



Brand Performance Check

Closed GmbH

Publication date: May 2023

This report covers the evaluation period 01-11-2021 to 31-10-2022

About the Brand Performance Check

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

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

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

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

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

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

This year's report covers the response of our members and the impact on their supply chain due to the COVID-19 pandemic which started in 2020. The COVID-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.

Brand Performance Check Overview

Closed GmbH

Evaluation Period: 01-11-2021 to 31-10-2022

Member company information	
Headquarters:	Hamburg , Germany
Member since:	2021-02-24
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	China, Romania, Türkiye
Production in other countries:	Italy, Portugal
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	60
Category	Good

Summary:

Closed GmbH has met most of Fair Wears' performance requirements. With a benchmarking score of 60, Closed is placed in the Good category. Although the monitoring threshold does not determine the category this year, Closed has monitored 75% of its production volume.

Corona Addendum:

Closed joined Fair Wear at the beginning of 2021, which was halfway through its financial year. This performance check focuses on the period from the start of the membership until the end of its financial year 2021/2022, 31 October 2022.

This period was difficult for the company because of the changing political and economic situation due to the war in Ukraine, the rising energy prices and high inflation. In addition, part of the production came from China, where lockdowns affected factories.

In its first year and a half of membership, Closed focused on putting its day-to-day practices on paper to ensure better understanding and more transparency within the organisation and with its production locations. It started collecting information related to Human Rights risks for its production locations and developed an evaluation system.

During the onboarding of suppliers, Closed realised some of its Turkish suppliers were reluctant to work with Fair Wear because of problems in the past. The company had online and on-site meetings with the production locations to better understand their position and explain the purpose of Closed's Fair Wear membership. In the end, the company was able to ensure the Fair Wear questionnaire was signed and the Worker Information Sheet was posted. These discussions diverted from discussions related to the Code elements, which will be taken on in the coming years.

Closed is committed to producing in Europe. This meant that it started exiting production locations in China in the last financial year. Due to the pandemic and lockdowns in China, Closed staff could not travel to the production locations. This, combined with the changing political and economic situation in the world, caused the company to decide production in China was too risky. It has informed the production locations and has set up a disengagement process, which means production will stop in 2025.

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.	92%	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.	4	4	0

Comment: Closed works with approximately 30 direct suppliers with whom they have stable and long-term relationships. Most of its products are made in Italy, where the production process is divided over multiple production locations, each with its own special skills. Whether this skill is needed for specific products depends on the product's design. For more than 92% of the total FOB volume, Closed is responsible for over 10% of production.

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.	13%	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.	2	4	0

Comment: In the past financial year, 13% of Closed production was from production locations where the company buys less than 2% of its FOB. This was mainly accessories production.

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.	99%	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.	4	4	0

Comment: Closed greatly values long-term relationships, which resulted in 99% of its production coming from production locations where a business relationship has existed for more than five years. Although the company prefers to continue with its existing suppliers, it does not have formal commitments to work with production locations in the future.

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.	Yes	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.	2	2	0

Comment: Closed became a member during the last financial year and informed all production locations about the Fair Wear membership. All production locations signed and returned the questionnaire. Two Turkish suppliers were critical of Fair Wear and, at first, did not want to sign the Fair Wear questionnaire. Closed visited these suppliers in the past financial year to explain their intentions and understand the suppliers' situation. In the end, also these suppliers signed the Fair Wear questionnaire.

Before joining Fair Wear, all production locations signed the Closed Code of Conduct, which also includes a commitment to the eight labour standards of the Fair Wear Code of Labour Practices.

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.	Advanced	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.	4	4	0

Comment: Closed has done a risk assessment per production location based on country information provided by different sources, such as Fair Wear country studies and international benchmarks such as UN Development Index and the Corruption Perception Index. Information from audits as well as information from other departments on product quality, delivery times and prices, is also included in the risk assessment.

Closed is committed to producing in Europe. This meant that it started exiting production locations in China in the last financial year. Due to the pandemic and lockdowns in China, Closed staff could not travel to the production locations. This, in combination with the changing political and economic situation in the world (war in Ukraine, high inflation, high transportation costs), the company decided production in China was too risky at this point.

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: Closed uses its risk assessment, as described under 1.4, as input for its supplier evaluation. The results do not yet impact sourcing decisions.

As mentioned in indicator 1.4, Closed is moving out of its Chinese production locations. Chinese suppliers have been informed about this choice, and phasing out will happen gradually. Closed does not have an exit strategy on paper and did not explicitly discuss the impact of their exit on the workers. The company feels, by moving out slowly, it will allow the production locations to find new customers, so the impact on workers would be minimal.

Recommendation: Fair Wear encourages Closed 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: Closed has four seasons a year. Once the collection is set, the head of production will reach out to all production locations indicating which products they want to produce and when delivery should occur. Production locations are then asked for input on material and trim ordering, when final orders need to be in and when the deadline is to adjust technical details. Based on this information, combined with initial insight into possible order sizes, planning gets adjusted, and these updates are shared with the production locations. In the following weeks, production locations are updated with sales orders until the agreed date for the final order arrives. Then production starts, which is also closely monitored by Closed production and design staff, to be able to signal any problems early on. Closed does not include information on production location capacity in its planning process, but expect factories to tell the company when production is not possible.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

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: One audit in Turkey indicated excessive overtime, but when Closed discussed this with the production location, it explicitly mentioned it was not because of Closed's production. Other production locations have also mentioned that Closed production planning works well for them. Closed has not discussed the topic of excessive overtime with other production locations.

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

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: For its main supplier, it does receive a detailed cost breakdown of the different production steps. It receives a breakdown of material and accessories costs and 'other' from other suppliers, and from some suppliers, it receives a total price. Closed has not linked the prices it pays for its product to wage levels in the production locations.

Requirement: Closed 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.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
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.	Yes	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.	0	0	-2

Comment: None of the audits indicated problems related to the payment of legal minimum wage. In the past financial year, Closed checked whether its Chinese suppliers were affected by lockdowns and whether they were continuing payments of legal minimum wages during this period. The company received a positive reply but did not collect evidence to verify this was the case.

Recommendation: In case of a crisis such as COVID-19, Closed is encouraged to find solutions in collaboration with their suppliers to ensure they can continue payment of minimum wages to their workers. The member can, for instance, choose to pre-pay invoices for material or allow partial shipment of completed orders and pay immediately for this order portion.

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

Comment: There is no evidence of late payments to suppliers by Closed.

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: Closed did not discuss the topic of wages with its production locations.

Requirement: Closed 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. Closed 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.	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	6	0

Comment: Closed has not yet addressed the topic of wages, with its production locations or internally.

Recommendation: Closed is recommended to analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

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.	8%	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.	2	6	0

Comment: One audit in Romania indicated that the salary grid and bonuses reach and exceed the level of living wage as estimated by local stakeholders. This production location accounts for 8% of Closed's total FOB (excluding low-risk countries).

1. Purchasing Practices

Possible Points: 52

Earned Points: 26

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	36%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	39%	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.	First or second year member and tail-end monitoring requirements do not apply	1st or 2nd year member and tail-end monitoring requirements do not apply.
Requirement(s) for next performance check		
Total monitoring threshold:	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 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: Closed has a specific staff person managing all work related to Fair Wear membership.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	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.	N/A	0	-1

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: Closed had several audits conducted in the last financial year. All reports were shared with the production locations and the agents in a timely manner. Closed did not specifically suggest worker representatives be involved in the follow-up.

Recommendation: Before an audit takes place, Closed is recommended to check with the supplier whether worker representatives are active. This way, they can be involved from the start of an audit and invited to the audit opening and exit meeting. Including workers when following up on audit reports allows them to be informed of issues in the factory and have a voice in prioritising issues.

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.	Basic	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.	4	8	-2

Comment: Closed had several audits in the last financial year, six in Italy, two in Romania and one in Türkiye. Most findings were around health and safety, which Closed discussed with the production locations, and most were resolved. The company has not addressed the root causes of any of the findings, and for some CAPs, the communication stopped halfway through the remediation process.

Recommendation: Fair Wear encourages Closed to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices.

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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2021. However, Closed did visit all its Turkish, Portuguese and Italian production locations, including subcontractors.

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: For one production location, Closed has worked with an external audit and addressed the corrective actions needed.

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.	2	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	Insufficient			-2	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: A large part of the Closed collection consists of denim products. For each of the items, Closed will determine the washing process. As the company is determined to produce sustainable denim, it will ensure it will not use any treatment that damages people or the environment. In addition, all denim comes from Italy, where sandblasting is prohibited. Because of this, the company has not explicitly mentioned it does not allow sandblasting, but it is ensured through its practices.

17% of Closed FOB is produced in Türkiye. Although Closed did discuss the topic of Syrian refugees, it has not developed a policy or supplier guidance regarding this topic. It did make sure to visit all production locations and subcontractors in the last financial year, but not all have been audited yet. In its first year of membership, Closed focused a lot on explaining its membership to its Turkish production locations, as they were reluctant to work with Fair Wear. At the end of the year, the company managed to get all production locations on board.

12% of Closed FOB is produced in China. Although Closed is aware of the general risks in the country regarding the political situation, it has not included that as part of the risk assessment. The company has decided to stop production in China because of the European focus of its sourcing strategy.

Requirement: Closed's monitoring system should identify and address high-risk issues that are specific to the member's sourcing practices. Fair Wear provides policies and country-specific requirements to member companies. These policies guide priorities in remediation efforts.

Recommendation: Fair Wear recommends that Closed audit CMT subcontractors in Türkiye.

Fair Wear advises Closed to create a policy to identify and remediate forced labour in its supply chain, especially while still producing in China.

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: Closed actively cooperates with other Fair Wear members in addressing corrective actions at shared suppliers in Italy, Romania and Türkiye. The company indicated that they see the possibility to cooperate as one of the main advantages of their Fair Wear membership.

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.	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. 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

Member undertakes additional activities to monitor suppliers.: No (o)

Comment: Closed produces 12% of its FOB in Portugal. It has visited all production locations, including subcontractors, and has collected all necessary information. In the past financial year, Closed did not undertake additional monitoring activities.

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	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.	N/A	2	0

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: Closed sells a few items from external brands through its online shop. The focus is on products by smaller brands, preferably made in Europe. All external brands have been informed about Closed Fair Wear membership, but have not been asked for any information.

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: None of the external brands are member of a credible 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

2. Monitoring and Remediation

Possible Points: 31

Earned Points: 18

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 Fair Wear 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: Closed has a specific staff person managing all work related to Fair Wear membership.

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 Fair Wear 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: Closed has informed factory management about the Fair Wear CoLP and checked that all production locations had posted the Worker Information Sheet.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable in 2021.

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 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.	N/A	2	0

3. Complaints Handling

Possible Points: 3

Earned Points: 3

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: Closed staff is regularly updated about news such as audits or training.

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: On a monthly basis, meetings take place with the sustainability/CSR team to discuss relevant topics and news. This is an internal task force with employees from different departments (design, production, communications) covering all social responsibility and sustainability topics. Involving several departments increases the awareness internally.

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, Fair Wear audit findings.	2	2	0

Comment: Closed works with agents in Portugal and Türkiye, with an intermediary in China and main suppliers and subcontractors in Italy. All people Closed works with have been informed about its Fair Wear membership and the requirements. All intermediaries have been involved in collecting all necessary information from all production locations.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable in 2021.

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

4. Training and Capacity Building

Possible Points: 5

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: Closed has worked with all its production locations for a long time, and staff visits regularly. Because of the products and production countries, several subcontractors are used for production. Each main supplier will update the company where production occurs once the final order is received. The main suppliers all work with a pool of subcontractors that are all known to Closed.

During the performance check, it turned out that some production locations were not in the Fair Wear database. This was adjusted.

Requirement: After the end of each financial year, Closed must confirm its list of production locations and provide relevant financial data. A complete list means ALL production locations are included of all production processes the member uses in the stages after fabric 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: The CSR taskforce gets together monthly to discuss all topics related to its Fair Wear membership.

5. 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: Closed communicates about its Fair Wear membership on the website, in its social and sustainability report and through its social media channels.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	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.	2	2	0

Comment: Closed shares the main production locations on its 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: Closed has submitted its social report to Fair Wear, and published it on the website.

6. Transparency

Possible Points: 6

Earned Points: 6

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 taskforce regularly reports to the CEO. The publication of its first performance check will feed into the evaluation process.

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.	No requirements were included in previous Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

Comment: This is Closed's first brand performance check.

7. Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

As the last financial year was Closed's first year of membership, it recommends Fair Wear to be more explicit in the expectations of new members and provide more guidance on what steps a new member needs to take.

Scoring Overview

Category	Earned	Possible
Totals:	64	106

Benchmarking Score (earned points divided by possible points)
60

Performance Benchmarking Category
Good

Brand Performance Check details

Date of Brand Performance Check:

25-04-2023

Conducted by:

Anne van Lakerveld

Interviews with:

Gordon Giers - CEO

Nina Schlüter - Head of Production

Gökhan Tas - Production Manager

Sabrina Ehlert - CSR

Katja Rudolf – Accounting

Jenny Samel - Branding / Project Manager

Laura Reinke – Branding/ Content Management