



Brand Performance Check

Modehuizen Claudia Strater B.V.

Publication date: July 2020

This report covers the evaluation period 01-01-2019 to 31-12-2019

About the Brand Performance Check

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

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

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

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

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

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

Brand Performance Check Overview

Modehuizen Claudia Strater B.V.

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Diemen , Netherlands
Member since:	2015-06-30
Product types:	Garments, clothing, fashion apparel, sports & active wear
Production in countries where Fair Wear is active:	Bulgaria, China, India, North Macedonia, Romania, Tunisia, Turkey
Production in other countries:	Belgium, Italy, Latvia, Netherlands, Portugal, Moldova, 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	83%
Benchmarking score	52
Category	Good

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

Summary:

Claudia Sträter has met most of Fair Wear's performance requirements. Its monitoring threshold of 83% is an improvement compared to last year. To achieve this monitoring percentage, Claudia Sträter used Fair Wear audits conducted at its production locations and continued to use its own as well as external audit reports to address labour conditions. The monitoring percentage, combined with a benchmark score of 52, means that Fair Wear has awarded Claudia Sträter the 'Good' rating.

Claudia Sträter works with 39 main suppliers. In 2019, some of these main suppliers were using different production locations than in previous years. This situation clearly shows that the company's sourcing practices can still be improved. In particular, information regarding Claudia Sträter's Fair Wear membership was not shared with all production locations. Although the sourcing strategy has been adjusted, the 2020 production year should reflect this change.

Apart from ensuring production locations are properly monitored and due diligence processes established, Fair Wear 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 towards a living wage.

Performance Category Overview

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

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

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

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

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

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.	50%	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 2019, 50% of Claudia Sträter's production volume came from production locations where it buys at least 10% of production capacity.

Recommendation: Fair Wear recommends Claudia Sträter to consolidate its supplier base where possible, and increase leverage at main production locations to effectively request improvements of working conditions. It 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
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	34%	Fair Wear 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 Fair Wear.	0	4	0

Comment: Shortening the tail-end of Claudia Sträter's supply chain remains an ongoing focus for the member brand. In 2019, it managed to further reduce the number of production locations where it buys less than 2% of its total FOB. Although it has been decreasing its tail-end in the past years, the company's business model needs many styles which makes it difficult to stick solely with the existing suppliers for every collection. Moreover, some of its main suppliers used more production locations than anticipated beforehand. Claudia Sträter uses (small-sized) test orders to see if the supplier can handle logistics and remain the quality as agreed upon. This also leads to a higher number of small-sized orders.

Recommendation: Fair Wear recommends Claudia Strater to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Claudia Strater 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 the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It 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.	58%	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 2019, 58% of Claudia Sträter's production volume came from production locations where a business relationship has existed for at least five years. In addition, some of its larger new suppliers were already onboarded by other brands of FNG Netherlands. Before looking for new business partners, they inquire at FNG Netherlands if there's already an existing partner for a specific style.

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: In 2019, the sustainability team discussed the risks related to not signing the questionnaire with the purchasing department and the former CEO. They agreed on an adjusted procedure to ensure that signed questionnaires are returned before production. Nevertheless, Claudia Sträter did not manage to receive all questionnaires before production.

In some cases, the member brand found out that production took place in production locations which were not agreed upon. In case this happens, the sustainability team follows up to do due diligence as good as possible in hindsight.

Requirement: Modehuizen Claudia Strater needs to ensure that new production locations sign and return the questionnaire before first 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: Claudia Sträter's due diligence process aims to use existing suppliers as much as possible. If this is not possible, it aims to use production locations that have been used by other brands of FNG Netherlands. When having to source from new suppliers, the member brand aims to stay within their current production countries because the company is aware of the major risks and how to address these with suppliers.

In 2019, there was one exception to this process. They started sourcing from Moldova as their former supplier could no longer be used due to geopolitical reasons. The main supplier found another production location which was assessed by Claudia Sträter beforehand.

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, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

Comment: Claudia Sträter is part of FNG Netherlands, which has developed its own audit template based on the Fair Wear audit methodology. The outcomes of the audits is used to score production locations on compliance with the Fair Wear Code of Labour Practices in China, India, and Turkey. Possible scores are green, amber, red and black.

When a production location in these countries is marked black it is blacklisted and production cannot take place. 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 suppliers with improvements, but the need for follow-up action is different based on the outcome. An overview of all production locations, including the scores, is kept in a central location.

Phasing out suppliers has been part of the consolidation process. Overall willingness to cooperate on CSR topics, including compliance with the Code of Labour Practice has been taken into consideration. The CSR department meets with purchasers to discuss CSR performance of suppliers and input from CSR influences production decisions.

Evaluation does not only happen on production location level but also on business partner level. Claudia Sträter is phasing out one intermediary because of minimal cooperation on the Fair Wear Code of Labour Practice compliance.

For production in other countries (Bulgaria, Macedonia, Moldova or Ukraine, the company does not have a similar systematic approach.

Recommendation: Fair Wear encourages Claudia Sträter to further develop its evaluation/grading system for suppliers. 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 has two seasons per year which are split into multiple production planning cycles. This approach lessens the peak at suppliers at specific times. Suppliers are informed about the production planning and asked to indicate any problems they foresee. During this process, Claudia Sträter highlights to their suppliers that they will not allow any overtime, but in reality, the member brand has limited insight in capacity and peak times at production locations. 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.

During production, purchasing managers are in weekly contact with each of its main production locations to monitor production allowing suppliers to indicate any possible problems or delays. 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) 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 remains a major issue at Claudia Sträter's production locations, and especially in China. The local FNG representative, as well as the responsible purchaser, researched 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 workers themselves 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 but is looking into Fair Wear's overtime guidance to help the conversation with suppliers further.

For findings related to excessive overtime in Turkey, the member brand discussed the issue with factory management which indicated this was due to tight delivery dates to other brands, which could be verified by internal planning documents and the factory's timesheet. However, the issue could not be properly solved as the other brand seemed unwilling to cooperate on this matter.

In 2019, Claudia Sträter improved processes for one of its styles which often caused delays and overtime at suppliers. The effects of these changes need to be evaluated in 2020.

Recommendation: Claudia Sträter could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. Fair Wear 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: In 2019, Claudia Sträter made an attempt to start working with the labour minute costing methodology in order to learn more about the link between its buying prices and wage levels in production locations. In 2018 and 2019, the CSR team, buyers, local FNG representatives and Claudia Sträter's suppliers were educated on this topic. However, the company changes collection frequently and hence switches regularly between their production locations. It is therefore difficult to come to good insights. Suppliers, on the other hand, were not helpful to provide the information needed for this exercise.

As a result, the situation has not changed much compared to the year before. Claudia Sträter could not demonstrate the link between its buying prices and wage levels in production locations. Its purchasers do know labour minutes for different products but do not have insight in related labour costs or the link between the prices, minutes and prevailing wages.

Requirement: Claudia Sträter needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

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, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

Comment: In 2019, audits did not show problems related to payment below the legal minimum wage.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	Yes	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.	-1	0	-1

Comment: In 2019, three audit reports indicated that payments by the brand were made late. Claudia Sträter and FNG Netherlands now have a better system in place which would allow the member brand to better control timely payments.

Requirement: Claudia Sträter should pay its suppliers on time and have a system to ensure on-time payments are made to suppliers. Late payments to suppliers have a negative impact on factories 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.

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: In 2019, Claudia Sträter started working on living wages from a different angle as open costing did not provide the results needed. Conversation with production locations are taking place but it has not led to a clear root cause analysis.

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 Fair Wear 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.	Intermediate	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.	2	6	0

Comment: Claudia Sträter is working with seven suppliers to discuss a target wage and the possibility to contribute to higher wages at one of the main production locations. A survey has been shared with suppliers to take stock of the needs of workers. This should result in a target wage for the seven factories. The member brand is still in the process to finalise the surveys before discussing the next steps.

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.	0%	Fair Wear 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.	0	6	0

Comment: In 2019, Claudia Sträter was not paying its share of a target wage.

Requirement: Claudia Strater is expected to begin setting a target wage for its production locations.

Purchasing Practices

Possible Points: 52

Earned Points: 18

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	5%	
% of production volume where approved external audits took place.	19%	
% of production volume where Fair Wear audits took place.	48%	
% of production volume where an audit took place.	72%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	11%	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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	83%	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 Fair Wear 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	0	0	-1

Comment: In 2018, Fair Wear 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. In 2019, the training was also planned for India but did not take place due to changes in the management of FNG Netherlands. Audits carried out in Turkey and China 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: Fair Wear 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	Fair Wear 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 uses a spreadsheet format for CAP follow-up which is provided by Fair Wear. This allows them to also monitor external and own audits and monitor their progress. This file is shared via an online platform, to allow for easy access by suppliers and provide feedback. Claudia Sträter also follows up via email. Audit findings are shared with purchasing departments and staff is involved in CAP follow-up too.

Looking at Claudia Sträter's progress towards resolution of existing Corrective Action Plans there is a split between Eastern European and Tunisian production locations and production locations in Turkey, China and India, especially when there is no direct relationship with the production location.

The first are smaller production locations, where Claudia Sträter has leverage and a good working relationship. Audits done at these production locations show limited findings and CAP follow-up is mostly done via email or when Claudia Sträter's CSR or buying staff is traveling to the production location. On the other hand, the brand sources from a number of production locations in Turkey, China and India, where audits have many more findings and CAP follow-up is more complicated even though in these countries the brand has local representatives visiting production locations regularly to follow-up.

Claudia Sträter was able to show how the CSR team and the local liaisons worked together to remediate identified problems actively. The CAP follow-up from 3rd party audits follows a slightly different process per CSR liaison. Some prefer to make a CAP themselves whereas others ask the factory to make a CAP and then follow up on the content.

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.	76%	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 2019, Claudia Sträter visited production locations responsible for 76% 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 2019, Claudia Sträter collected new external audit reports, assessed the quality using the Fair Wear Audit Quality Assessment Tool, created a corrective action plan and showed active follow-up on external audits.

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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	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	Advanced			6	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

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

The member brand produces in several factories in Turkey. Since the publication of Fair Wear's guidance on risks related to Turkish garment factories employing Syrian refugees, the member brand has discussed the topic with all their production locations and incorporated it as part of their due diligence process. The Turkish CSR liaison provided guidance for Turkish suppliers on working permits and (sub-)contracts in the Arabic language in order to make the contracts and the rights of workers better understandable for this group of migrant workers.

Besides the topic of Syrian refugees Claudia Sträter, as part of FNG Netherlands, has identified additional risks to production in Turkey, namely subcontracting and child labour. These risks are documented in the Group's due diligence risk analysis and the local representative has been actively engaged with current and possible suppliers to address these risks.

In the other main sourcing countries, Claudia Sträter takes along the main issues in their due diligence risk analysis, such as excessive overtime and gender based violence. If the member brand has a local CSR liaison, they will actively follow up on these issues. In Eastern Europe, Ukraine and Tunisia, there are no additional steps built in the process to address and remediate specific high risks.

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 Fair Wear 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.	81%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
Member undertakes additional activities to monitor suppliers.	No			0	1	0

Comment: In 2019, 13% of Claudia Sträter's total production volume came from production locations in low-risk countries. For 10% of total production volume (81% 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).	Yes	Fair Wear 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 Fair Wear and recent Audit Reports.	2	2	0

Comment: Claudia Sträter has audited more than 80% of its FOB volume and has conducted full audits at 53% of its tail-end production locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	1	2	0

Comment: Claudia Sträter has five external brands it resells. It has sent the questionnaire and additional information about production countries. None of the questionnaires was signed and returned to Claudia Sträter.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	0%	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	0	3	0

Comment: The external brands Claudia Sträter resells are not part of another credible CSR initiative.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear 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

Monitoring and Remediation

Possible Points: 34

Earned Points: 29

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	4	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.	2	
Number of worker complaints resolved since last check.	2	

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

Comment: Whenever Claudia Sträter staff visit production locations, they are asked to take pictures of the posted Fair Wear Code of Labour Practices. In addition, the company asks new production locations to share a picture of the posted Fair Wear 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.	0%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: Claudia Sträter did not organise any WEP training in its production locations.

Requirement: Fair Wear requires members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline. Claudia Strater should ensure good quality systematic training of workers and management on these topics. To this end, members can either use Fair Wear's Workplace Education Programme (WEP) basic module or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear's guidance on training quality standards 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.	Yes	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.	3	6	-2

Comment: Claudia Sträter has followed up on all four complaints and managed to resolve half of the complaints. Three complaints were linked to the same production location which is phased out by the company as the quality requirements for the product aren't met.

Recommendation: It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: In addressing the complaints the sustainability team of Claudia Sträter followed up with other Fair Wear members. In all cases, Claudia Sträter took the lead.

Complaints Handling

Possible Points: 17

Earned Points: 5

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 Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: Claudia Sträter's sustainability department publishes an internal sustainability newsletter. This newsletter also includes information regarding its Fair Wear membership. Additionally, the retail sales teams are informed on CSR as part of each collection presentation. The marketing department has also taken the responsibility to educate staff as the member brand started to communicate more about sustainability in the past years.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: The sustainability team had taken on the idea for a CSR training for the buyers and production department and other staff that is frequently in contact with suppliers. However, due to an internal restructuring of the company, this has not yet happened. However, all new staff is trained individually at the moment.

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	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, Fair Wear audit findings.	1	2	0

Comment: Claudia Sträter uses several agents for their production. They are actively informed about Fair Wear's Code of Labour Practice. Some of them are also actively involved in the implementation of the Fair Wear CoLP in production locations. In India, China and Turkey the company uses its local representative as much as possible to support the Fair Wear 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. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: Claudia Sträter has not organised any transformative training at supplier level.

Recommendation: Fair Wear recommends Claudia Strater 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 and structural change to improve working conditions. To this end, Claudia Strater can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist 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: 4

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: Claudia Sträter has a policy on unauthorised subcontracting. In Turkey, China and India, the company has local representatives visit production locations regularly when production is taken place. This enables the company to identify any unauthorised subcontracting in these countries. In 2019, local staff discovered new production locations that were used without their consent. They were taken into the system after discovery and a due diligence check was done in retrospect.

Recommendation: Fair Wear recommends Claudia Sträter to take additional efforts to ensure that the brand is always informed beforehand about the placement of production at production locations.

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 at production locations are discussed during the regular CSR update between the sustainability team and the purchasing department. They are also discussed whenever a representative of the company is visiting a production location.

Information Management

Possible Points: 7

Earned Points: 4

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	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: Claudia Sträter communicates about its Fair Wear membership on its website and in sales brochures. All communication is in line with Fair Wear's 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 Fair Wear'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 2019, the company also communicated about production countries on their website.

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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: Claudia Sträter's social report is submitted to Fair Wear and published on its website.

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 Fair Wear 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 Fair Wear membership evaluation. The results of the brand performance check are discussed with the CEO on an annual basis.

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.	37.5%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: In last year's performance check, Claudia Strater received four requirements:

- Monitoring threshold: Claudia Sträter managed to increase its monitoring threshold to 83% in 2019 and has fulfilled the requirement of last year's performance check.
- 1.3: The member brand has not fulfilled the requirement of collecting all questionnaires from production locations before the supplier started production. The requirement remains for next year.
- 1.11: Although the member brand engaged with some suppliers to work on costing sheets to learn about the link between their costs and the wage in production locations, this was not finished as the member brand did not manage to get the required information on the table. It has chosen to work on surveys for its factories to determine a target wage. However, the member brand has not been able to work on the root causes to identify the root causes of wages below a living wage due to the lack of information. The survey amongst workers in seven production locations might deliver some insights in the future. The requirement remains for next year.
- 1.14: The member brand was not able to ensure the payment of a living wage to workers in 2019. The requirement remains for next year.

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

- Claudia Strater encourages Fair Wear to continue with the current trainings for brands and suppliers. It's a great way to learn from Fair Wear and to come in contact with your peers.
- Now that Italy has become a high-risk country will you cater for Fair Wear audits in the country?
- Claudia Strater would recommend an update of the country studies for Italy and Tunesia.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	18	52
Monitoring and Remediation	29	34
Complaints Handling	5	17
Training and Capacity Building	4	11
Information Management	4	7
Transparency	5	6
Evaluation	4	6
Totals:	69	133

Benchmarking Score (earned points divided by possible points)

52

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

09-07-2020

Conducted by:

Jesse Bloemendaal

Interviews with:

Marieke Weemaes - Sustainability manager

Jana Heuer - Sustainability officer

Kemal Ortayli - Sustainability liaison Turkey

Pooja Singh - Sustainability liaison India

Steven Tso - Sustainability liaison China