aligned	Not aligned	Fully aligned
1.03	The initiative requires that the enterprise's policy includes commitment to observe the OECD Guidelines for Multinational Enterprises and issues covered by the Guidelines. The policy should also commit to upholding international standards on sector risks and sub-sector risks, relevant to the enterprise and make explicit reference to relevant international standards.	Not aligned	Not aligned	Fully aligned
1.04	The initiative requires that the enterprise's policy includes commitments to conduct due diligence regarding "significant risks" in the enterprise's own operations and supply chain.	Not aligned	Not aligned	Fully aligned
1.05	The initiative requires that the enterprise's policy or policies include its expectations of suppliers to	Not aligned	Not aligned	Fully aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	conduct due diligence regarding "significant risks" in the enterprise's supply chain.			
1.06	The initiative requires that the enterprise's policy includes a commitment to responsible sourcing practices; i.e. a commitment that the enterprise will seek to prevent its purchasing practices contributing to harmful impacts	Not aligned	Not aligned	Fully aligned
1.07	The initiative requires that the enterprise's policy stipulates the enterprise's expectations regarding the use of subcontractors including a definition and distinctions in subcontracted work if they exist.	Not aligned	Not aligned	Fully aligned
1.08	The initiative requires that the enterprise's policy includes a commitment to meaningful stakeholder engagement in the course of due diligence.	Not aligned	Not aligned	Fully aligned
1.09	The initiative requires that the enterprise's policy includes the enterprise's expectations regarding the outsourcing to homeworkers and the use of handwork, where relevant to the enterprise's business model.	Not aligned	Not aligned	Fully aligned
1.10	The initiative encourages enterprises to include in their policy a commitment to hear and address all complaints against the enterprise regarding its own operations.	Not aligned	Not aligned	Fully aligned
1.11	The initiative encourages enterprises to include in their policy a commitment to hear and address measured and substantiated complaints that the enterprise has caused or contributed to harms in its supply chain that are raised through legitimate processes.	Not aligned	Not aligned	Fully aligned
1.12	The initiative requires that the enterprise's policy is developed with and informed by relevant internal and external expertise.	Not aligned	Not aligned	Fully aligned
1.13	The initiative requires that the enterprise's policy is approved at the most senior level of the enterprise.	Not aligned	Not aligned	Fully aligned
1.14	The initiative requires that the enterprise's policy is updated through an iterative process that builds on increasing knowledge about harms in the enterprise's supply chain.	Not aligned	Not aligned	Fully aligned
1.15	The initiative encourages the enterprise to establish or strengthen corporate governance to oversee and support RBC by assigning responsibility for RBC implementation to the board and senior management.	Fully aligned	Fully aligned	Fully aligned
1.16	The initiative requires the enterprise to have senior staff with competence, knowledge and experience overseeing the implementation of the RBC policy(s).	Partially aligned	Fully aligned	Fully aligned
1.17	The initiative requires the enterprise to make the policy publicly available.	Not aligned	Not aligned	Fully aligned
1.18	The initiative requires the enterprise to communicate the RBC due diligence policy to all relevant employees.	Not aligned	Not aligned	Fully aligned
1.19	The initiative requires the enterprise to communicate the policy to all direct suppliers.	Not aligned	Not aligned	Fully aligned
1.20	The initiative requires the enterprise to allocate adequate support and resources to due diligence on human rights, labour, environment and integrity risks.	Fully aligned	Fully aligned	Fully aligned
1.21	The initiative requires the enterprise to incorporate due diligence into decision-making processes at an organisational level.	Partially aligned	Partially aligned	Fully aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
1.22	The initiative requires the enterprise to establish alignment across teams and business units to support the implementation of the RBC policy.	Fully aligned	Fully aligned	Fully aligned
1.23	The initiative requires the enterprise to have information management systems that are accurate and current and capable of storing the full extent of information necessary to conduct due diligence.	Partially aligned	Fully aligned	Fully aligned
1.24	The initiative encourages the enterprise to store due diligence information for a minimum of 5 years.	Not aligned	Not aligned	Fully aligned
1.25	The initiative encourages the enterprise to build into supplier contracts an obligation to support supply chain due diligence of risks linked to upstream production where appropriate.	Not aligned	Not aligned	Fully aligned
2.01	The initiative requires the enterprise to conduct an informed scoping exercise to identify which risks of harm are most significant - in relation to likelihood and severity of harm - in its own operations and in its supply chain.	Partially aligned	Partially aligned	Fully aligned
2.02	The initiative requires the enterprise's scoping to build on known sector and subsector risks.	Partially aligned	Partially aligned	Fully aligned
2.03	The initiative requires the enterprise's scoping to take into account risks that may be specific to the products that the enterprise makes or sells.	Partially aligned	Partially aligned	Fully aligned
2.04	The initiative requires the enterprise's scoping to take into account factors within the countries where the company operates or sources that may make sector risks more likely.	Partially aligned	Partially aligned	Fully aligned
2.05	The initiative requires the enterprise's scoping to take into account risks factors that may be specific to the enterprise's sourcing model.	Partially aligned	Partially aligned	Fully aligned
2.06	The initiative requires the enterprise's scoping to take into account components of the company's business model that may increase the likelihood or scope of risks in its supply chain.	Not aligned	Not aligned	Fully aligned
2.07	The initiative requires enterprises to determine which risks of harm are most significant - in relation to likelihood and severity of harm - in its own operations and in its supply chain and prioritise those for action first.	Partially aligned	Partially aligned	Fully aligned
2.08	The initiative requires the enterprise's scoping to be documented.	Partially aligned	Partially aligned	Fully aligned
2.09	The initiative encourages the enterprise to consult with stakeholders and experts, where gaps in information exist.	Partially aligned	Partially aligned	Fully aligned
2.10	The initiative requires the enterprise to review the findings of the scoping assessment on a semi-regular basis.	Not aligned	Not aligned	Fully aligned
2.11	The initiative requires the enterprise to continually update the information in its risk scoping based on changing circumstances and be ready to respond to emerging risks.	Partially aligned	Partially aligned	Fully aligned
2.12	The initiative requires the enterprise to carry out a self-assessment of its own operations to determine the extent of risks and actual impacts.	Partially aligned	Not Assessed	Fully aligned
2.13	The initiative encourages the enterprise to follow existing credible guidance for employers when assessing for risks of harm in its own operations.	Not aligned	Not Assessed	Not aligned
2.14	The initiative requires the enterprise to engage with	Partially	Not Assessed	Partially

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	potentially affected stakeholders (workers, trade unions and representative organisations) to identify potential and actual harm in its own operations.	aligned		aligned
2.15	The initiative requires the enterprise to review its policies and systems to assess the extent to which risks are being prevented or mitigated.	Partially aligned	Not Assessed	Partially aligned
2.16	The initiative encourages the enterprise to seek external support to conduct a self-assessment if the impact may cause severe harm if not adequately prevented and/or the prevention measures require technical expertise not available in-house.	Not aligned	Not Assessed	Not aligned
2.17	The initiative requires the enterprise to assess suppliers who are associated with higher risks of those harms prioritised during the scoping exercise.	Partially aligned	Partially aligned	Fully aligned
2.18	The initiative requires the enterprise to seek assurances from suppliers that the prioritised suppliers upstream are being assessed where severe risks are linked to upstream processes (e.g. cotton growing).	Out of scope	Out of scope	Out of scope
2.19	The initiative requires the enterprise to conduct supplier assessments when there are gaps in information or where the context has likely changed.	Not aligned	Partially aligned	Partially aligned
2.20	The initiative requires the enterprise to assess the measures that the assessed supplier has implemented to prevent harm.	Not aligned	Partially aligned	Partially aligned
2.21	The initiative requires the enterprise to assess the actual harm on the ground and risks of harm.	Partially aligned	Partially aligned	Fully aligned
2.22	The initiative requires the enterprise to assess the extent to which the workers are aware of their rights in relation to human rights and labour rights.	Partially aligned	Partially aligned	Partially aligned
2.23	The initiative requires the enterprise to assess whether the supplier has established an operational-level grievance mechanism and whether it is effective and meets the recommendations in Table 8 of the Guidance	Not aligned	Partially aligned	Partially aligned
2.24	The initiative requires the nature of the enterprise's assessment to correspond to the potential risk.	Partially aligned	Partially aligned	Partially aligned
2.25	The initiative requires the enterprise's assessment to be adapted to the local context.	Partially aligned	Partially aligned	Partially aligned
2.26	The initiative requires the enterprise to involve workers in the design of assessments for labour and human rights issues.	Not aligned	Partially aligned	Partially aligned
2.27	For risks of harm which are subjective (such as human rights and labour risks), the initiative requires enterprises to use multiple data points to assess the situation.	Partially aligned	Partially aligned	Partially aligned
2.28	The initiative requires the enterprise's assessment methodology to be adjusted if actual findings do not correspond to expected findings.	Not aligned	Not aligned	Partially aligned
2.29	The initiative requires that the assessment team have extensive knowledge of the relevant risks, including an understanding of the best methodology to identify actual and potential harms related to the risk within the local context.	Partially aligned	Partially aligned	Partially aligned
2.30	The initiative requires the enterprise's assessment team to have knowledge of national and international standards related to the adverse impact.	Partially aligned	Partially aligned	Partially aligned
2.31	The initiative requires the enterprise's assessment team to have the capability to conduct the	Partially	Partially	Partially

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	assessment within the local context.	aligned	aligned	aligned
2.32	For labour and human rights issues, assessments should rely heavily on worker interviews.	Not assessed	Not assessed	Not assessed
2.33	The initiative requires the enterprise to make good faith efforts to understand whether it has caused, contributed to or is linked to the impacts that it has identified.	Partially aligned	Partially aligned	Partially aligned
3.01	The initiative requires the enterprise to take immediate actions to stop existing impacts.	Not aligned	Not assessed	Fully aligned
3.02	The initiative requires the enterprise to establish and implement a plan to prevent and/or mitigate future harm in its own operations.	Partially aligned	Not assessed	Fully aligned
3.03	The initiative requires the enterprise to take immediate actions to prevent any potential immediate and critical danger in the short-term.	Partially aligned	Not assessed	Partially aligned
3.04	The initiative requires the enterprise to seek to develop outcome oriented solutions that lead to prevention of harm in the longer-term.	Partially aligned	Not assessed	Fully aligned
3.05	The initiative requires the enterprise's plan on preventing and mitigating harm in its own operations to include clear timelines for follow up.	Fully aligned	Not assessed	Fully aligned
3.06	The initiative requires the enterprise's measures pursued on preventing and mitigating harm in its own operations to be proportionate to the severity of harm.	Not aligned	Not assessed	Partially aligned
3.07	The initiative requires the enterprise to have considered whether to seek expert advice based on the level of risk.	Partially aligned	Not assessed	Partially aligned
3.08	The initiative requires the enterprise to engage workers, trade unions and representatives of the workers own choosing during the developments of the enterprise's measures on preventing and mitigating labour-related issues in the enterprise's own operations.	Partially aligned	Not assessed	Partially aligned
3.09	The initiative requires the enterprise to develop and implement its own plan to seek to prevent or mitigate future harm in its supply chain.	Partially aligned	Partially aligned	Fully aligned
3.10	The initiative requires the enterprise's plan on preventing and mitigating harm in the supply chain to include clear timelines for follow up.	Fully aligned	Partially aligned	Fully aligned
3.11	The initiative requires the enterprise's measures pursued on preventing and mitigating harm in its supply chain to be proportionate to the severity of harm.	Not aligned	Partially aligned	Partially aligned
3.12	The initiative requires the enterprise to develop and implement a plan to prevent its contribution to harm if a risk of contributing to harm in the supply chain is identified.	Partially aligned	Partially aligned	Fully aligned
3.13	For brands and retailers - The initiative requires the enterprise to implement control measures to prevent contributing to harm through its purchasing practices even if it has not identified specific instances of this.	Fully aligned	Fully aligned	Fully aligned
3.14	For brands and retailers - The initiative requires the enterprise to have a system of procedures to follow in instances where purchasing practices could contribute to harm.	Fully aligned	Fully aligned	Fully aligned
3.15	The initiative requires the enterprise to have developed pricing models that account for the cost of wages, benefits and investments in decent work.	Fully aligned	Partially aligned	Fully aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
3.16	The initiative requires the enterprise to implement internal measures to manage risks in its supply chain, where appropriate. These include measures that the enterprise itself can control.	Fully aligned	Fully aligned	Fully aligned
3.17	The initiative requires the enterprise to seek to prevent/mitigate risks through its product development processes.	Fully aligned	Fully aligned	Fully aligned
3.18	The initiative requires the enterprise to have a good, local knowledge of its suppliers.	Partially aligned	Partially aligned	Fully aligned
3.19	The initiative encourages the enterprise to establish incentives for suppliers to comply with the enterprise's RBC policy.	Partially aligned	Partially aligned	Fully aligned
3.2	The initiative requires the enterprise to use its leverage, when appropriate, to influence its suppliers to prevent or mitigate impacts.	Fully aligned	Partially aligned	Fully aligned
3.21	The initiative encourages the enterprise to pool leverage with other buyers if an enterprise does not hold leverage.	Partially aligned	Fully aligned	Fully aligned
3.22	The initiative requires the enterprise to support suppliers, when appropriate, in preventing or mitigating impacts.	Fully aligned	Partially aligned	Fully aligned
3.23	The initiative requires the enterprise to engage with government, when appropriate, to seek to prevent or mitigate adverse impacts.	Not aligned	Partially aligned	Partially aligned
3.24	The initiative requires the enterprise to disengage from a supplier, when appropriate, to prevent adverse impacts in its supply chains.	Partially aligned	Partially aligned	Partially aligned
3.25	The initiative requires the enterprise to comply with national laws, international labour standards, and terms of collective bargaining agreements if the enterprise determines the need to disengage from a supplier.	Partially aligned	Partially aligned	Partially aligned
3.26	The initiative requires the enterprise to provide information supporting the business decision to the supplier's management and the supplier's trade union (if one exists) if disengaging from a supplier.	Fully aligned	Partially aligned	Fully aligned
3.27	The initiative requires the enterprise to give the supplier sufficient notice of the end of the relationship if disengaging from the supplier.	Partially aligned	Partially aligned	Partially aligned
3.28	The initiative requires the enterprise to demonstrate its own efforts to mitigate the identified adverse impact(s) for as long as an enterprise has an ongoing relationship with a supplier.	Partially aligned	Partially aligned	Partially aligned
4.01	The initiative requires the enterprise to verify internally that the enterprise has carried out the actions which it has committed to in its own operations.	Partially aligned	Not assessed	Partially aligned
4.02	The initiative requires the enterprise to monitor due diligence on an ongoing basis using appropriate direct or indirect performance indicators in its own operations.	Partially aligned	Not assessed	Fully aligned
4.03	The initiative requires the enterprise to draw on all known information including data from on-going monitoring, internal periodic assessments, issues raised through grievance mechanisms, etc. to validate that the steps taken by the enterprise are preventing and mitigating impacts in its own operations.	Not aligned	Not assessed	Fully aligned
4.04	The initiative requires the enterprise in instances in which harmful impacts in its own operations have not been effectively prevented or mitigated to seek to	Partially aligned	Not assessed	Fully aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	understand why this is the case and respond appropriately, including by updating and implementing corrective action plans where appropriate. If the enterprise is unable to determine why an impact has not been prevented or mitigated, it seeks external guidance.			
4.05	The initiative requires the enterprise to engage with external experts to validate the effectiveness of due diligence and risk management measures undertaken in its own operations where impacts may cause severe harm if not adequately prevented, or where prevention measures require technical expertise.	Partially aligned	Not assessed	Partially aligned
4.06	The initiative requires the enterprise to verify whether its due diligence requirements are being met in its supply chain.	Partially aligned	Partially aligned	Partially aligned
4.07	The initiative requires the enterprise, whenever possible, to monitor indicators – either direct or indirect – over time to validate that impacts in its supply chain have been or are being prevented.	Partially aligned	Partially aligned	Fully aligned
4.08	The initiative requires the enterprise to draw on all known information including data from on-going monitoring, internal periodic assessments, issues raised through grievance mechanisms, etc. to validate that the steps taken by the enterprise are preventing and mitigating impacts in its supply chain.	Not aligned	Not aligned	Fully aligned
4.09	The initiative requires the enterprise in instances in which harmful impacts in its supply chain have not been effectively prevented or mitigated to seek to understand why this is the case and respond appropriately, including by updating and implementing corrective action plans where appropriate. If the enterprise is unable to determine why an impact has not been prevented or mitigated, it seeks external guidance.	Partially aligned	Partially aligned	Fully aligned
4.10	The initiative encourages the enterprise to engage external experts to assess the effectiveness of due diligence and risk management measures undertaken in the supply chain where impacts in the supply chain may cause severe harm if not adequately prevented, or where prevention measures require technical expertise.	Partially aligned	Partially aligned	Partially aligned
5.01	The initiative requires the enterprise to communicate publicly on its supply chain due diligence.	Partially aligned	Partially aligned	Partially aligned
5.02	The initiative requires the enterprise to communicate publicly on its due diligence management systems.	Partially aligned	Partially aligned	Fully aligned
5.03	The initiative requires the enterprise to communicate publicly on its most significant risks in its own operations and within its supply chain.	Not aligned	Not aligned	Fully aligned
5.04	The initiative requires the enterprise to communicate publicly on its processes for assessing risks.	Partially aligned	Partially aligned	Fully aligned
5.05	The initiative requires the enterprise to communicate publicly on its plan to prevent and mitigate harm in its own operations, and progress on those measures.	Not aligned	Partially aligned	Fully aligned
5.06	The initiative requires the enterprise to communicate publicly on its plan to prevent and mitigate harm in its supply chain, and progress on those measures.	Not aligned	Partially aligned	Fully aligned
5.07	The initiative requires the enterprise, if relevant, to communicate publicly on its objectives for government policy engagement and on the outcomes of	Not aligned	Not aligned	Fully aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	engagement efforts.			
5.08	The initiative requires the enterprise to communicate publicly on how it has meaningfully engaged with its stakeholders.	Partially aligned	Partially aligned	Fully aligned
5.09	The initiative requires the enterprise to communicate publicly on the processes that provide access to remediation in its own operations.	Fully aligned	Partially aligned	Fully aligned
5.10	The initiative requires the enterprise to communicate publicly on processes that provide access to remediation in its supply chain.	Partially aligned	Partially aligned	Fully aligned
5.11	The initiative requires the enterprise to communicate publicly on the collaborative processes with which it engages that facilitate due diligence.	Not aligned	Partially aligned	Fully aligned
5.12	The initiative requires the enterprise to communicate publicly, at a minimum, on an annual basis.	Fully aligned	Fully aligned	Fully aligned
5.13	The initiative requires the enterprise to communicate information in a way that is relevant, accurate, clear, user friendly with plain language, and to present information in a way that the intended users are able to access information.	Partially aligned	Partially aligned	Partially aligned
5.14	The initiative requires the enterprise to be prepared to communicate externally, including with affected stakeholders, how it addresses its human rights impacts.	Partially aligned	Partially aligned	Partially aligned
5.15	If the enterprise's operations or operating contexts pose risk of severe human rights impacts, the initiative requires the enterprise to report formally on how those risks are addressed.	Partially aligned	Partially aligned	Partially aligned
5.16	The initiative requires the enterprise's communications to be of a form and frequency that reflect and enterprise's human rights impacts.	Out of scope	Out of scope	Out of scope
5.17	The initiative requires the enterprise's communications to provide information that is sufficient to evaluate the adequacy of an enterprise's response to the human rights impact.	Out of scope	Out of scope	Out of scope
5.18	The initiative requires the enterprise to ensure that communications do not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.	Out of scope	Out of scope	Out of scope
5.19	The initiative requires the enterprise's communications to be accessible to impacted stakeholders.	Out of scope	Out of scope	Out of scope
5.20	The initiative requires the enterprise, in relation to labour rights in its own operations, to communicate with its workers and trade unions and representative organisations of the workers' own choosing, including to understand what they deem to be material information.	Out of scope	Out of scope	Out of scope
6.01	The initiative requires the enterprise to provide for or cooperate through legitimate processes in the remediation of adverse impacts it has caused or contributed to.	Partially aligned	Partially aligned	Partially aligned
6.02	The initiative requires the enterprise to engage in legitimate processes that enable it to hear and address material and substantiated complaints that it has caused or contributed to harm in its supply chain.			Fully aligned
6.03	The initiative encourages the enterprise to consult relevant guidance on establishing supply chain grievance mechanisms or other legitimate processes			Fully aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	for handling complaints.			
6.04	The initiative requires the enterprise to have a process in place to enable remediation in relation to human rights impacts it has caused or contributed to.	Partially aligned	Not assessed	Partially aligned
6.05	The initiative requires the enterprise to establish processes to enable remediation for adverse impacts other than human rights impacts (e.g. labour or environmental impacts).	Partially aligned	Not assessed	Partially aligned
6.06	The initiative encourages the enterprise to consult relevant guidance on establishing operational-level grievance mechanisms or other legitimate processes for handling complaints.	Not aligned	Not assessed	Partially aligned
6.07	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of legitimacy.	Not aligned	Not assessed	Partially aligned
6.08	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of accessibility.	Not aligned	Not assessed	Partially aligned
6.09	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of predictability.	Not aligned	Not assessed	Partially aligned
6.10	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of equitability.	Not aligned	Not assessed	Partially aligned
6.11	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of transparency.	Not aligned	Not assessed	Partially aligned
6.12	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of being dialogue-based.	Not aligned	Not assessed	Partially aligned
6.13	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it does not preclude access to judicial recourse (e.g. through legal waivers) for victims of gross human rights violations and the enterprise does not interfere with civil or criminal investigations or human rights examinations.	Not aligned	Not assessed	Partially aligned
6.14	The initiative encourages the enterprise to publish complaints and incorporate lessons learned into policies and monitoring systems.	Fully aligned	Not assessed	Fully aligned
6.15	The initiative's grievance mechanism is based on the core criteria of legitimacy.	Partially aligned	Fully aligned	Fully aligned
6.16	The initiative's grievance mechanism is based on the core criteria of accessibility.	Fully aligned	Partially aligned	Fully aligned
6.17	The initiative's grievance mechanism is based on the core criteria of predictability.	Fully aligned	Partially aligned	Fully aligned
6.18	The initiative's grievance mechanism is based on the core criteria of equitability.	Partially aligned	Fully aligned	Fully aligned
6.19	The initiative's grievance mechanism is based on the core criteria of transparency.	Fully aligned	Fully aligned	Fully aligned
6.20	The initiative's grievance mechanism is based on the core criteria of being dialogue-based.	Fully aligned	Fully aligned	Fully aligned
6.21	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it does not preclude access to judicial recourse (e.g. through legal waivers) for victims of gross human rights violations and the enterprise does not interfere with civil or criminal investigations or human rights	Partially aligned	Fully aligned	Partially aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	examinations.			
6.22	The initiative encourages the enterprise to publish complaints and incorporate lessons learned into policies and monitoring systems.	Fully aligned	Fully aligned	Fully aligned
6.23	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of legitimacy.	Out of scope	Out of scope	Out of scope
6.24	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of accessibility.	Out of scope	Out of scope	Out of scope
6.25	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of predictability.	Out of scope	Out of scope	Out of scope
6.26	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of equitability.	Out of scope	Out of scope	Out of scope
6.27	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of transparency.	Out of scope	Out of scope	Out of scope
6.28	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it is based on the core criteria of being dialogue-based.	Out of scope	Out of scope	Out of scope
6.29	The initiative requires the enterprise to ensure that where a grievance mechanism is established, it does not preclude access to judicial recourse (e.g. through legal waivers) for victims of gross human rights violations and the enterprise does not interfere with civil or criminal investigations or human rights examinations.	Out of scope	Out of scope	Out of scope
6.30	The initiative encourages the enterprise to publish complaints and incorporate lessons learned into policies and monitoring systems.	Out of scope	Out of scope	Out of scope
6.31	The initiative requires the enterprise to seek remedy that restores the affected person(s) to the situation they would be in had the harm not occurred and be proportionate to the significance and scale of the adverse impact.	Partially aligned	Partially aligned	Partially aligned
6.32	The initiative requires the enterprise to seek remedy that meets national laws and international guidelines on remediation, where available, and where such standards are not available, the remedy provided is consistent with that provided through similar cases.	Not aligned	Partially aligned	Partially aligned
6.33	The initiative requires the enterprise to engage with affected stakeholders in the determination of the remedy.	Partially aligned	Fully aligned	Partially aligned
6.34	The initiative requires the enterprise to assess the level of satisfaction with the process and the outcome of those who raised the complaints.	Partially aligned	Fully aligned	Partially aligned
AC1.01	The initiative requires the enterprise to collaborate with other enterprises to pool information.	Partially aligned	Partially aligned	Fully aligned
AC1.02	The initiative requires the enterprise to collaborate with other enterprises to increase its leverage.	Fully aligned	Fully aligned	Fully aligned
AC1.03	The initiative requires the enterprise to collaborate with other enterprises, trade unions, civil society, etc. as appropriate to scale-up effective measures for preventing and mitigating risks.	Partially aligned	Partially aligned	Fully aligned
AC1.04	The initiative requires the enterprise to collaborate with other enterprises to increase sector	Partially aligned	Partially aligned	Fully aligned

No.	Criteria	Alignment: SA rating	Alignment: IA rating	Alignment: SA (re-assessment)
	transparency.			
AC1.05	The initiative requires the enterprise to collaborate with trade unions to meaningfully engage workers in the due diligence process.	Partially aligned	Partially aligned	Partially aligned
AC1.06	The initiative requires the enterprise to collaborate with stakeholders and multi-stakeholder initiatives including civil society, governments and trade unions amongst others in the remediation process and provision of remedy, where appropriate.	Partially aligned	Partially aligned	Partially aligned
AC1.07	The initiative requires the enterprise to reduce audit fatigue by carrying out shared assessments, sharing assessment findings, and recognising existing assessments where feasible.	Fully aligned	Fully aligned	Fully aligned
AC1.08	The initiative requires the enterprise, where the enterprise participates in a collaborative initiative, to consider how it might contribute towards its effectiveness.	Partially aligned	Partially aligned	Fully aligned
AC1.09	The initiative requires the enterprise, where the enterprise participates in a collaborative initiative, to understand which components of due diligence the initiative is helping to facilitate.	Partially aligned	Partially aligned	Fully aligned
AC1.10	The initiative requires the enterprise, where the enterprise participates in a collaborative initiative, to represent the scope and results of the initiative accurately in its public communications.	Not aligned	Not aligned	Partially aligned

Note: Criteria shaded in grey are encouraged criteria.

Table A A.2. Governance criteria

No.	Criteria	Scoring
G1.01	The initiative has established a functioning and accessible grievance mechanism that enables stakeholders to raise concerns relating to the initiative itself.	Partially addressed
G1.02	The initiative has an effective process for communicating details of actual or potential adverse impacts to participating enterprises in a timely manner in order to support enterprises in performing their own supply chain due diligence activities.	Fully addressed
G1.03	The initiative has a process for regular updates, including monitoring and evaluating whether the initiative itself is meeting its own aims and objectives in relation to due diligence activities, including, as necessary, updating of its policies, activities and any guidance provided to participating enterprises.	Fully addressed
G1.04	The initiative has given consideration to where there could be actual or perceived conflicts of interest between the management personnel of the initiative and enterprises, and has established processes to manage potential conflicts of interest.	Fully addressed
G1.05	The initiative publicly provides details of its own internal governance structure, staffing, resources and oversight mechanisms.	Fully addressed
G1.06	The initiative fosters collaboration of enterprises among themselves but also with trade unions and other stakeholders as per Collaboration Criteria.	Fully addressed

No.	Criteria	Scoring
G1.07	The initiative assesses its effectiveness.	Partially addressed
G1.08	The initiative clearly articulates - to members and in public documents and communications - which components of due diligence it facilitates and represents its scope and results accurately.	Partially addressed
G1.09	The initiative allows for recognition - subject to appropriate quality control - of other due diligence initiatives.	Fully addressed
G1.10	The initiative assesses the scope of the 3rd party standard or initiative it wants to recognize in a structured way to ensure it is appropriate for equivalency recognition.	Partially addressed
G1.11	The initiative assesses the content (i.e. requirements for enterprises) of the 3rd party standard or initiative it wants to recognise in order to ensure it is appropriate for equivalency recognition.	Partially addressed
G1.12	The initiative evaluates how the 3rd party standard or initiative ensures its requirements are implemented in order to ensure it is appropriate for equivalency recognition.	Partially addressed
G1.13	The initiative assesses that the 3rd party standard or initiative has a transparent process for monitoring and review of its own requirements and implementation activities.	Not addressed

Annex B. List of documents

	Document reviewed	Year policy published (if specified)
1	Fair Wear Member Guide	2019
2	Brand Performance Check Guide 2020	2019
3	Fair Wear monitoring threshold for members	2015
4	Fair Wear procedure for terminating membership	2017
5	Fair Wear responsible exit strategy	2018
6	Fair Wear Complaints procedure	2018
7	Fair Wear Child labour policy	2012
8	Fair Wear Living wage policy	2019
9	Fair Wear Gender policy statement, 2011	2011
10	Fair Wear guidelines on abrasive blasting 2012	2012
11	Fair Wear guidance on home-based work, 2015	2015
12	Fair Wear Anti-corruption guidelines (under review)	2009
13	Fair Wear enhanced monitoring programme Bangladesh	2014
14	Fair Wear enhanced monitoring programme Myanmar	2018
15	Fair Wear Approach to Social Dialogue	
16	Employing Syrian refugees 2019	2019
17	Fair Wear audit manual - update 2018	2012/2018
18	Fair Wear Transparency Policy	2019
19	Fair Wear approach to living wage	2019
20	Fair Wear Guidance for members: The Sumangali Scheme and India's Bonded Labour System update 2015	2017
21	Worker information sheet	2019
22	Fair Wear Communication guide & policy	2019
23	Fair Wear Work Plan Template	2020
24	Fair Wear Social Report Template	2019
25	Code of labour practices	2020
26	WEP Violence and harassment prevention - brand handbook	2019
27	WEP Communications - brand handbook	2019
28	WEP Communications - supplier handbook	2019
29	Using due diligence in labour costing to meet wage compliance	2018
30	Fair Wear questionnaire for suppliers	
31	Audit quality assessment tool	
32	Membership contract	2019
33	Audit template	2019
34	Corrective Action Plan template	2019
35	2.7 indicator country specific risks	
36	Internal guidelines for conducting performance checks 2020	
37	Checklist for recruitment auditors	
38	Evaluation form for prospective auditors	
39	Job profile Fair Wear audit team member	
40	Procedure of certifying a new Fair Wear auditor	
41	Guidelines for writing the Social Report	
42	Policy for repeated non-compliance	

	Document reviewed	Year policy published (if specified)
43	MOU with ILO Better Work	
44	Concept Note with Better Work	
45	Revised statutes	
46	Working rules Committee of Experts	2018
47	Integrity Policy	
48	Brand Performance Check Guide	2023
49	Fair Wear Human Rights Due Diligence Policy	2023

References

- Fair Wear (2018), *Fair Wear Complaints procedure*, <https://wp.fairwear.org/wp-content/uploads/2020/09/Fair-Wear-Complaints-procedure-V2.0.pdf>. [7]
- OECD (2024), *Methodology for OECD alignment assessments of sustainability initiatives*, OECD Publishing, Paris, <https://doi.org/10.1787/b533c060-en>. [3]
- OECD (2024), *Terms and Conditions governing OECD Alignment Assessments*, <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/due-diligence-guidance-for-responsible-business-conduct/OECD-AA-TaC-cross-sectoral.pdf>. [5]
- OECD (2023), *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*, OECD Publishing, Paris, <https://doi.org/10.1787/81f92357-en>. [6]
- OECD (2018), *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264290587-en>. [1]
- OECD (n.d.), *Alignment Assessment Tool*, <https://airtable.com/appXZrchGJ9UiKUR2/shrbzPihkNjr6bgdO/tbl8jJNyi5tF05S9A>. [4]
- OECD (n.d.), *Sustainability Initiatives for Responsible Business Conduct*, <https://www.oecd.org/en/topics/sub-issues/due-diligence-guidance-for-responsible-business-conduct/sustainability-initiatives-for-responsible-business-conduct.html>. [2]

Notes

¹ At the time of the Alignment Assessment, Fair Wear had approximately 140 member brands (see public list of current and former members [here](#)).

² The Revised Standards Assessment reviewed the revised Brand Performance Check Guide (2023). For the initial Standards Assessment and Implementation Assessment the OECD reviewed BPC Guide 2020, for assessment cycles that fell in 2018, 2019 and 2020. The BPC Guide 2020 had an additional performance rating of ‘Suspended’, which allowed for another year of substandard performance before termination proceedings. That has now been removed.

³ The methodology used for the assessment is available at: <https://www.oecd.org/en/topics/sub-issues/ue-diligence-guidance-for-responsible-business-conduct/sustainability-initiatives-for-responsible-business-conduct.html>. The OECD has since finalised and published a consolidated cross-sectoral assessment methodology which has replaced this document: OECD (2024), *Methodology for OECD alignment assessments of sustainability initiatives*, OECD Publishing, Paris, <https://doi.org/10.1787/b533c060-en>

⁴ The methodology used for the assessment is available at: <https://www.oecd.org/en/topics/sub-issues/ue-diligence-guidance-for-responsible-business-conduct/sustainability-initiatives-for-responsible-business-conduct.html>. The OECD has since finalised and published a consolidated cross-sectoral assessment methodology which has replaced this document: OECD (2024), *Methodology for OECD alignment assessments of sustainability initiatives*, OECD Publishing, Paris, <https://doi.org/10.1787/b533c060-en>.

⁵ Facilitation initiatives refer to initiatives that facilitate or inform enterprises’ risk management and broader due diligence responsibilities, but do not monitor, assess, assure, verify, or certify enterprise performance. They may, for example, provide information (e.g. country-level updates, sector-, product- or site-specific information, such as product or material life cycle assessment data, or chain of custody or other traceability information), tools (e.g. reporting templates, living wage assessment ladders, supplier assessment tools) and guidance (e.g. guidance on chemical management best practice, establishing grievance mechanisms, improving purchasing practices or supplier assessments) or set environmental or social targets or metrics for enterprises.

⁶ Verification initiatives refer to initiatives that set written requirements for enterprises or products and monitor, assess, verify, certify, assure, or benchmark enterprises, sites, products, suppliers, or other business partners against those requirements.

⁷ The OECD encourages initiatives undergoing an alignment assessment to reflect on the outcomes and work to improve alignment of their standards and implementation with the relevant OECD Due Diligence Guidance. In some cases the OECD may conduct a further assessment of revised standards or implementation if achievable within an appropriate timescale. This has been done with five initiatives in the minerals sector, and Fair Wear is the first OECD assessment of a Garment and Footwear sector initiative to undergo a revised standards assessment.

⁸ Mentions of the “revised”, “updated” or “new” BPC Guide all refer to the BPC Guide 2023 reviewed as part of the Revised Standards Assessment.

⁹ Noted that the two not aligned criteria showing in Annex A are ‘Encouraged’ criteria only and so are not counted.

¹⁰ As an observation, the OECD assessors are aware that much of the richness of the risk content (including where member brands create and work on - and Fair Wear staff monitor - action plans has moved from the BPC Guide (captured under the Standards Assessment) to the new Risk Management Portal – which was not reviewed as it is an implementation activity and introduced since the OECD’s implementation assessment.

¹¹ The updated BPC Guide makes reference to the Fair Wear’s Access to Remedy policy, which wasn’t published or in use at the time of the Revised Standards Assessment, and so wasn’t included in the scope of that assessment.

¹² As highlighted in the Garment Guidance, a core purpose of conducting due diligence is to avoid harm. However, enterprises should “provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.” (OECD MNE Guidelines.IV.6).

¹³ Fair Wear refers to factory level grievance mechanisms or FLGM in their standards. Brands’ evaluations of suppliers’ existing OLGs as part of a risk assessment process is assessed as part of step 2.

¹⁴ Fair Wear does not require or assess brands’ own supply chain grievance mechanisms and so the criteria in 6.2B of the assessment tool are out-of-scope.

¹⁵ The Enhanced Programme for Monitoring and Remediation in place during the initial Standards Assessment had specific requirements on sourcing from Bangladesh. This has since been updated to [Enhanced HRDD Policy on Fire, Structural and Electrical Safety in Bangladesh](#) (2022).

¹⁶ The governance criteria are based on expectations of good governance in the OECD Due Diligence Guidance for RBC. They are currently being revised and will be replaced by future credibility criteria for sustainability initiatives (under development).



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