



## BRAND PERFORMANCE CHECK

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Modehuizen Claudia Strater B.V.

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this report covers the evaluation period 01-01-2018 to 31-12-2018

## ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

## BRAND PERFORMANCE CHECK OVERVIEW

Modehuizen Claudia Strater B.V.

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Diemen, Netherlands
Member since:	01-07-2015
Product types:	Fashion, Sportswear
Production in countries where FWF is active:	Bulgaria, China, India, Macedonia, Republic of, Romania, Tunisia, Turkey
Production in other countries:	Hungary, Italy, Latvia, Netherlands, Portugal, Spain, Ukraine
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	75%
Benchmarking score	53
Category	Needs improvement

## Summary:

Modehuizen Claudia Sträter B.V. has met most of FWF's performance requirements. Its benchmark score of 53 is lower compared to last year. The monitoring threshold has improved slightly to 75%. However, this is below the required percentage for members in 3+ years of membership. Therefore, FWF gives Claudia Sträter the 'Needs improvement' rating.

This is the second year in a row that the company has not met its monitoring threshold. FWF requires Claudia Sträter to improve, thereby ensuring it reaches the required percentage for 2019. In order to ensure improvement, FWF recommends closer alignment between the CSR department and Purchasing and between the company and its agents, so that all assume joint responsibility.

Claudia Sträter works with 9 suppliers that use a variety of production locations. So far, the company has not been very explicit in ensuring that these main suppliers identify production locations before production starts. In 2018, some of these main suppliers were using more or different production locations than in previous years. This meant that production, in general, was more spread out.

In 2017, Claudia Sträter launched new product groups – lounge and sportswear – which required new production locations. In addition, one of their main suppliers in Hungary stopped producing clothing and therefore, the company needed to find alternatives. In 2018, a number of these alternatives proved incapable of producing the quality Claudia Sträter requires and therefore, the company had to change production locations.

This situation clearly shows that the company's sourcing practices in 2018 were not transparent and did not take CSR into account. This also meant that information regarding Claudia Sträter's FWF membership was not shared with all production locations. In 2019, this will be addressed internally.

Apart from ensuring production locations are monitored, FWF also requires Claudia Sträter to find out how its buying prices relate to wages in order to start discussions with production locations about raising wage levels.

## PERFORMANCE CATEGORY OVERVIEW

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

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

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

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

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

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	53%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

Comment: In 2018, 53% of Claudia Sträter's production volume came from production locations where it buys at least 10% of production capacity.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	36%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

Comment: In 2017, Claudia Sträter started with new product groups, lounge, and sportswear, which required new production locations. In addition, one of their main suppliers in Hungary stopped producing clothing and therefore the company needed to find alternatives. In 2018, a number of these alternatives proved incapable of producing the quality Claudia Sträter requires and therefore the company had to change production locations.

On top of this change in production locations, the company was confronted with some of its main suppliers using more production locations than in previous years, which means that production, in general, was more spread out.

All of this resulted in that in 2018, 36% of Claudia Sträter's production volume came from production locations where it buys less than 2% of its total FOB.

**Recommendation:** FWF recommends Claudia Sträter to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Claudia Sträter should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks Claudia Sträter is exposed to and will allow it to improve working conditions in a more efficient and effective way. Claudia Sträter is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	57%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** In 2018, 57% of Claudia Sträter's production volume came from production locations where a business relationship has existed for at least five years.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	No	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	0	2	0

**Comment:** Due to the shift in, and extension of, production locations, Claudia Sträter started production at 43 new production locations in 2018. As some of these production locations were only shared by the main supplier after production took place and the main supplier indicated production would not happen at these locations in the future, Claudia Sträter was not able to collect a signed questionnaire. In addition, while purchasing was in search of new production locations they did not require a signed questionnaire to be returned before production started.

In early 2019, the CSR team discussed the risks related to these practices with the purchasing department and together with the CEO they have agreed on an adjusted procedure where a signed questionnaire must be returned before any orders can take place.

**Requirement:** Claudia Sträter needs to ensure that new production locations sign and return the questionnaire before first orders are placed.

**Recommendation:** FWF recommends Claudia Sträter to ensure a process is in place, which includes the production department, ensuring questionnaires are signed and returned before bulk orders are placed.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

**Comment:** Part of Claudia Sträter's due diligence process is to only look for new suppliers within their current production countries because the company is aware of the major risks and how to address these with suppliers. In 2018, the company discussed the possibility of sourcing from Bangladesh, the CSR department provided insight into the country-specific risks and advised against this decision, outlining that with the low order quantity risk of subcontracting would be high.

Although the CSR department has a due diligence approach and is aware of country-specific and supply chain specific risks, the company has not integrated this in a proper procedure in its sourcing practices.

**Recommendation:** It is advised to describe the process of assessing working conditions at potential new suppliers in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0



**Comment:** Claudia Sträter is part of the FNG Group, which has developed its own audit template based on the FWF audit methodology, scoring production locations on compliance with the Code of Labour Practices in China, India, and Turkey. Possible scores are green, amber, red and black.

When a production location is marked black production will not start. If major violations are found while production is already taking place, the location is marked grey and all future orders will be paused. When a production location is marked another colour, the local FNG representative will monitor the production location to support with improvements. An overview of all production locations, including the scores, is kept in a central location.

For production in other countries (Bulgaria, Macedonia or Ukraine - 8% of total FOB), the company does not have a similar systematic approach.

**Recommendation:** FWF encourages Claudia Sträter to continue to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Such a system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** Claudia Sträter involves its suppliers in the production planning process and when booking production capacity, often two months before placing the order checks whether the supplier is able to handle the order. As late delivery of materials happens often and heavily influences the overall planning, CMT suppliers only have to commit to a production deadline once the materials have arrived at the production location. For RMG suppliers (where the company has little influence over ordering and delivery of materials) Claudia Sträter tries to keep to a predictable order schedule and provide forecasts, so suppliers can prepare for production in their own planning.

Purchasing shares material lead times and production lead times also with designers to make them aware that certain fabrics or items should be designed for late delivery to allow for enough time for the whole production process.

In its general production planning, the company ensures that its suppliers are able to spread out production over a number of months, and not just in peak season. To spread production, Claudia Sträter keeps three different delivery dates for each season.

When suppliers are not able to meet the delivery deadlines, Claudia Sträter showed flexibility. Options are the transport of a partial order (e.g. for Claudia Sträter's wholesale customers), prioritisation of specific pieces (e.g. collection defining items over basic items) and/or airfreight.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

**Comment:** Excessive overtime is a major issue, especially at Claudia Sträter's production locations in China. The local FNG representative, as well as the responsible purchaser, has discussed root causes of excessive overtime with production locations in China. The main finding is that at Claudia Sträter's production locations excessive overtime is mainly caused by the high number of migrant workers at these facilities, who try to work as much as possible to save money. The company has not found a way to mitigate this root cause. For findings related to excessive overtime in Turkey, the factory indicated this was due to tight delivery dates from other members, which could be verified by internal planning documents and the factory's timesheet.

**Recommendation:** Claudia Sträter could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, Claudia Sträter could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Insufficient	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	0	4	0

**Comment:** Although Claudia Sträter has a detailed price break down and knows minute prices of most products, and necessary minutes for some product, the company has not used this information to link its buying prices to wages.

Based on the audit information wages at production locations are well above the legal minimum wage.

**Recommendation:** FWF recommends Claudia Sträter to use the information at hand to make the link between its buying prices and wages explicit to get a better understanding of its own contribution to the wage level in its production locations.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

Comment: Audits do not show problems related to payment below legal minimum wage.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

**Comment:** Although at one of Claudia Sträter's production locations in Ukraine and one production location in China, workers earn (close to) a living wage, there are others where payment lower than a living wage remains an issue. In these production locations, the company has not assessed and responded to root causes for wages below a living wage.

**Requirement:** Claudia Sträter must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. Claudia Sträter is expected to take an active role in discussing living wages with its suppliers. The FWF wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	4	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	1%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	1	3	0

Comment: In one of its production locations in China, an FWF audit showed that 7 out of 40 workers earn a wage above Asia Floor Wage. In another production location in Ukraine, an external audit showed that workers earned above the living wage provided by wageindicator.org.

Requirement: Claudia Sträter is expected to set a target wage for its production locations.

## PURCHASING PRACTICES

Possible Points: 47

Earned Points: 17

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	59%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	16%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	N/A	Monitoring threshold below 80%.
Requirement(s) for next performance check	In the tail end of Claudia Sträter's supplier base, FWF requires Claudia Sträter to ensure it audits all production locations that: Produce more than 2% of the member's volume; Where the member has more than 10% leverage; Where a high risk policy applies; and Where a complaint is submitted.	
Total of own production under monitoring	75%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

Comment: Claudia Sträter has a team designated to follow up on problems identified by the monitoring system.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Yes	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	0	0	-1

Comment: In 2018, FWF started training Claudia Sträter's local staff to do audits at tail-end production locations in Turkey and China. This process will continue to improve the quality of Claudia Sträter's own audits and the training will also include India. Audits done in Turkey after the training have been counted towards the monitoring threshold.

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

Comment: Claudia Sträter shares its audit reports with the agents and directly with the production location, agreeing on a time frame for remediation.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

**Comment:** Claudia Sträter actively follows up after audits have been done and were able to show remediation of most findings, specifically related to missing policies or administration and health and safety issues. The remaining findings in the audits in Claudia Sträter's production locations are related to overtime and wages below a living wage. Regarding excessive overtime the company could show it has gone beyond basic remediation, as is explained in indicator 1.7.

**Recommendation:** FWF strongly recommends ensuring that the size of the supply chain and the available resources of Claudia Sträter to actively follow up on CAP issues are coinciding. Possible solutions could be to decrease the number of suppliers or increase the amount of resources needed for active follow up.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	78%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: In 2018, Claudia Sträter visited production locations responsible for 78% of its production volume.

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

Comment: In 2018, Claudia Sträter collected new external audit reports, assessed the quality using the FWF Audit Quality Assessment Tool, created a corrective action plan and showed active follow-up for 14 production locations, accounting for 16% of the total FOB.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	4	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** Claudia Sträter produces in several factories in Turkey. Since the publication of FWF guidance on risks related to Turkish garment factories employing Syrian refugees the company has discussed the topic with all their production locations and have incorporated it as part of their due diligence process. In 2018, the company drafted a policy outlining its approach to this topic. The policy has not been implemented yet. Besides the topic of Syrian refugees Claudia Sträter, as part of FNG Group, has identified additional risks to production in Turkey, namely subcontracting and child labour. These risks are documented in the Group's general risk analysis and the Group's local representative has been actively engaged with current and possible suppliers to address these risks.

Claudia Sträter has a policy outlining its approach to the prevention of abrasive blasting and informs and monitors its suppliers of denim.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

**Comment:** Claudia Sträter actively cooperates with other FWF member companies in resolving corrective actions at shared suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

Comment: In 2018, 19% of Claudia Sträter's total production volume came from production locations in low-risk countries. For 16% of total production volume (84% of production in low-risk countries), the company fulfilled the monitoring requirements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	1	2	0
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	0%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	0	3	0

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

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## MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 26

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	0	

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

Comment: Claudia Sträter's CSR department is designated to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Whenever Claudia Sträter staff visit production locations, they are asked to take pictures of the posted Code of Labour Practices. In addition, the company asks new production locations to share a picture of the posted CoLP.

Local CSR officers visit all production locations in India, Turkey, and China twice a year and are asked to take pictures every time they visit.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	11%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** Claudia Sträter has organised WEP trainings in 3 production locations, responsible for 11 % of production (excluding volume in low-risk countries) in previous years. There were no trainings in 2018.

**Recommendation:** FWF recommends Claudia Sträter to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline among a larger portion of its suppliers. Claudia Sträter should ensure good quality systematic training of workers and management on these topics. To this end, Claudia Sträter can either use FWF's Workplace Education Programme (WEP) basic module, or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

## COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 7

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: Claudia Sträter informs all staff about its FWF membership through its CSR newsletter. In addition, the CSR department organises presentations during sales meeting for retail personnel to ensure the message is shared with customers in the store. Over the past year, the number of questions from colleagues has increased, it is clear that the topic is more on people's radar.

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

Comment: In 2018, the Claudia Sträter CSR department started with a CSR update every other week, specifically for staff in direct contact with suppliers. This was on a voluntary basis, but has proved to be well attended and highly informative for both sides.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

**Comment:** Claudia Sträter uses several agents for their production. They are actively informed about FWF's Code of Labour Practice. Some of them are also actively involved in the implementation of the CoLP in production locations. In India, China and Turkey the company uses their local representative as much as possible to support with CoLP implementation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Recommendation:** FWF recommends Claudia Sträter to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end, Claudia Sträter can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 5

## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

**Comment:** In 2018, Claudia Sträter was confronted with a number of production locations that their main supplier only informed them about after production had taken place. For 5 production locations (responsible for less than 1% of total FOB) it was not possible to get information about the exact production location. The brand was able to identify this emission prior to the brand performance check and has started in 2019 to address this issue internally to prevent a similar situation in the future.

**Recommendation:** FWF recommends Claudia Sträter to take additional efforts to ensure that the brand is always informed beforehand about the placement of production at production locations. Furthermore, the brand could also agree with its main suppliers that only a pre-selected number of production locations can be used for production.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: Working conditions and production locations are discussed during the regular CSR update between CSR and Purchasing and are also discussed whenever a representative is visiting a production location.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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## 6. TRANSPARENCY

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

Comment: Claudia Sträter communicates about FWF membership on its website and in sales brochures. All communication is in line with FWF communications policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: Claudia Sträter publishes the performance check report on its website. In 2018, the company has started to also communicate about production countries on their website and link different articles to specific production countries in the webshop.

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

## TRANSPARENCY

Possible Points: 6

Earned Points: 5



## 7. EVALUATION

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

Comment: The CSR department has regular contact with the CEO and the CEO is involved in strategic decisions and FWF membership evaluation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	0%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	-2	4	-2

Comment: During last year's performance check, FWF required Claudia Sträter to monitor its tail-end production locations. However, during this year's performance check the company has not met its monitoring threshold and therefore also not met this requirement.

FWF also required Claudia Sträter to get insight into the link between prices and wages, which the company did not fulfill.

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## EVALUATION

Possible Points: 6

Earned Points: 0

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## RECOMMENDATIONS TO FWF

Claudia Sträter recommends Fair Wear Foundation to:

Make the audit reports a bit more positive, for example in the Chinese audit report where some people earn a living wage this was not made explicit;

Address the remaining issues related to the audit team in Turkey;

Continue to improve alignment with other initiatives that do factory audits to decrease audit fatigue with production locations;

Improve sharing of production locations among FWF member brands, to ensure members do not find out about share production locations while planning an audit or after an audit has taken place.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	17	47
Monitoring and Remediation	26	35
Complaints Handling	7	9
Training and Capacity Building	5	11
Information Management	4	7
Transparency	5	6
Evaluation	0	6
Totals:	64	121

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

53

### PERFORMANCE BENCHMARKING CATEGORY

Needs improvement

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

09-05-2019

Conducted by:

Anne van Lakerveld

Interviews with:

Frits Helmstrijd (CEO)

Marieke Weemaes (Sustainability)

Jana Heuer (Sustainability)

Nathaly Heijmans (Production Manager Full Business/ RMG)

Antoinette de Weerd