

# **Brand Performance Check**Hubert Schmitz GmbH (S-Gard)

This report covers the evaluation period 01-01-2022 to 31-12-2022

# **About the Brand Performance Check**

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

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

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

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

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

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



# **Scoring overview**

Total score: 80

Possible score: 192

Benchmarking Score: 42

Performance Benchmarking Category: Good



#### **Summary:**

Hubert Schmitz GmbH (S-Gard) has met most of Fair Wears' performance requirements. With a total benchmarking score of 42, the member is placed in the Good category.

S-Gard has been affected by the global crises e.g. Ukraine, inflation, material delays in the past year. The biggest challenge has been the delivery issues for many materials which required a great flexibility in production planning and much effort to ensure all suppliers could production running.

The member brand's sourcing strategy explicitly focuses on increasing influence through consolidation, which the small supply chain of nine production locations proves. At five suppliers in Tunisia and one supplier in Poland the brand has 100% leverage. The brand has not onboarded any new suppliers in the last five year.

S-Gard conducts risk scoping and includes country risks, including all eight labour standards. The member did not do a risk scoping for Poland and Germany. the member brand has an ad hoc approach to identifying human rights risks in its supply chain. S-Gard's factory level risk assessment only focuses on Tunisia, suppliers in Türkiye and Poland are missing.

Even though, S-Gard has assessed risks per supplier, the member brand has drafted a follow-up plan prioritising living wages for its two main suppliers in Tunisia. S-Gard has not yet included steps to encourage FoA and effective social dialogue, nor implemented a gender lense in its improvement or prevention actions.

S-Gard has developed a plan to increase wages through an update of the pay scale table which guarantees annual wage increase (instead of the current bi-annual) based on job tenure to reward long-term employment. The member brand uses the living wage estimate of 850 TND set by the Tunisian General Labour Union. Increased product prices will finance the wage increase.

The member brand should focus on the biggest challenges of living wages in 2023 and ensuring due diligence in Poland and Türkiye.

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 Hubert Schmitz GmbH (S-Gard)**

## **Member company information**

Member since: 1 Jan 2016 Product types: Workwear

Percentage of CMT production versus support processes 97%

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

Percentage of FOB purchased directly 100%

Percentage of FOB purchased through agents or intermediaries 69%

Percentage of turnover of external brands resold o%

Are vertically integrated suppliers part of the supply chain? No

FLA Member No

Number of complaints received last financial year o

#### **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
Tunisia	7	82
Poland	1	9
Türkiye	1	6
Germany	1	3

# **Layer 1 Foundational system's criteria**

Possible Points: 8
Earned Points: 7

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

**Comment:** S-Gard has a Responsible Business Conduct Policy, but some elements, including risk scoping, responsible purchasing practises, gender, and freedom of association, need improvement. There should be a clear link to the Code of Conduct. The policy should be aligned with OECD requirements.

- 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.:
- 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.:
- 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:** S-Gard discloses 90% 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.: No

**Comment:** S-Gard does not disclose yet any production locations externally on Fair Wear's transparency portal.

**Requirement:** Fair Wear requires S-Gard to disclose its production locations 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: 84
Earned Points: 30

#### **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.	Basic	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.	2	6	0

Comment: S-Gard has a sourcing strategy addressing influencing labour conditions, but the strategy is not in a writing format. The member has nine active production locations. Two of these suppliers are co-owned by S-GARD, one of which functions as well as a hub for all the other Tunisian suppliers. Fabrics are distributed from there, and factory management is in close contact with the other suppliers. This report will refer to this supplier as the main supplier in Tunisia. 100% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. S-Gard has no supplier where it buys less than 2% of its total FOB. S-Gard's sourcing strategy explicitly focuses on increasing influence through consolidation, which the small supply chain proves. The sourcing strategy does not explicitly include active cooperation with other clients.

**Recommendation:** Fair Wear recommends S-Gard to create a written sourcing strategy. The member brand could include a plan to increase influence on suppliers by cooperating with other buyers in its sourcing strategy.

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:** S-Gard has a sourcing strategy that focuses on maintaining long-term relationships. 94% of the member's total FOB volume comes from suppliers with whom S-Gard has a business relationship for at least five years. The member does not commit to long-term contracts yet.

**Recommendation:** Fair Wear recommends S-Gard to commit to long-term contracts, including a commitment to orders for several 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.	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: S-Gard conducts risk scoping on sourcing country level and has included all eight labour standards. The member did not do a risk scoping for Poland and Germany. The member brand has not included sector, business model, sourcing model and product level in its risk scoping. In its risk scoping, S-Gard has assessed the impact and prevalence of the risks for Tunisia and Türkiye correctly by focusing on risks Fair wear indicated as most likely. The risk scoping does not include a gender lens, and the risks of sexual harassment and genderbased violence are not assessed. S-Gard has yet to include input from workers, suppliers and stakeholders. The member has not adjusted its sourcing strategy based on the results of its risk scoping, as it has been sourcing in the same production countries for many years.

**Requirement:** S-Gard must include all sourcing countries in its risk scoping.

**Recommendation:** Fair Wear recommends S-Gard to include all risk factors in its risk scoping.

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.	Intermediate	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.	2	4	0

Comment: It is the standard process for S-Gard to inform new suppliers about Fair Wear membership by sending the supplier questionnaire, Code of Labour Practise and the worker information sheet. The member brand ensures that any new supplier is transparent regarding social compliance, including health and safety, payment of wages, no excessive overtime, and environmental standards. Generally, S-GARD endeavours to visit production locations before placing orders. During this visit, S-GARD discusses factory working conditions, safety standards, Fair Wear requirements, and existing audit reports, if applicable. The company also uses the Fair Wear Health and Safety Checklist to assess the health and safety situation in the factory. This process was partly followed for the supplier added last year. This one supplier from Tunisia moved its production to a new location.

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.	2nd+ year member and no new production locations selected.	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.	N/A	6	O

**Comment:** In 2022, S-Gard did not select a new production location, the due diligence for the move of production site in Tunisia took place in 2021 and was assessed in the last Brand Performance Check.

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:** In the previous financial year, S-Gard did not add any new suppliers, but one supplier changed location and the company name. S-Gard has previously shared information about Fair Wear's CoLP and the complaints helpline. When the factory changed location, the Worker Information Sheet was posted at the new production site. S-Gard has not yet organised onboarding sessions for this to raise awareness about the Fair Wear CoLP, the complaints helpline, or the importance of social dialogue.

**Requirement:** S-Gard must ensure that factory management is aware of the Fair Wear CoLP and the complaints helpline within the first year of starting 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: S-Gard has an ad hoc approach to identifying human rights risks in its supply chain. The brand has a three-year rhythm to audit its Tunisian suppliers, where S-Gard mostly has 100% leverage (accounting for 82% of the brand's total production volume). S-Gard uses Fair Wear audits in its monitoring. The brand assessed risks on the factory level but did not include all eight labour standards. S-Gard only included living wages, freedom of association and overtime in its assessment. While the member monitors production locations in Tunisia, it has not monitored suppliers in Türkiye, where Fair Wear has an enhanced due diligence policy. S-GARD shared the guidance on risks related to Turkish Garment Factories employing Syrian Refugees with its intermediary in Germany. However, the factory has not sufficiently cooperated with S-GARD to conduct the necessary due diligence surrounding Syrian refugees. Even though the formal information sharing was done according to the Fair Wear policy, the missing collaboration between the brand and supplier entails a high risk. In 2022, S-GARD doubled its FOB from 2,9% to 6% at the Turkish supplier. The brand has neither monitored it suppliers nor assessed risks on factory level in Türkiye and Poland.

**Requirement:** S-Gard must include the requirements of the enhanced due diligence policy for Türkiye in its due diligence process.

**Recommendation:** Fair Wear strongly recommends S-Gard to monitor its suppliers in Türkiye and Poland and assess factory-level risks for all eight labour standards. Fair Wear recommends S-Gard 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).	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:** S-Gard has mapped the risks to FoA in its main sourcing country, Tunisia, accounting for 82% of the brand's FOB volume and can explain the main risks per country. The risks identified are undemocratic worker representation, restrictions by management and non functioning social dialogue. S-Gard uses this information to understand the risks at its suppliers and inform itself how to engage with its suppliers on this topic. In Tunisia, the member knows which suppliers have trade unions and CBAs in place. The brand has not mapped the risks for its other sourcing countries: Türkiye, Poland and Germany.

**Requirement:** S-Gard must map the risks to FoA for all 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).

**Recommendation:** The member is recommended to ensure supplier-level monitoring is in place to assess and understand the risk at suppliers - for example, through the Supplier Questionnaire (tool 2 in Fair Wear's FoA Guide), modular assessment on Social Dialogue, indepth discussions with suppliers, or a full audit.

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.	Basic	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.	2	6	0

**Comment:** S-Gard has not included gender in its risk scoping. However, the brand is aware of the gender pay gap in Tunisia and started a discussion with its main suppliers. Data showed that more women are in higher-paid positions such as cutting compared to the past.

**Requirement:** S-Gard must include gender in its risk scoping and assessment.

**Recommendation:** S-Gard is recommended to collect gender data per factory related to every Code of Labour Practices.

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.	Insufficient	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.	0	4	0

**Comment:** S-Gard is evaluating its supplier's human rights performance systematically yearly, but only for the Tunisian partner, not for the three other suppliers based in Türkiye, Poland and Germany. The outcome of this evaluation does not influence purchasing decisions. Each supplier at S-GARD specialises in a particular product or production process, so there is no competition between the suppliers. To keep the collaborative spirit and avoid causing competition between the suppliers, S-GARD treats them equally and does not reward its suppliers for good performance.

**Recommendation:** Fair Wear recommends the member to ensure that the evaluation of human rights performance of its suppliers is systematically considered in purchasing decisions.

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.	Insufficient	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.	0	4	0

Comment: S-GARD works with six main suppliers in Tunisia, one in Poland, one in Türkiye and an embroidering and finishings factory in Germany. According to the S-GARD code of conduct signed by suppliers, subcontracting has been discussed and agreed upon with suppliers. S-GARD regularly visits production locations in Tunisia, Poland and Germany to check production and verify existing lines, capacity and machinery. Due to the high-quality and complex nature of the technical products, S-GARD can quickly check consistency in quality for each product. S-GARD believes that it's type of product has a very low risk of outsourcing or subcontracting due to the complexity of the product and the need for high-end machinery. The member brand has not yet identified the risk for subcontracting for other processes such as packing, finishing and quality control. In Türkiye, however, there is a high risk of factory subcontracting. S-GARD has not visited the location since 2016. The brand discussed the issue only at the beginning of the collaboration with the German intermediary, who has also signed the code of conduct that forbids unauthorised subcontracting.

**Recommendation:** Fair Wear strongly recommends monitoring its Turkish supplier, checking capacity in the factory and comparing capacity to output. This would support a plausibility check whether production probably has taken place in the Turkish factory if visits are not possible.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Insufficient	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.	0	4	o

**Comment:** According to the member, there is a very low risk of homeworkers being used by its suppliers because of its very technical products (fire fighting equipment). In addition, production sites in Tunisia are visited on a regular base. However, for the Turkish supplier who is producing simple fleece sweaters, the brand cannot exclude the risk of homeworkers as the supplier has only been visited once since the cooperation started in 2016. The member has not had a conversation about this with its supplier, nor has it analysed the capacity of the supplier to identify a potential risk.

**Requirement:** S-Gard should identify whether homeworkers are used by its Turkish supplier and assess if there is a risk of exploitation.

**Recommendation:** Fair Wear recommends S-Gard to conduct a capacity analysis looking into specific production processes to validate the suppliers' statements that no homeworkers are used.

#### **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: S-Gard does not use contracts with its suppliers besides with one Tunisian partner (with two production locations accounting for 25% FOB). The member has a contract stipulating fair payment terms of payment either the 20th of a month or 20 days after the invoice is received. Penalties are included but specify a root cause analysis and only apply in case of fault by the supplier. The contract also includes a force majeure clause that both parties can invoke equally. Although the contract includes the Code of Labour Practices, it does not support the implementation of human rights due diligence. The contract does not yet mention the shared responsibilities of CoLP implementation.

**Requirement:** S-Gard needs to use written contracts with all its suppliers that include shared responsibilities and support the implementation of human rights due diligence.

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. S-GARD is a small organisation where information is easily shared among staff. All relevant staff members have access to audit reports, updated CAPs and information about Fair Wear. When management visits production sites, they are updated by the Head of Product Development on progress made by the suppliers and issues that still need to be discussed. 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:** S-Gard 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:** As soon as S-GARD receives an order, the brand's internal SRM system calculates an estimated delivery day. Calculated lead times depend, amongst others, on the location of the supplier and the type of production (CMT or FOB). The order is discussed with the supplier, and if production lead time will be longer than expected due to material delays etc., the customer is informed and accepts the delay. Due to the complexity of the products, such as firefighter suits, lead times can be as long as six months. S-GARD does not work with seasons, so the brand is flexible with its production planning.

For most of its Tunisian suppliers, S-GARD is the only customer (except one, where S-GARD has an estimated leverage of 50%). S-GARD works closely with the suppliers to ensure a steady work stream, considering the factories' capacities. This allows for great flexibility and ensures that no undue production pressure can lead to excessive overtime. For all Tunisian suppliers, the brand checks on a daily base the production planning system in which all six Tunisian partners enter the latest production data. If the brand foresees a capacity shortage at one of its partners, it starts training another supplier on the same product to support production. On the other hand, if one supplier has more capacity than orders, they are more flexible, e.g. to take over or support the production of another supplier's product.

S-GARD strategically chose the Polish supplier to fill in the gaps left by its Tunisian suppliers; for example, during Eid and Ramadan and due to the heat in the summer, when its Tunisian suppliers work fewer hours. Production flow at this site is ensured throughout the year, as the supplier always has three running orders: one waiting, one in production and one ready to be shipped. In Turkey, the brand produces simple fleece jackets, and the customized embroidery for those jackets is completed at the German production site. S-GARD has less information on capacity at its Turkish supplier but is in regular contact with the intermediary to ensure their orders are not causing production pressure. Furthermore, the production is meant to refill stock, allowing S-GARD to be flexible in its supplier's lead times.

S-GARD does not work with a forecasting system - it still works with a traditional planning system that heavily depends on its experience working with suppliers over long periods. Although S-GARD knows the approximate capacity, S-GARD still needs to learn the standard minute per style at suppliers in Tunisia. S-GARD does, however, know the production capacity of its Polish suppliers and calculates the standard minute per style. S-GARD discusses lead times with its Turkish supplier but is unaware of the production capacity and does not reserve specific production lines.

During the past financial year, the member brand faced problems with material procurement. Thanks to close collaboration with its suppliers production was continuously running at all suppliers. As a result, S-Gard adopted its purchasing strategy for materials and accessories and has now a high stock available to ensure a continuous flow of production even in cases of delivery problems from material suppliers.

**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.	Basic	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.	2	6	0

**Comment:** S-Gard has a basic understanding of the wage levels at its suppliers through social audits and connects this understanding to its own buying prices. The brand has a basic insight into the labour component of its prices. S-GARD works with CMT prices for all Tunisian suppliers. CMT prices are paid to one of the co-owned factories. Here all material cutting is done, and the location serves a.o. as a material warehouse and distribution hub. Therefore, the brand has full transparency of the labour component for the cutting process for all its products produced in Tunisia. The brand does not systematically separate these labour cost components, e.g. in the form of a partial open costing, even though all information is available. In addition, the brand knows the total price paid by its co-owned main factory to the production partner where the sewing is done. In 2021 S-GARD requested a cost split for the key product into labour cost, overhead, and quality control, which was not successful.

Because S-GARD works with many customised items in Tunisia, S-Gard does not yet know the number of actual sewing minutes needed for a style. The member brand knows the standard minute per style and negotiates prices with its Polish supplier in partnership. It does not know of the labour costs incurred by the factories. With its German intermediary, who arranges the orders at its Turkish supplier, it has negotiated a set agent's price but is unaware of how wages relate to prices.

The member includes changes in legal minimum wage or inflation in its buying prices. In 2022, prices increased due to inflation in Tunisia, Poland and Türkiye. The brand checks if wages are increased and requests samples of wage slips to compare old and new wages after price increases.

**Recommendation:** S-Gard could provide suppliers who do not work with fact-based costing, training on product costing and how to quote prices including (direct and indirect) labour costs. Fair Price product owners are available to conduct such training in all Fair Wear production countries.

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.	Intermediate	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.	2	4	O

**Comment:** S-GARD works with an intermediary for its supplier in Türkiye, where it sources promotional products. S-GARD has informed this intermediary of the Fair Wear Code of Labour Practices and has discussed Fair Wear requirements. Despite working with the intermediary, S-GARD directly contacted the supplier to discuss issues and work on corrective action plans. The intermediary plays an additional communication role where necessary. The factory does not cooperate with S-GARD on social compliance, so it does not actively support the COLP.

# **Layer 3 Remediation and impact**

**Possible Points: 86** 

**Earned Points: 34** 

## Indicators on Quality and coherence of 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.	Basic	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.	2	6	0

**Comment:** S-Gard has not made risk profiles per supplier nor drafted follow-up plans for all suppliers. However, S-Gard has drafted a follow-up plan for its two main suppliers in Tunisia which partly matches the risk profile. The member brand prioritised living wages for both suppliers. Based on the risk identification as described in chapter two, S-Gard has linked factory risks to appropriate follow-up for factories covering 33% of FOB.

**Recommendation:** Fair Wear recommends S-Gard to ensure more factories have a follow-up plan that matches their risk profile.

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:** S-Gard has not yet applied a gender lens to any of its improvement or prevention programmes.

**Requirement:** S-Gard must start including a gender lens in the implementation of improvement or prevention actions.

**Recommendation:** S-Gard is recommended to reflect on how the brand's actions may impact women and men differently.

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.	Insufficient	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.	0	6	0

**Comment:** S-Gard has not yet included steps to encourage FoA and effective social dialogue in its improvement or prevention actions.

**Requirement:** Members must include steps to promote FoA and social dialogue in its improvement or prevention actions. This should be linked with its assessment of risks to FoA and social dialogue as part of its human rights monitoring (see indicator 2.8). Examples of steps that could be included can be found in Fair Wears brand guide on FoA and collective bargaining.

**Recommendation:** S-Gard is recommended to support in financing/coordinating training on FoA and social dialogue for its suppliers.



Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports operational-level internal grievance mechanism.	Intermediate	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.	4	6	0

**Comment:** Suppliers' internal grievance mechanisms are monitored systematically for all its Tunisian suppliers, accounting for 82% of the brand's FOB. S-Gard actively supports and monitors the effectiveness of the internal grievance mechanisms of those suppliers. The brand records information about worker committees and unions from audits in its internal CSR supplier overview.

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.	Insufficient	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.	0	6	0

**Comment:** S-Gard has no shared suppliers with other members, and at 7 out of 9 production locations, the brand has 100% leverage. The brand shares three production locations with other customers (in Türkiye, Germany and Poland) but does not cooperate yet with any of them.

**Recommendation:** Fair Wear recommends to collaborate with other customers.

#### **Indicators on 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.	85%	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.	6	6	-2

Comment: In the past financial year, S-Gard has not received any audit reports. Therefore, this performance check assessed the progress of the latest CAP from an audit in 2020. The member could demonstrate that more than two-thirds of the CAP issues requiring improvement actions have been followed up. Examples of improvement actions that were taken include the move to a new building, which improved many issues raised in the audit with regards to health and safety. S-Gard has shown that it also followed up on more structural and complex issues by checking payslips and a list of all employed workers to ensure that all workers were transferred when the supplier moved to the new location and changed its management. The two CAP issues that require improvement actions and are still in progress are issues related to living wages and, therefore, need more time to be remediated.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Intermediate 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.	4	6	-2

**Comment:** S-Gard has identified some root causes of the CAP issues. The root cause for most health and safety findings was the former building where the supplier was located, which was improved thanks to the relocation. The main root cause for late payments, e.g. the annual productivity bonus, was poor organisation caused by management. With the change of management, this was improved. The member has not yet implemented additional monitoring to ensure prevention measures are taken.

**Recommendation:** Fair Wear recommends S-Gard to translate its root cause analysis into concrete preventive actions as part of the risk profiles. This should also include adjusting monitoring and not relying on a three-year audit rhythm for all cases.

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.	Intermediate	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.	4	6	0

**Comment:** S-Gard has some suppliers where improvement or prevention steps are not needed. These cover 3% of the member's total FOB. The member has a system to ensure possible human rights risks are regularly discussed with these suppliers during visits or calls. S-Gard has yet to include worker representatives/local unions in discussions with factory management on possible human rights risks.

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, S-GARD had neither an audit with excessive overtime findings nor a complaint of excessive overtime at any production partner. In Tunisia, the brand has 100% leverage at all suppliers and knows workers are unwilling to work overtime. For Poland and Türkiye, the brand has not done any audits and, therefore, has no relying information about working hours.

**Recommendation:** S-Gard should ensure monitoring is in place at its Turkish and Polish suppliers to assess the potential risk of excessive overtime.



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.	Intermediate	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.	2	4	-2

**Comment:** The audit from 2020, which was assessed in this performance check, included findings regarding non-payment of legally required wage elements. The factory did not pay the annual productivity bonus, and the social security contribution was not paid due to financial difficulties. S-Gard responded to these findings promptly and had proof on file for all workers that social security and annual bonuses were paid. In general, the member checks wages during onsite visits in Tunisia. All factories are part of a CBA, including higher wages than Tunisia's legal minimum wage.

**Recommendation:** Fair Wear strongly recommends S-Gard to always verify whether legal minimum wage issues have been resolved in case factory management claims so. The member brand could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check remediation.

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:** S-Gard has a basic overview of the wage levels at its suppliers in Tunisia. The member brand knows the lowest, highest and average wages paid in the factory. For the main production facility, which S-GARD co-owns, and one other supplier, the brand collected recent wage data from 2022. The wage data for the three other facilities is not up to date.

As its main production locations are in Tunisia, S-GARD has chosen to start this process in Tunisia and wants to apply what it learns to its other suppliers. As such, S-GARD has not yet started assessing the root causes for wages lower than living wages in its other suppliers in Poland, Türkiye and Germany.

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

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Intermediate	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.	4	6	0

Comment: S-Gard has an overview of wages paid in production locations in Tunisia and discussed wage increases with all six factories. In 2021, the brand made a first step in defining a strategy to increase wages at its Tunisian suppliers systematically. All six suppliers pay wages according to a pay scale table divided by skill level. Increases in the hourly wage are linked to job tenure. In the first three years, the hourly wages are increased yearly. After that, the increase related to job tenure is increased only bi-annually. In 2022, S-GARD agreed with the suppliers to increase the hourly wage annually, also after three years of job tenure (currently bi-annually). The adjustment is valid equally for all six skill levels at the factory. The brand informed the worker representatives about the changes. The member brand uses the living wage estimate of 850 TND set by the Tunisian General Labour Union. Increased product prices will finance the wage increase.

**Recommendation:** Fair Wear recommends S-Gard to have an overview per supplier in Tunisia how many workers are below the living wage estimate of 850 TND. Fair Wear encourages S-Gard to involve worker representatives in the process in Tunisia, especially in evaluating how the measures taken have improved wages for workers at the Tunisian suppliers.

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.	16%	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.	2	6	0

**Comment:** S-Gard knows the average wage of one of its main suppliers in Tunisia is 812 TND, which is close to the living wage estimate of 850 TND. The brand could not show how many workers at which supplier already earn 850 TND. Nevertheless, with the average data of 812 TND verified in a Fair Wear audit, we can assume the basic level (up to 33% of the FOB) is achieved.

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:** S-Gard 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.	Insufficient	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or genderbased 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.	0	6	O

**Comment:** S-Gard has no CAP findings where training is a recommended follow-up action and has not implemented any training in the last three year.

**Recommendation:** S-Gard is recommended to implement training for all factories where this is part of its improvement and/or prevention programme.

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:** S-Gard did not implement training at its suppliers.

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.	Insufficient	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.	0	4	0

**Comment:** S-Gard's human rights risk monitoring does not include a responsible exit strategy. The brand explained that it has a clear strategy not exiting its strategic suppliers because, with 78% of its suppliers, the brand has 100% leverage. An exit would lead to a closure of those factories.

## **Requirement:** S-Gard must have human rights risk monitoring, including a written 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	O

**Comment:** S-Gard 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: 16

## Indicators on Communication, transparency and evaluation

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.	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:** S-Gard communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. By using social media channels, catalogues and on-garment communication, S-Gard actively spreads the Fair Wear message.

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 multistakeholder initiatives that verify their responsible business conduct.	N/A	4	0

## Comment: S-Gard does not sell external brands.

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: S-Gard has submitted and published the social report on its website.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.4 Member company engages in advanced reporting activities.	Insufficient	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.	0	4	0

**Comment:** S-Gard does not report on factory-level data and remediation results. The member brand has yet to disclose its full factory list and its time-bound improvement plans.

**Requirement:** S-Gard should report on factory-level data and remediation results. Good reporting by members helps to ensure the transparency of the member and Fair Wear's work.

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:** S-Gard has a basic system to track progress and check if implemented measures have effectively prevented and remediated human rights violations. In general, on the factory level, CAPS are used for tracking progress, but for living wages, the CSR manager created an excel overview to track the progress of the milestones in the project. The internal evaluation system involves top management. The member does not yet include triangulated information from external sources, such as workers or suppliers, in its evaluation system.

**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.	Advanced	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.	4	4	-2

**Comment:** The previous performance check included the following requirements:

1.11 (now 3.11): If Hubert S-GARD buys exclusively from a supplier or owns a supplier, the member is held more accountable for implementing adequate steps. The member is expected to take an active role in discussing living wages with its suppliers and should take steps to work towards living wages. 1.14 (now 3.13): S-GARD is expected to begin setting a target wage for its production locations. S-Gard followed up on all requirements. The updated pay scale table was agreed upon and implemented in 2023 by the Tunisian suppliers. A target wage set based on the living wage estimate by the Tunisian unions 850 TND.

# **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**

The brand would like to receive a one-pager 'executive' summary of the Brand Performance Check, which it could easily share with third parties, e.g. when they have a tender. The one-pager should include the category, score and monitoring percentage, and the most important findings.

# **Brand Performance Check details**

Date of Brand Performance Check: 25-09-2023

Conducted by: Julia Krämer

Interviews with: Bruno Schmitz - Managing Director

Christina Aretz - Accounting

Jonas Kuschnir - Head of Product Development

Lea Schmitz - Production Planning

Generated: 20 Nov 2023