



Brand Performance Check

Closed GmbH

Publication date: July 2024

This report covers the evaluation period 01-11-2022 to 31-10-2023

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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

Scoring overview

Total score: 82

Possible score: 198

Benchmarking Score: 41

Performance Benchmarking Category: Good



Summary:

Closed has met most of Fair Wears' performance requirements. With a total benchmarking score of 41, the member is placed in the Good category.

Closed joined Fair Wear in 2021, therefore it was its second brand performance check. In the past financial year the member has focused on developing policies and procedures to support its human rights due diligence (HRDD). Closed has a sourcing strategy addressing influencing labour conditions, consolidation of the supply chain and that focuses on maintaining long-term relationships. The company has developed an onboarding process, to ensure all suppliers are informed about Fair Wear membership requirements. Closed has a monitoring strategy, starting with its main supplier in Italy, and slowly expanding to other suppliers in other countries. Where possible Closed uses Fair Wear onsite assessments.

Although Closed has shown improvements compared to last year, some processes need to be expanded on, such as linking prices to wages and ensuring written agreements support implementation of the Code of Labour Practices. Also, the company has drafted basic follow-up plans for its production location. Fair Wear recommends these to be made more specific and include attention to identifying root causes of issues.

The member brand has scored insufficient on a repeated non-compliance indicator (3.7). These need to be resolved in the next performance check, else Closed will be automatically placed in Needs Improvement.

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 this is a transition year, Fair Wear lowered the scoring threshold for this year only.

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 Closed GmbH

Member company information

Member since: 1 Jan 2021

Product types: Garments, clothing, fashion apparel

Percentage of CMT production versus support processes 94%

Percentage of FOB purchased through own or joint venture production 0%

Percentage of FOB purchased directly 56%

Percentage of FOB purchased through agents or intermediaries 100%

Percentage of turnover of external brands resold 0%

Are vertically integrated suppliers part of the supply chain? No

FLA Member No

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? Yes

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
Italy	23	48.53%
Türkiye	18	20.17%
Portugal	15	13.41%
Romania	4	12.24%
China	9	4.28%
Lithuania	5	0.84%
Bulgaria	1	0.51%
Morocco	1	0.01%
India	1	0.01%
Viet Nam	1	0%

Layer 1 Foundational system's criteria

Possible Points: 8

Earned Points: 8

1.1 Member company has a Responsible Business Conduct policy adopted by top management.: Yes

1.2 All member company staff are made aware of Fair Wear's membership requirements.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.:
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

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

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: 40

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: Closed has a sourcing strategy addressing influencing labour conditions and consolidation of the supply chain, it does not specifically address the possibility to influence labour conditions by cooperating with other buyers. The member has 80 active production locations. 72% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 92% of the production volume comes from suppliers where Closed buys less than 2% of its total FOB.

Recommendation: Closed 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.	Basic	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.	2	6	0

Comment: Closed has a sourcing strategy that focuses on maintaining long-term relationships.

94% of the member's total FOB volume comes from suppliers with whom Closed has a business relationship for at least five years. Although commitment to long-term partnership is part of the company's sourcing strategy, the member does not commit to long-term agreements yet.

Recommendation: Fair Wear recommends Closed to commit to long-term agreements.

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.	Basic	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.	2	6	-2

Comment: Closed conducts risk scoping and includes all risk factors. For country and sector risks it uses standard indices and benchmarks, as well as Fair Wear information. It has addressed its business model risk as part of its sourcing strategy. In the sourcing strategy it also outlines that it includes sourcing model and product level risk.

In its risk scoping, the member has not assessed the impact and prevalence of all risks correctly. Closed did not include Freedom of Association in China as a potential high risk, while different sources indicate this.

Recommendation: The member is urged to assess the risk of forced labour and limited freedom of association and social dialogue in its supply chain.

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: It is the standard process for Closed to inform new suppliers about Fair Wear membership by sending information, asking them to sign the Code of Conduct and post the Worker Information Sheet. In addition, Fair Wear membership requirements are discussed when visiting production locations. This process has been followed for all suppliers added last year.

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.	Basic	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.	2	6	0

Comment: One new supplier with five production locations was added in the last financial year. All production locations have signed and returned the Fair Wear questionnaire. Closed collects human rights information of potential new suppliers by collecting existing audit reports. The company does not use this information to guide sourcing decisions, but to start working on improvements. In the past financial year, Closed has started to draft a standard form to collect more human rights information of potential suppliers, following the Fair Wear Code of Labour Practices.

Recommendation: Fair Wear recommends Closed to ensure human rights information collected influence its sourcing decisions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.	Basic	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.	2	6	0

Comment: Closed has shared information about Fair Wear's CoLP and the complaints helpline within the first year of doing business. The Worker Information Sheet has been posted.

Closed has not yet organised onboarding sessions for its new suppliers to raise awareness about the Fair Wear CoLP, the complaints helpline, or the importance of social dialogue.

Recommendation: Closed is recommended to organise onboarding sessions specifically focusing on the CoLP and the complaints mechanism within the first year of doing business.

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 monitor human rights risks in its supply chain.	Basic	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.	2	6	0

Comment: Closed has a systematic approach to identifying human rights risks in its supply chain and has started assessing the risks for each production location. Closed joined Fair Wear two years ago. At that time it decided to use Fair Wear audits in countries where Fair Wear has a local team, at the moment only three out of 19 production locations have been audited by a Fair Wear team.

As 48% of Closed production comes from Italy, the company has looked for an alternative organisation to conduct audits. This organisation audited production locations responsible for 42% of FOB, using the Fair Wear audit manual.

Currently, factories responsible for 66% of total FOB have been audited. When audits have not yet taken place, the company uses general country information to monitor risks. Although Closed has identified monitoring tools for different countries, it has not yet applied its monitoring approach in a systematic way,

Recommendation: Fair Wear recommends Closed to approach monitoring systematically, identifying the appropriate monitoring tool and frequency depending on the outcome of the risk scoping and risk assessment.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA).	Insufficient	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.	0	6	0

Comment: Closed has not yet mapped the risks to FoA for its sourcing countries. Closed is not familiar with Tool 1 of the FoA Guide (or other tools to collect country-specific information) and is not aware of what the general risks to FoA are.

Requirement: Closed must map the risks to FoA for the countries it sources from and understand if FoA is respected by its suppliers. The member should familiarise itself with Tool 1 of the FoA Guide (or other tools to collect country-specific information).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.	Insufficient	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.	0	6	0

Comment: Closed has not included gender in its risk scoping.

Requirement: Closed must include gender in its risk scoping and assessment.

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.	Advanced	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.	4	4	0

Comment: Suppliers' human rights performance is evaluated systematically every year. Information from the general country risk assessment and factory audits as well as information from other departments on product quality, delivery times and prices are used to evaluate suppliers. The evaluation does not include compliance with more specific labour standards. The supplier evaluation process is part of the company's sourcing strategy. The outcome of the supplier evaluation determines sourcing decisions. For example, with one supplier the shifting of production to different production locations was deemed too risky and therefore it has been decided to reduce production.

Recommendation: Fair Wear encourages Closed to develop an evaluation system for suppliers where compliance with more specific 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.

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.	Intermediate	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.	2	4	0

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.

Closed uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database. To date, the member has not yet taken active preventive measures.

Recommendation: Fair Wear recommends the member to take additional efforts to ensure that the brand is always informed beforehand about placing orders at production locations. Furthermore, Closed could also agree with its main suppliers that only a pre-selected number of production locations can be used for production.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
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 products it makes. It has discussed the topic with its suppliers and ensures to also visit subcontractors to ensure there are not homeworkers there either.

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.	Insufficient	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.	0	4	0

Comment: Closed does not use contracts with its suppliers. However, it shares a quality assurance agreement as part of the documents to be signed by the supplier. This stipulates liability and penalties. During the performance check the member indicated it will always look for a case by case solution depending on the situation. Payment terms are agreed upon per supplier and not in a standard sales contract and range between 60 to 75 days.

Requirement: Closed should evaluate its contracts to ensure that it does not place an unequal burden on its suppliers or include terms that limit the possibility of implementing the Code of Conduct.

Recommendation: Fair Wear strongly recommends Closed to include the shared responsibility of CoLP implementation in its contracts. Fair Wear strongly recommends Closed to reduce payment terms to 60 days upon goods being loaded on the vessel and include agreements on the provision of materials in the contract.

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 their 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 has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with KPIs supporting good sourcing and pricing strategies.

Recommendation: Closed could adopt KPIs that support good sourcing and pricing strategies within its sourcing, purchasing and design departments.

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: 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: Fair Wear encourages the member to improve the accuracy of its forecasting further.

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.	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, cost sheets including labour minutes.	0	6	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 its pricing allows for the payment of the legal minimum wage.

Recommendation: Closed could use information from suppliers about what they need in terms of orders to pay at least minimum wage or current wage as input for a plausibility check.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding 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: Closed works with different kinds of intermediaries, such as agents in Portugal and Türkiye, with an intermediary in China and main suppliers and subcontractors in Italy. All intermediaries 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.

Recommendation: The member is recommended to check if the intermediary's purchasing practices are fair and if the intermediary has adequate systems to ensure payments are made on time.

Layer 3 Prevention, mitigation and remediation

Possible Points: 86

Earned Points: 28

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 prioritisation and follow-up programmes according to the risk profile.	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: Closed has done factory level risk assessments for production locations in all countries, except Portugal, 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 the member to further improve its follow-up plans.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's improvement and prevention programmes include a gender lens.	Insufficient	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.	0	6	0

Comment: Closed has not yet included a gender lens in the follow-up actions.

Requirement: Closed must start including a gender lens in the implementation of improvement or prevention actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's improvement and prevention programmes 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: Closed included some steps to encourage FoA and effective social dialogue in its improvement or prevention actions. These steps are to share Fair Wear guidance on FoA with production locations and the company set up a statement for factories to sign, outlining that they uphold FoA.

Recommendation: Fair Wear recommends Closed to be more comprehensive and include more steps to promote FoA and effective social dialogue in its improvement and prevention actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports operational-level internal grievance mechanism.	Insufficient	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.	0	6	0

Comment: Closed does not assess its suppliers' internal grievance mechanisms at the start of a business relationship.

Requirement: Closed needs to assess the existence and functioning of internal grievance mechanisms systematically; it also needs to support and monitor its functioning.

Recommendation: Fair Wear recommends Closed to always involve suppliers and worker representatives in the assessment of the internal grievance mechanism, and to share and discuss the outcome of the assessment with the above stakeholders, who should be encouraged to lead a discussion on how the mechanisms can be improved.

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.	Basic	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.	2	6	0

Comment: Closed cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. Closed has not yet cooperated with customers that are not Fair Wear members.

Recommendation: Even though Closed already works together with other Fair Wear members, Fair Wear recommends to also collaborate with other customers.

Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of progress towards implementation of improvement programme per relevant factory.	37%	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: In the past financial year, Closed has received six audit reports, two from Fair Wear and four from an external auditing organisation. During the performance check, the member could demonstrate with a sample that up to two thirds of the CAP issues requiring improvement actions have been followed up. For one factory improvements happened mainly related to health and safety issues, while for two other factories Closed could show improvements in wage payments.

Recommendation: Fair Wear strongly recommends ensuring that the size of the supply chain and the available resources of Closed to actively follow up on CAP issues are coinciding. Possible solutions could be to decrease the number of suppliers or increase the resources needed to be able to work on improvement actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Insufficient 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: Closed has not yet identified root causes of the CAP findings (other than excessive overtime assessed under indicator 3.9 or living wage assessed under indicator 3.11).

Requirement: Please note that following Fair Wear’s policy for repeated non-compliance, members that receive an insufficient score on this indicator for the second year will be placed in the ‘needs improvement’ category.

Closed should identify root causes of CAP issues and discuss these with its suppliers. The member needs to start developing preventive actions to address these root causes.

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 improvement or prevention programme is needed.	Basic	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.	2	6	0

Comment: Closed produces 13% of its FOB in Portugal. It has visited all production locations in 2022, including subcontractors, and has collected all necessary information. Based on this information, it had been concluded that these factories do not need a specific action plan. In the past financial year, Closed did not undertake additional monitoring activities.

Recommendation: Closed is recommended to create a systematic plan which details at which interval the member will discuss possible human rights risks at its suppliers and which human rights risks should be discussed.

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: In the previous year, only two audit reports of the total six audits mention excessive overtime. Closed has discussed the root causes of the excessive overtime with the production locations. The locations explicitly mentioned it was not because of Closed's production. Closed used the discussion to do a more detailed planning for Closed. Based on the discussions Closed is also looking into being flexible with delivery dates, prioritising orders and offering support/flexibility for material delivery. One location was able to reduce excessive overtime. Closed will be monitoring this factory. Closed has not discussed the risk of excessive overtime with other production locations, nor has taken preventive actions regarding excessive overtime.

Recommendation: Closed could use the outcomes of the root cause analysis to further identify strategies that minimise the impact of its sourcing practices on working hours. Fair Wear advises Closed to discuss with its supplier which solutions included in the Fair Working Hours Guide are applicable.

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, two audits included findings regarding non-payment of overtime premiums, which is a legally required wage element. Closed has actively followed up on this finding, by requesting pay roll information to verify the finding was remediated.

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.	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.	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.	0	6	0

Comment: Closed has yet to create an overview of the wage levels at its suppliers and the gap towards the estimated living wage. Closed discusses the topic of wages with a few of its main suppliers, but production locations are reluctant to share wage information.

Recommendation: Fair Wear recommends Closed to enrol in the Living Wage programme on Fair Wear's learning platform. Fair Wear recommends Closed to create an overview of wage levels in the factories and identifying root causes for wages lower than a living wage.

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

Requirement: Closed should 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
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	42%	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.	4	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. For its main production location in Italy, wages are above the sector CBA. These locations account for 42% of Closed's total FOB.

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 Complaints Procedure.	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: Closed received no complaints in the past financial year.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training appropriate to the improvement or prevention programme.	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: Closed had one audit where training was a recommended follow-up action. The factory took on this recommendation and organised a training with an external trainer. Closed has been informed about the training, but was not involved.

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: Closed has not received training reports yet and awaits those to decide on appropriate follow-up, therefore this indicator is not applicable.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights risk monitoring 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: Closed's sourcing strategy includes reference to an exit strategy. At the moment this consists of five bullet points and is not in line with Fair Wear's recommendations regarding responsible exit strategy. Closed indicated it will develop its exist strategy further.

Recommendation: Fair Wear recommends Closed to improve its exit strategy, following Fair Wear's recommendations regarding 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

Comment: Closed does not undertake activities related to human rights that go beyond Fair Wear's scope.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 22

Earned Points: 14

Indicators related to communication

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership and its human rights due diligence efforts.	Intermediate	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.	2	4	0

Comment: Closed communicates accurately about Fair Wear membership on its website. The member does not use other channels to inform customers and stakeholders about Fair Wear membership.

Recommendation: Closed could develop materials about Fair Wear membership to share with external retailers and (web)shops. The Fair Wear third-party resellers flyer can support in explaining Fair Wear, Fair Wear’s work and the communication rules for third parties.

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: Closed does not sell external brands.

Indicators related to brand and supply chain transparency

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Social report 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: Closed has submitted its social report, which Fair Wear approved. Closed 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: Closed published its social report, which includes some factory-level data and remediation results, on its website. In addition, the company introduces all its main suppliers on the website.

Recommendation: Fair Wear recommends Closed to publish time-bound plans 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.	Intermediate	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.	4	6	0

Comment: Closed has developed a similar template used for audits to track its internal progress on implementing HRDD. It has been developed after the first brand performance check and is mainly used by the CSR manager to keep track. Specific items are discussed with relevant colleagues and progress on all points is shared with the CEO regularly.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	Intermediate	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.	2	4	-2

Comment: The previous performance check included requirements related to linking prices and wages, addressing living wages, improving its risks scoping and ensuring transparency of production locations. In the past financial year, Closed addressed the first two requirements to a certain extent, looking for possibilities to gain more insight into prices and wages. The latter two were addressed completely.

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

No recommendations

Brand Performance Check details

Date of Brand Performance Check: **13-05-2024**

Conducted by: **Anne van Lakerveld**

Interviews with: **Gordon Giers - CEO**

Nina Schlüter - Head of Production

Sabrina Ehlert - CSR

Jenny Samel - Branding / Project Manager