



# **Brand Performance Check**

## **LOWA Sportschuhe GmbH**

**Publication date: October 2024**

This report covers the evaluation period 01-01-2023 to 31-12-2023

## About the Brand Performance Check

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

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

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

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

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

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

# Scoring overview

Total score: 114

Possible score: 188

Benchmarking Score: 61

Performance Benchmarking Category: Good



## Summary:

LOWA Sportschuhe GmbH (LOWA) has (shown progress and) met most of Fair Wear's performance requirements. With a total benchmarking score of 61, the member is placed in the Good category.

2023 was LOWA's first year of Fair Wear membership. During this time, the company introduced Fair Wear to all production locations. Part of the reason for joining Fair Wear was the decision to diversify its product portfolio and start sourcing from Vietnam. In 2023, LOWA started production there and, at the same time, cooperated with other Fair Wear members on audit follow-up.

LOWA does not have a formal sourcing strategy. Its sourcing is highly influenced by its general strategy and is currently largely dependent on established and grown structures. As part of the 2019-2025 general strategy, focused on maintaining its European supply chain, LOWA decided to buy out its long-standing production partner. The development site in Italy is now known as LOWA R&D and production in Slovakia as LOWA Production, consisting of four different production locations. In 2023, 60% of its FOB came from its own operations, which allows for active influencing of labour conditions.

LOWA has done a double materiality analysis, including all topics of the Fair Wear Code of Labour Practices for its entire production process, including the different risk levels of the OECD guidelines. LOWA has not yet done a systematic in-depth analysis of the human rights risks in its production countries.

LOWA has insight into the labour component of its prices for all its products. LOWA also knows the number of actual sewing minutes needed for a style.

Fair Wear recommends LOWA to ensure it takes a more systematic approach to human rights due diligence, to ensure it creates an overview of its main risks, the necessary actions and progress. As part of the regular processes, Fair Wear recommends LOWA to more actively involve suppliers, worker representatives and other stakeholders.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because of this transition, Fair Wear temporarily lowered the scoring threshold.

## Performance Category Overview

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

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

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

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

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

# Company Profile LOWA Sportschuhe GmbH

## Member company information

Member since: 1 Jan 2023

Product types: Footwear

Percentage of turnover of external brands resold 0%

Member of other MSI's/Organisations Retraced, EOG and UN Global Compact, BSI, cads, EOG, EOCA, HDSL

Number of complaints received last financial year 0

## Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? No

Membership fee has been paid? Yes

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

Production Country	Number of production locations	Percentage of production volume
Slovakia	4	54.2%
Bosnia and Herzegovina	6	27.89%
Germany	1	5.01%
Italy	4	4.93%
Viet Nam	2	3.47%
Croatia	1	3.41%
Slovenia	1	0.57%
Albania	1	0.51%

# Layer 1 Foundational system's criteria

---

**Possible Points: 8**

**Earned Points: 8**

---

1.1 Member company has a publicly shared Human Rights Due Diligence policy that has been adopted by top management.: [Yes](#)

1.2 All member company staff are made aware of Fair Wear's membership requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: [Yes](#)

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: [Yes](#)

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: [Yes](#)

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: [Yes](#)

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: [Yes](#)

**Comment:** [LOWA discloses 100% of production locations internally through Fair Wear's information management system.](#)



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

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

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

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

**Possible Points: 90**

**Earned Points: 64**

### Indicators on Sourcing strategy

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.	Intermediate	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	4	6	0

**Comment:** LOWA does not have a formal sourcing strategy. Its sourcing is highly influenced by its general strategy and is currently largely dependent on established and grown structures. As part of the 2019-2025 general strategy, focused on maintaining its European supply chain, LOWA decided to buy out its long-standing production partner. The development site in Italy is now known as LOWA R&D and production in Slovakia as LOWA Production, consisting of four different production locations. In 2023, 60% of its FOB came from own operations, which allows for active influencing of labour conditions.

Its sourcing strategy is not explicitly aimed at collaborating with other buyers.

**Recommendation:** LOWA could include in its sourcing strategy a plan to increase influence on suppliers by cooperating with other buyers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Advanced	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	6	6	0

**Comment:** As 60% of LOWA's FOB comes from own production, it has committed to ensuring continued production in these production locations. For other production locations, production planning starts two years in advance, and minimum order quantities are included in the agreements. In 2023, 90% of LOWA's FOB came from production locations where the company has sourced for over five years.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy.	Intermediate	Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners.	HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations.	4	6	-2

**Comment:** LOWA has done a double materiality analysis, including all topics of the Fair Wear Code of Labour Practices for its entire production process and the different risk levels of the OECD guidelines. However, LOWA has not yet done a systematic, in-depth analysis of the human rights risks in its production countries and has not yet included input from workers, suppliers, and stakeholders.

**Recommendation:** Fair Wear recommends LOWA to ensure it develops a more systematic approach to its risk scoping, specifically related to risks of production countries and creates an overview that helps the company to incorporate information into its sourcing strategy.

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

**Comment:** LOWA joined Fair Wear at the beginning of 2023. At the start of its membership, it informed all production locations about it. Most production locations have been visited since, and during these visits, LOWA representatives explained Fair Wear membership to the production locations. Since then, the Fair Wear Code of Labour Practices has been added as an annexe to the LOWA Code of Conduct, which all new production locations have to sign.

**Recommendation:** Fair Wear recommends that LOWA use its dialogue with the supplier to find out more about how to cooperate in implementing Fair Wear requirements.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.	Intermediate	Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders.	Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers.	4	6	0

**Comment:** LOWA collects human rights information of potential new suppliers by collecting self-assessments and existing audit reports. This information helps to determine whether to start sourcing from a specific production location. For example, in Vietnam, this information was used to chose one of several potential production locations. The company does not collect information from workers or stakeholders to inform the sourcing decision.

**Recommendation:** Fair Wear encourages the member to collect worker and stakeholder input before placing the first order.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the grievance mechanism, and social dialogue mechanisms within the first year of starting business.	Intermediate	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	4	6	0

**Comment:** LOWA has shared information about Fair Wear's CoLP and the grievance mechanism within its first year of membership through a presentation. The Worker Information Sheet has been posted in all production locations.

**Recommendation:** Fair Wear recommends LOWA to organise an introductory training for management on social dialogue.

## Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously assess human rights risks in its production locations.	Intermediate	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	4	6	0

**Comment:** LOWA has determined the risk level for each production location, based on location specific information from audit reports, visits or raised internal grievances. Based on this risk level, the company determined the necessary monitoring tool, ranging from external audit, to internal audit or quarterly updates from the production locations to LOWA. This planning is adjusted based on changes in situation and also on budget and resources available. The tools that LOWA uses for its risk assessment do not explicitly include worker, stakeholder and/or supplier input.

**Recommendation:** LOWA could complement its risk assessment process with worker, supplier, and stakeholder input.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.8 Member company's human rights due diligence process includes an assessment of freedom of association (FoA).	Basic	Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention.	Use of supplier questionnaire to inform decision-making, collected country information, and analyses.	2	6	0



**Comment:** LOWA has used general sources, such as Fair Wear country profiles and CSR Risk checker profiles to inform itself about Freedom of Association in its production countries. It has not translated this into specific supplier actions.

**Recommendation:** LOWA is recommended to use Tool 2: Supplier Questionnaire from Fair Wear’s FoA Guide to assess and understand the risk regarding violation of FoA at its suppliers.

LOWA should include risks specific to women workers in its risk assessment regarding FoA at its suppliers.

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

**Comment:** LOWA actively collects gender data per factory through its company profile sheet. Data that it collects are number of men and women working in the factory, and a breakdown per department. It includes a question about women workers in supervisor and management position, although this has not been filled out by all production locations. The company profile also asks information about wages and gender division. The member has yet to analyse the collected gender-disaggregated data at the factory and country levels.

**Recommendation:** Fair Wear recommends the member to improve the scoping of gender-related risks at the supply chain level and start analysing the gender data collected at country and factory levels and connect them. Fair Wear's gender instruments can be helpful.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.10 Member company considers a production location's human rights performance in its purchasing decisions.	Intermediate	Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making.	Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy.	2	4	0

**Comment:** Suppliers' human rights performance is evaluated, and LOWA showed that it also influences purchasing decisions. However, the evaluation approach is not yet systematic, so the company is currently developing a supplier scorecard to create consistency and also be able to share results with production locations.

**Recommendation:** Fair Wear recommends LOWA to share and discuss the outcome of the supplier evaluation with all its suppliers and their worker representatives.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting.	Advanced	Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks.	Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators.	4	4	0

**Comment:** The member takes measures to prevent unauthorised subcontracting or unknown locations, such as visits to the production locations during the production process. In its Vietnamese production locations, the member has hired someone to be onsite and do quality control. In addition, it explicitly asks for input on subcontracting in the onboarding process and in its Code of Conduct. LOWA has not had any unknown subcontractors in the last financial year.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Advanced	Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions.	Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers.	4	4	0

**Comment:** According to the member there is a very low risk of homeworkers being used by its suppliers because of the information they collect from its production location, the continuous monitoring onsite and the fact that shoe production requires specific machinery, which is difficult to outsource to homeworkers.

## Indicators on Responsible purchasing practices

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.	Intermediate	Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain.	Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals.	2	4	0

**Comment:** LOWA has agreements with its production locations in the form of a Code of Conduct, with different Annexes that stipulate terms of payment and provide insight into the long-term development of specific models and production outlook. The Code of Conduct explicitly mentions that LOWA considers its implementation a joint cooperative responsibility.

The Code of Conduct includes a clause about sanctions following violations of the Code of Conduct, including adjustment of payment deadlines or termination of the relationship. It links to the whistle-blower policy for when LOWA is not upholding its part of the agreement.

**Recommendation:** LOWA is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in its decision-making processes.	Intermediate	Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company.	Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information.	4	6	0

**Comment:** There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member is in the process of including responsible business practices in job role competencies and ensuring sourcing and purchasing staff work with KPIs supporting good sourcing and pricing strategies.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.15 Member company's purchasing practices support reasonable working hours.	Intermediate	Members' purchasing practices can significantly impact the levels of excessive overtime at factories.	Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes.	4	6	0

**Comment:** LOWA shares forecasts of production two years in advance and adjusts the numbers regularly based on sales estimates. Technicians calculate labour minutes that also contribute to capacity planning for stitching lines. For European production, minutes are calculated and also adapted to be reasonable by technicians in alignment with stitching lines. Overtime is never planned; however, if it happens according to defects or delays in material shipment, production and delivery planning is always adapted from LOWA's side.

**Recommendation:** The member is encouraged to evaluate with the supplier the production process after each season and, where needed, adapt its future planning.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages - and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts, cost sheets including labour minutes.	4	6	0

**Comment:** LOWA has insight into the labour component of its prices for all its products. LOWA also knows the number of actual sewing minutes needed for a style. For most products, the member has done a plausibility check to link prices to wages to ensure it contributes to at least legal minimum wage, but it is not yet able to explicitly link its prices to wage levels in production locations.

**Recommendation:** LOWA is recommended to investigate wage levels in production countries and at its suppliers. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding HRDD and Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.	Advanced	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	4	4	0

**Comment:** LOWA does not make use of sourcing intermediaries.

## Layer 3 Prevention, mitigation and remediation

**Possible Points: 80**

**Earned Points: 38**

### Indicators on the quality and coherence of a members' prevention and remediation system

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.1 Member company integrates outcomes of human rights risk identification (layer 2) into risk prioritisation and creates subsequent action plans.	Intermediate	Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes.	Overview of supplier base with accompanying risk profile and follow-up programmes.	4	6	0

**Comment:** LOWA has done factory level risk assessments for production locations in all countries, based on general country information and factory-specific audit findings. Based on these risk assessments the company has drafted some basic follow-up actions, therefore half of the FOB percentage is counted towards this indicator.

**Recommendation:** Fair Wear recommends LOWA to ensure more factories have an action plan that matches their risk profile.



Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's action plans include a gender lens.	Basic	The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender.	Proof of incorporation of the gender lens in follow up programmes, including stakeholder input.	2	6	0

**Comment:** For some Corrective Action Plans, LOWA included a gender lens. Especially related to findings on discrimination and wages. The member was not able to show a systematic and comprehensive approach.

**Recommendation:** Fair Wear recommends LOWA to make the gender lens in its action plans more comprehensive.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's action plans include steps to encourage freedom of association and effective social dialogue.	Basic	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	2	6	0

**Comment:** LOWA included some steps to encourage Freedom of Association and effective social dialogue in its action plans. These steps are focused on extending worker's understanding of FoA and the role of worker representatives. In one production location, LOWA has also organised a training to specifically address FoA. The member has yet to make these steps more comprehensive and detailed.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports a factory-level grievance mechanism.	Advanced	Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers.	Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue.	6	6	0

**Comment:** Suppliers' factory-level grievance mechanisms are assessed at the start of the business relationship and are monitored systematically every year by asking factories to update the factory profile. For LOWA's own production locations, it turned out the factory-level grievance mechanism was not effective because workers indicated nothing happened with the grievances that were raised. In the last financial year, LOWA worked on improving the mechanism, by adjusting the follow-up process and ensuring all grievances are handled by a representative committee and results are communicated.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Intermediate	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	4	6	0

**Comment:** LOWA cooperates with other customers, Fair Wear and non Fair Wear members, at its shared suppliers, responding to CAPs and complaints. LOWA has yet to start cooperation on taking preventive measures.

**Recommendation:** We recommend LOWA to also work together on preventing human rights violations.

### Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of verified actions.	45%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	4	6	-2

**Comment:** During the performance check LOWA could demonstrate it has followed up on 45% of actions out of all outstanding actions. These actions are linked to CAPs of full assessments conducted in the previous financial year. Most resolved actions pertain to health and safety issues, while actions on wages are still outstanding.

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

**Comment:** LOWA has identified some root causes of the CAP issues and discussed these with its suppliers. The member has started to develop some preventive steps addressing these root causes. Examples of the discussed root causes are related to discrimination and the member developed preventive steps like asking factory management to update policies and organise training for workers.

**Recommendation:** Fair Wear recommends LOWA to translate its root cause analysis into concrete preventive actions as part of the risk profiles.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.8 Member company validates risk profile and maintains regular dialogue with factories where no action plan is needed.	No factories in the respective risk profile	When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses.	Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo.	N/A	6	0

**Comment:** LOWA has no suppliers where action plans are not needed.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Intermediate	Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays.	This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc.	4	6	0

**Comment:** One audit report from the previous year mentioned excessive overtime. LOWA has discussed this topic with its production location and adjusted its forecasting to prevent excessive overtime. According to the factory, because of the changing economic situation, the number of orders has decreased, and this issue has solved itself. This will be validated in 2024.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.	Advanced	Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved.	4	4	-2

**Comment:** In the previous year, one audit included findings regarding non-payment of legally required wage elements. According to the factory, this was an oversight and it has adjusted its administrative system to prevent such oversight from reoccurring. LOWA has verified the evidence presented by the factory. Improvements have not yet been validated.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.	Basic	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	2	6	0

**Comment:** LOWA has a basic overview of the wage levels at its suppliers. LOWA discusses the topic of wages with all its suppliers.

**Recommendation:** Fair Wear encourages LOWA to discuss with suppliers about different strategies to work towards higher wages and develop a systemic and time-bound approach. It is advised to start with its own production locations and suppliers where the member is responsible for a large percentage of production and has a long-term business relationship.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Insufficient	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	0	6	0

**Comment:** LOWA does not have a strategy on how to finance wage increases at its suppliers.

**Requirement:** If LOWA buys exclusively at a production location or owns a production location, the member company has full influence over the wages and should be able to cost for a living wage.

**Recommendation:** Fair Wear recommends LOWA to enrol in the Living Wage programme on Fair Wear's learning platform.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	0%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	0	6	0

**Comment:** LOWA has insight into the labour component of its prices for all its products and most production locations pay above the legal minimum wage. Whenever the wage is increased, LOWA adjusts its prices. However, Lowa does not yet contribute to a living wage in its production locations.

**Requirement:** LOWA is expected to begin setting a target wage for its production locations.



Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear's Access to Remedy Policy.	No complaints received	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	N/A	4	-2

**Comment:** LOWA received no complaints through the Fair Wear helpline in the past financial year.

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

**Comment:** LOWA has some CAP findings where training is a recommended follow-up action. Following a finding related to Freedom of Association, LOWA organised training in one of its Bosnian production locations. For its Vietnamese production location, auditors suggested training on worker's rights. This training will happen in 2024.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Member company did not implement any training	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	N/A	6	0

**Comment:** LOWA has not received training reports yet and awaits those to decide on appropriate follow-up (NA).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights due diligence system includes a responsible exit strategy.	Intermediate	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	2	4	0

**Comment:** LOWA's Code of Conduct includes information about when the company would exit a production location. In addition, in its forecasting process, LOWA informs production locations about expected orders. However, as its overall human rights due diligence process is still in development, the company does not have an explicit responsible exit strategy.

**Requirement:** LOWA must have a human rights due diligence system that includes a responsible exit strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Member company's activities do not go beyond the indicators or scope.	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	N/A	6	0

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

**Possible Points: 18**

**Earned Points: 12**

### Indicators related to communication

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership.	Advanced	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	4	4	0

**Comment:** LOWA communicates accurately about Fair Wear membership on its website and other online channels.

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

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

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Human rights due diligence reporting is submitted to Fair Wear and is published on the member company's website.	Advanced	The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan.	Social report.	4	4	0

**Comment:** LOWA has submitted its social report, which Fair Wear approved. LOWA has also published the report on its website.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.4 Member company engages in advanced reporting activities.	Intermediate	Good reporting by members helps ensure the transparency of Fair Wear's work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report.	Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge.	2	4	0

**Comment:** LOWA does reports on some factory-level data and remediation results in its sustainability report. LOWA discloses its full factory list but does not report on time-bound prevention, remediation and mitigation actions.

**Recommendation:** Fair Wear recommends LOWA to publish concrete remediation action for its suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.5 Member company has a system to track implementation and validate results.	Basic	Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made.	Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback.	2	6	0

**Comment:** In the past financial year, LOWA regularly shared information on progress regarding human rights due diligence with top management but not in a systematic way. Since then, LOWA has been working on improving its HRDD processes and CSR strategy, including clear goals and a reporting framework. This will be put into practice in 2024.

**Recommendation:** The member is advised to include feedback from workers and suppliers in its evaluation system.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	No requirements were included in the previous Brand Performance Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

**Comment:** This is LOWA's first performance check.



## 5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: [Not applicable](#)

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: [Not applicable](#)

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: [Not applicable](#)

## Recommendations to Fair Wear

LOWA recommends Fair Wear to look at some improvements to its member hub. For example, better CAP integration of external audits, enable notes and sources to be kept for risk assessments for non Fair Wear countries and enable uploads of documents bigger than 6 MB.

## Brand Performance Check details

Date of Brand Performance Check: **27-08-2024**

Conducted by: **Anne van Lakerveld**

Interviews with: **Alex Nicolai (CEO)**

**Klaus Flock (CFO LOWA Group)**

**Veronika Becker (Corporate Responsibility Manager)**

**Jakob Krauss (Head of Product Management)**

**Francesco Pinarello (LOWA PRODUCTION s.r.o.)**

**Christian Ludy (Technical Manager at LOWA Germany)**

**Katarina Sniderova (HR Director LOWA Production)**

**Veronika Leikam (LOWA Marketing)**

**Wolfgang Riedmair (Accounting LOWA)**