



# **Brand Performance Check**

**Maier Sports GmbH**

**Publication date: March 2024**

This report covers the evaluation period 01-07-2022 to 30-06-2023

## About the Brand Performance Check

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

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

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

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

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

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

# Scoring overview

Total score: 88

Possible score: 198

Benchmarking Score: 44

Performance Benchmarking Category: Good



## Summary:

Maier Sports GmbH (Maier Sports) has shown some progress and met many of Fair Wears' performance requirements. With a total benchmarking score of 44, the member is placed in the Good category.

The member has scored insufficient on a repeated non-compliance indicator. This needs to be resolved in the next performance check, or else Maier Sports will be automatically placed in Needs Improvement.

Maier Sports has a sourcing strategy aimed at addressing and influencing labour conditions. The brand owns one production location based in Türkiye covering 8% of its FOB. It also sources from additional suppliers based in Bangladesh, China and India. Since many years, Maier Sports has two joint-ventures in China, which is the brand's main sourcing country, covering approximately 86% of its total FOB. The sourcing strategy explicitly focuses on long-lasting business relationships and includes a consolidation process. The brand's sourcing strategy does not explicitly privilege countries where Freedom of Association is possible. In the past year, Maier Sports conducted a country risk assessment and evaluated the risks at all its main suppliers, but did not include subcontractors. The brand also collected country and factory-level gender data.

Maier Sports has prioritised the risks assessed at its main suppliers by using the Corrective Action Plan based on the audit findings and the suggested actions in the Member Hub. The brand has yet to develop action plans for all its suppliers, including subcontractors, and should ensure that its action plans are matching the production locations' risk profile. At the same time, the brand continues to monitor its supply chain with different monitoring tools, such as audits and visits. However, the brand did not conduct risk assessment nor any monitoring activity for its Bangladeshi subcontractors that are not signatories of the International Accord for Human Rights Due Diligence on Fire, Electrical and Building Safety. The brand is also not a signatory of the International Accord.

Maier Sports has a good understanding of the wage levels of its main suppliers, having collected wage data disaggregated by gender and per department. The brand has set a target wage for its own production location in Türkiye and has started to introduce open-costing at the remaining suppliers. In addition, the brand has made adjustments in its pricing to cover the inflation experienced by the workers in Türkiye.

Maier Sports has insights into the production capacity of its own production location and has some insights on the production capacity of some of its main suppliers. The brand introduced an enterprise resource planning software where orders are placed; the suppliers can add information on the production status and the brand can monitor the production weekly.

The brand is strongly advised to strengthen its action plans, ensuring that its actions match the risk profile of each supplier, including subcontractors. In particular, the brand is recommended to closely monitor its production location in Bangladesh for the enhanced risks on occupational health and safety. In addition, the brand could sign the International Accord for Human Rights Due Diligence on Fire, Electrical and Building Safety, or ensure that all its Bangladeshi suppliers are signatories. The brand is also strongly recommended to collect the signed Code of Labour Practices from its suppliers and have the Worker Information sheet posted on the factory premises before placing the first order. Finally Maier Sports should keep track of the terminated suppliers, including subcontractors, and follow Fair Wear's responsible exit strategy.

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 Maier Sports GmbH

## Member company information

Member since: 1 Jan 2011

Product types: Outdoor products, Sports & activewear and Outdoorwear

Percentage of CMT production versus support processes 100%

Percentage of FOB purchased through own or joint venture production 7.92%

Percentage of FOB purchased directly 33%

Percentage of FOB purchased through agents or intermediaries 11%

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 |
|--------------------|--------------------------------|---------------------------------|
| China              | 36                             | 86.26%                          |
| Türkiye            | 5                              | 9.74%                           |
| Bangladesh         | 5                              | 2.85%                           |
| India              | 1                              | 1.15%                           |

# Layer 1 Foundational system's criteria

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**Possible Points: 8**

**Earned Points: 8**

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

**Comment:** Maier Sports has a Responsible Business Conduct Policy, but some elements need improvement. In particular, the policy should explicitly commit to responsible sourcing and purchasing practices, articulate clear expectations towards the brands' intermediaries, the use of subcontractors and outsourcing to homeworkers and include a commitment to hear and address all complaints irrespective of how they are raised.

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

**Comment:** Maier Sports discloses 60% of production locations internally through Fair Wear's information management system. Fair Wear does not disclose Chinese factories on its website yet and therefore, is lenient when members do not disclose Chinese factories.

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

**Comment:** Maier Sports discloses 60% of production locations externally on Fair Wear's transparency portal. Fair Wear does not disclose Chinese factories on its website yet, and therefore is lenient when members do not disclose Chinese factories.

**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: 36**

### 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:** Maier Sports has a sourcing strategy addressing and influencing labour conditions.

The member has 47 active suppliers. 68% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 20% of the production volume comes from suppliers where Maier Sports buys less than 2% of its total FOB.

Maier Sports has included a consolidation plan in its sourcing strategy. However, compared to the previous financial year, the brand has added more tail-end suppliers (mainly based in China) because the previous subcontractors did not want to commit to human rights and follow Fair Wear requirements.

The brand does not yet collaborate with buyers sourcing from the shared factories.

**Recommendation:** Fair Wear recommends Maier Sports to consolidate its supply base by limiting the number of production locations in its tail end. To achieve this, Maier Sports should determine whether suppliers where it buys less than 2% of its FOB are strategically relevant. Shortening the tail will allow the member to improve working conditions more efficiently and effectively. It is advised to describe the consolidation process in a sourcing strategy agreed upon with top management/sourcing staff. Maier Sports 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:** Maier Sports has a sourcing strategy that focuses on maintaining long-term relationships.

77% of the member's total FOB volume comes from suppliers with whom Maier Sports has a business relationship for at least five years.

The member does not commit to long-term contracts yet.

**Recommendation:** Fair Wear recommends Maier Sports to commit to long-term contracts. Maier Sports is also advised to embed long-term contracts in its sourcing strategy.

| 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:** Maier Sports conducted risk scoping on sourcing country level and included all eight labour standards. The member sources from Bangladesh, China, India and Türkiye.

In its risk scoping, the member has assessed most of the impact and prevalence of the risks correctly. According to the brand, Bangladesh has particularly high human rights risks for occupational health and safety, freedom of association, the payment of living wages, excessive overtime and wide spread gender-based violence. China is at high risks for all international labour standards, with the exception of child labour. In India, the following human rights are at high risk: excessive overtime, lack of living wages, wide spread gender-based violence, and informal working conditions for migrant and seasonal workers. According to the brand, Türkiye presents high risks for most of labour standards. Maier Sports assessed the impact and prevalence of discrimination low, while several sources indicate otherwise.

The risk scoping includes a gender lens. The member has scoped the risk for gender equality in each sourcing country and in relation to all the international labour standards.

The member did not include additional risk factors, such as business model risks, sourcing model risks and production level risks.

Input from workers, suppliers, stakeholders is included in the risk scoping as the brand conducts Fair Wear audits. According to Fair Wear's audit methodology, workers and local stakeholders are interviewed on and off-site.

The member has not adjusted its sourcing strategy based on the results of its risk scoping. To date, Maier Sports sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively.

**Recommendation:** Fair Wear recommends Maier Sports to include all risk factors in its risk scoping.

In addition, Fair Wear strongly recommends Maier Sports to privilege countries where workers can freely form or join a trade union and/or bargain collectively, make this explicit in its sourcing strategy, and adjust its sourcing based on the results of 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 Maier Sports to inform new suppliers about Fair Wear membership by sharing the Code of Labour Practices questionnaire and the Worker Information Sheet. This process has been followed for all ten suppliers added last year. However, the brand does not require the factories to sign the Code of Labour Practices before finalising its first purchase order nor to hang the Worker Information Sheet on the factory premises.

Additionally, the brand started a dialogue with some of the new suppliers about human rights and how the supplier and Maier Sports can cooperate on this topic.

**Recommendation:** Maier Sports is recommended to engage in dialogue with all suppliers and place its first purchase orders only with factories willing to sign the Code of Labour Practices and post the Worker Information Sheet on the factory premises.

| 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. | Insufficient | 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. | 0     | 6   | 0   |

**Comment:** Maier Sports collects human rights information of potential new suppliers by visiting the factories and collecting existing audit reports. However, the member does not require the new suppliers to sign the Code of Labour Practices questionnaire before finalising the first purchase order.

In addition, Maier Sports started a business relationship with five suppliers in Bangladesh in the financial year under review. The brand, who is not a signatory of the International Accord for Health and Safety in the Textile and Garment Industry, did not check if all suppliers had signed this Accord. During the performance check, the brand could provide evidence that only two of these suppliers signed the Accord. As such, the brand is in breach of the Fair Wear Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh.

**Requirement:** Maier Sports needs to ensure that new production locations sign and return a questionnaire about the CoLP (Code of Labour Practices) before first orders are placed.

**Recommendation:** Fair Wear recommends that the member requires a signed copy of the CoLP from its suppliers before placing the first purchase order and requests evidence that confirms the supplier's support of the CoLP. Fair Wear strongly recommends Maier Sports to check if Bangladeshi suppliers are signatories of the International Accord before placing the first purchase orders.

Fair Wear recommends Maier Sports to investigate whether an operational grievance mechanism exists and to privilege suppliers where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

| 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. | Insufficient | 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. | 0     | 6   | 0   |

**Comment:** Maier Sports has added ten new suppliers. Maier Sports has shared information about Fair Wear's Code of Labour Practices with the suppliers but most of them did not sign it and did not post the Workers Information Sheet. The brand did not organise any training events to inform workers of their rights (only in one case a brand representative shared a one-pager on the Code of Labour Practices in one factory in China).

**Requirement:** Maier Sports must ensure that factory management is aware of the Fair Wear CoLP and the complaints helpline within the first year of starting the business. The Worker Information Sheet needs to be posted at a place easily accessible for workers.

**Recommendation:** Fair Wear recommends Maier Sports to ensure the suppliers sign the Code of Labour Practices and check whether the worker information sheet is posted at a location that is easily accessible and safe for workers. Maier Sports is also 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. | Insufficient | 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. | 0     | 6   | 0   |

**Comment:** Maier Sports has an ad hoc approach to identifying human rights risks in its supply chain. The brand uses audits, factory visits and training reports to monitor human rights risks in its supply chain. This approach is followed for all its sourcing countries. However, Maier Sports has not sufficiently monitored three out of five of its suppliers in Bangladesh, where Fair Wear has an enhanced monitoring policy on fire, structural and electrical safety. In particular, three factories have not been audited by fire, structural and electrical safety experts. In addition, there is a discrepancy between the common risks to occupational health and safety in Bangladesh as identified by Maier Sports's risk scoping and its monitoring approach.

**Requirement:** Please note that following Fair Wear's policy for repeated non-compliance, members who receive an insufficient score on this indicator for the second year in a row will be placed in the 'needs improvement' category. Maier Sports must include the requirements of the 'Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh' in its monitoring system.

**Recommendation:** Fair Wear strongly recommends Maier Sports to follow Fair Wear's Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh.

| 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). | Intermediate | 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. | 4     | 6   | 0   |

**Comment:** Maier Sports has mapped the risks to Freedom of Association (FoA) in all its sourcing countries and can explain the main risks per country, including the risks to women workers. Following Fair Wear's guidance on FoA, the brand has assessed that Chinese workers cannot enjoy the right to FoA and social dialogue because they fear negative consequences on their lives and work due to the laws existing in the country. In addition, many workers are not aware of their rights and what FoA and social dialogue mean in practice. High risks to FoA and social dialogue are also listed for Bangladesh and India, as workers may face negative consequences if they join trade unions or are elected as worker representatives. At the same time, the main factories based in these two countries have internal committees for raising grievances. Similar threats to these rights also exist in Türkiye; however, the brand scored them low as it owns the production location based in Türkiye, where worker representatives are elected. According to the brand, women are generally not aware of FoA and are not used to express their voice as it is deemed culturally inappropriate in the countries the brand sources from.

Maier Sports uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers on this topic. In particular, the brand has created a FoA questionnaire for its suppliers in China, Bangladesh and India. The questionnaire results were collected and analysed to assess the situation on FoA and social dialogue at its main suppliers and define the follow-up actions. In particular, none of the suppliers have active trade unions in the factories, some have FoA policies and conduct training events for workers on this right. However, the brand is not aware of what the content of these training sessions is and if they are effective.

**Recommendation:** The member is recommended to ensure supplier-level monitoring is in place to assess and understand the risk at suppliers with modular assessment on Social Dialogue, in-depth 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. | Intermediate | Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment. | Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets. | 4     | 6   | 0   |

**Comment:** Maier Sports has included gender in its risk scoping.

The member could show it understands the basic gender risks for its sourcing countries, and for instance, identified gender-based violence, lack of maternity benefits, gender pay gap and low awareness on freedom of association as important risks prevalent in all its sourcing countries.

Additionally, Maier Sports actively collects factory-level gender data. The brand collected information on the number of women and men workers, their wage level, job profiles and access to maternity benefits at most of its main suppliers. These data were collected via audits and the Fair Wear questionnaire on gender equality for suppliers.

In Bangladesh, women tend to take maternity leave and the supplier has an on-site childcare facility. However, there is evidence of gender pay gap and women are mostly sewers. In China, the brand collected gender disaggregated wage data and could assess that a gender pay gap exists. In India, despite the high number of women workers, none has ever requested maternity leave and benefits, men tend to execute more complex activities, such as cutting, and there is evidence of gender pay gap. In Türkiye, the brand could assess that women and men are equally paid for work of equal value.

Maier Sports has started to analyse the collected gender-disaggregated data at the factory and country levels. The main conclusions, so far, is that gender pay gap is prevalent, and that maternity benefits should be provided to pregnant women workers. However, the brand has not yet specifically looked into how its business practices affect gender at its suppliers.

**Recommendation:** Maier Sports is recommended to collect gender data per factory related to every Code of Labour Practices. Fair Wear recommends the member to start analysing the gender data collected at country and factory levels and connect them. Fair Wear's gender instruments can be helpful.

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

**Comment:** Maier Sports has a strong and systematic evaluation system for assessing suppliers' human rights performance. Suppliers' human rights performance is evaluated systematically every year. Each department at Maier Sport is asked to complete a survey to evaluate suppliers on many indicators, including quality, communication, delivery times etc; the CSR department evaluates suppliers on the eight labour standards.

All this data leads to an evaluation scoring that can lead to purchasing decisions. In particular, the brand decided, together with its Chinese joint venture, to leave some factories that were not willing to commit to human rights and Fair Wear requirements. However, it is not clear how the brand evaluated the three Bangladesh subcontractors that are not signatory of the International Accord.

Maier Sports shares the outcome of the evaluation with its suppliers, but not yet with worker representatives. In this financial year, the brand has also introduced a 'supplier award' which is given to the supplier that outscored all the others.

**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. | 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:** Maier Sports uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. To date, the member has taken active preventive measures. The brand has developed a subcontracting policy for its main suppliers and intermediaries. Based on the level of trust between Maier Sports and the suppliers, the brand allows some of them to subcontract part of the processes. In particular, the Chinese joint venture, the Bangladeshi suppliers and the own production location in Türkiye are allowed to use subcontractors, while the Indian supplier is not allowed to do so. In addition, the brand has introduced a production planning software where all orders are placed; this system indicates what products are produced at which suppliers and subcontracting facilities. The main suppliers have also access to this software and can add information on real-time so that Maier Sports can easily check where goods are produced. The brand conducts also factory visits; however, it is not aware of the production capacity of all its suppliers and cannot make a production capacity plausibility check for all production locations.

There is no evidence of missing first-tier locations in the database. However, the audit report for the factory based in India revealed the use of an unauthorised subcontracting facility. The brand did not add this subcontracting unit to the Fair Wear database because the subcontracting unit was used to produced goods of other buyers.

**Recommendation:** Maier Sports is required to check capacity in the factory and compare capacity to output, to support a plausibility check whether production probably has taken place in the factory.

| Performance indicators   | Result       | Relevance of indicator   | Documentation  | Score | Max | Min |
|--|--------------|--|--|-------|-----|-----|
| 2.12 Member company extends its due diligence approach to homeworkers. | Intermediate | 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. | 2     | 4   | 0   |

**Comment:** Maier Sports has identified whether homework is prevalent in its sourcing countries.

According to the member, there is a very low risk of homeworkers being used by its suppliers because audits never reported such findings, and its suppliers stated that they do not use homeworkers. At its own production location in Türkiye, the brand knows the production capacity and conducted a plausibility check on whether homeworkers may be present. However, the brand does not yet know the production capacity of all of its suppliers and, therefore, did not conduct a plausibility check on the use of homeworkers at these suppliers.

**Recommendation:** Fair Wear recommends Maier Sports 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. | 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:** Maier Sports does not yet use contracts with its suppliers.

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

**Recommendation:** Fair Wear strongly recommends Maier Sports to adopt contracts and include the shared responsibility of CoLP implementation in its contracts, including fair payment terms.

Maier Sports is advised to adopt contracts with suppliers in accordance with the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

| Performance indicators   | Result       | Relevance of indicator   | Documentation  | Score | Max | Min |
|--|--------------|--|--|-------|-----|-----|
| 2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in 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:** Maier Sports shares relevant CSR information with other departments. In particular, the CSR department shares information on the code of labour practices and Fair Wear membership during internal meetings.

In addition, there is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. In particular, the CSR department provides colleagues who visit factories with a list of topics to discuss with the factory management.

The member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with Key Performance Indicators (KPIs) supporting good sourcing and pricing strategies.

**Recommendation:** Maier Sports could include responsible business practices in its job role competencies of sourcing and purchasing staff. The brand could also 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:** Maier Sports has a strong, integrated system in place for production planning which is based on four pillars. The brand provides its suppliers with sufficient lead time to place orders evenly and reduce overtime. Before production starts, a detailed forecast of the time needed to receive the materials and to produce each product is created by the production and planning department. This planning forecast is shared with the main suppliers, who are asked to provide feedback on the proposed lead time. If this is not feasible for the suppliers, Maier Sports normally accepts the proposed changes. The forecast is shared with suppliers to help them plan and place material orders on time to avoid any rush. When the lead time is set, and the orders are placed, a new production plan is created, shared with the suppliers and updated on a weekly basis by the production and planning team together with the CEO. In the last financial year, the brand has adopted an enterprise resource planning (ERP) to place its orders, determine the delivery time, adjust it based on the supplier's feedback and monitor the production process. The suppliers were onboarded and add information on the production status on a weekly basis. In addition, to avoid any pressure on the suppliers, Maier Sports places the so-called 'Never Out of Stock' (NOS) products during low season. In case of delays, the brand asks the suppliers to prioritise the most urgent orders and make partial shipments. In case of late delivery, Maier Sports does not penalise the suppliers unless they have planned wrongly or have not started the production in time (according to the CSR team such a situation has never happened).

Maier Sports knows the production capacity only of some suppliers. As the brand owns the Turkish supplier, there is total transparency, and the production capacity is known. The brand and the suppliers know the standard minute per style and per product. As such, they know in advance the capacity needed each month to create the products without relying on overtime. There are fluctuations in the capacity used during the year and, according to the brand, this system was agreed upon with the workers.

Maier Sports knows the production capacity of its Chinese suppliers only at a general level, even though it knows the labour minutes needed for some styles. The same for India. However, the situation is very different at its Bangladeshi suppliers, as the brand does not know the production capacity yet.

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

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

**Comment:** Maier Sports has a good understanding of the wage levels at its suppliers and has started to connect this understanding to its own buying prices.

Maier Sports has advanced insight into the labour component of its prices and is committed to using a bottom-up approach when setting its buying prices. The brand has collected wage data for all its main suppliers. The data are disaggregated by gender and per department. The brand implemented open cost calculation at its own production location in Türkiye a few years ago. It is aware of the total costs in the factory, including minutes per style and labour costs (e.g., the member calculated the costs for the fabrics, supplier overhead and profit, transport and any other costs that may apply.). Maier Sports knows the average gross and net wages workers receive. Given the high inflation, buying prices are adjusted during the year to cover workers' loss of purchasing power. Labour costs are not negotiable. In China, Maier Sports and its main suppliers have started working on open costing for some styles and calculated the minutes needed per style. So far, prices are set between the brand's CEO and the suppliers. Generally, the suppliers indicate the costs to produce a certain number of products and the CEO proposes changes if considered necessary. When higher prices are asked to cover the higher costs for raw materials, the brand always covers them in order not to cut the workers' wages. In India, the brand has also introduced open costing for few styles and calculated how many minutes go into styles; in addition, the brand has calculated the labour cost for the sewing, cutting and finishing departments. In total, 7% of the total buying price goes into wages. In Bangladesh, the brand has not yet introduced any form of open costing, but collected the wage data. In particular, the brand needs to introduce its Bangladeshi suppliers to the concept of open-costing and train them on it. So far, the brand is not aware of the labour costs at its subcontractors. Maier Sports includes changes in legal minimum wage or inflation in its buying prices.

**Recommendation:** Maier Sports is encouraged to introduce open costing for its Bangladesh suppliers and continue using it for additional styles.

| 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. | Insufficient | 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. | 0     | 4   | 0   |

**Comment:** Maier Sports has informed its sourcing intermediaries of Fair Wear requirements. In particular, the brand uses intermediaries in Bangladesh and has a joint venture in China that maintains business relationships with the main production locations and subcontractors.

These parties have signed the Code of Conduct for suppliers. They are responsible for sharing the Code of Labour Practices questionnaire with factories, collecting the signatures and posting the Worker Information Sheet on the factory's premises. Based on the evidence shown during the brand performance check, the intermediaries are not always fulfilling these obligations (many new suppliers have not returned the signed questionnaire nor hung the Worker Information Sheet). They are also responsible for following up on Corrective Action Plans with Maier Sports' CSR department. The intermediaries are also responsible for paying the invoices issued by the main suppliers and subcontractors. However, Maier Sports is not aware of the intermediaries' payment terms.

**Requirement:** Maier Sports needs to ensure intermediaries inform their suppliers about Fair Wear requirements.

**Recommendation:** Fair Wear recommends Maier Sports to require that intermediaries actively inform all new suppliers and their subcontractors of the Code of Labour Practices, share a signed copy of the questionnaire with Maier Sports and post the Worker Information Sheet before placing the first purchasing order. The member is also 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. In addition, Maier Sports could require its intermediaries to uphold the purchasing practices mentioned in the CFRPP framework.

## Layer 3 Prevention, mitigation and remediation

**Possible Points: 86**

**Earned Points: 38**

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

| Performance indicators   | Result       | Relevance of indicator  | Documentation  | Score | Max | Min |
|--|--------------|---|--|-------|-----|-----|
| 3.1 Member company integrates outcomes of human rights risk identification (layer 2) into prioritisation and follow-up programmes according to the risk profile. | Insufficient | 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. | 0     | 6   | 0   |

**Comment:** Maier Sports has drafted follow-up plans. Based on the risk identification as described in chapter two, Maier Sports has linked factory risks to appropriate follow-up for factories covering 33% of FOB.

These plans do not always match the risk profile. In China, the brand has mainly focused on adding freedom of association to its Responsible Business Conduct policy, reading Fair Wear resources, and occupational health and safety actions; however, the brand has not adopted all the follow-up actions to actively support freedom of association and the payment of worker's insurance. In India, the brand has created some follow-up actions for freedom of association, living wage and occupational health and safety; however, based on the risk assessment and the audit findings, Maier Sports should have adopted actions to tackle discrimination and raise awareness on the code of labour practices. Maier Sports sources from five production locations in Bangladesh. The member has not signed the International Accord and only two factories are covered by the RMG Sustainability Council (RSC). Based on its risk assessment and audits, the brand should have focused on occupational health and safety in all its production locations and, in particular, on the factories that are not covered by the International Accord. In Türkiye, the brand has created follow-up actions for its own production locations, but has not developed follow-up plans for its subcontractors.

**Requirement:** Maier Sports is required to ensure that prioritisation in follow-up matches the factory's risk profile.

**Recommendation:** Fair Wear recommends Maier Sports to ensure more factories have a follow-up plan that matches their risk profile. In addition, Fair Wear strongly recommends Maier Sports to become a signatory of the International Accord or at least follow Fair Wear's Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh.

| 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:** Maier Sports has yet to include a gender lens in its action plans.

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

**Recommendation:** The member is encouraged to include a gender lens in all its improvement and 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. | 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:** Maier Sports 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:** Maier Sports is recommended to, together with the supplier, distribute non-retaliation letters to workers, ensuring workers know they will not be punished for joining or forming trade unions. It is recommended that the brand support its suppliers in financing/coordinating training on FoA and social dialogue.

| Performance indicators   | Result | Relevance of indicator  | Documentation  | Score | Max | Min |
|--|--------|---|--|-------|-----|-----|
| 3.4 Member company actively supports operational-level internal grievance mechanism. | Basic  | 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. | 2     | 6   | 0   |

**Comment:** Suppliers' internal grievance mechanisms are not always assessed at the start of the business relationship; in addition, the brand is not aware of the existence of internal grievance mechanisms at all its suppliers.

Maier Sports monitors the existence of internal grievance mechanisms at some of its suppliers via audits and supplier questionnaires. In Bangladesh and in India, worker complaints committees are available and meet regularly. However, the brand is not aware of its actual effectiveness. In China, two suppliers have a basic internal grievance mechanism. However, the audits showed that these were not properly functioning and/or did not meet the criteria for an effective grievance mechanism. At its production location in Türkiye, workers have successfully used an internal grievance mechanism.

Maier Sports follows up on issues related to factory-level grievance mechanisms when they come up in CAPs. At one supplier in China, complaints raised by workers were not recorded, and there was no follow-up; in India, the complaints box was placed below the internal CCTV cameras, leaving workers fearful of retaliation. Maier Sports has supported the Chinese factory to adopt a new grievance mechanism policy and could show evidence that the complaints box at the India supplier was moved to a more convenient location.

**Recommendation:** Fair Wear recommends Maier Sports to support and monitor the internal grievance mechanisms at all its suppliers. In addition, Fair Wear recommends Maier Sports to ensure that the evaluation of internal grievance mechanisms of its suppliers is systematically considered in purchasing decisions.

| 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:** Maier Sports does not have shared production locations with other members. However, the member cooperates with two other members; in particular, they have developed a shared approach to the respective living wage projects at their suppliers based in Türkiye. So far, the brand has yet to initiate collaboration with non-members at shared production locations.

**Recommendation:** Even though Maier Sports 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. | 69%    | 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, Maier Sports has received two audit reports.

During the performance check, the member could demonstrate with a sample that more than two-thirds of the CAP issues requiring improvement actions have been followed up on and closed. In China, workers were not paid on time, and many occupational health and safety issues have been resolved. In India, the brand ensured that the supplier adopted various policies (e.g., on juvenile workers) and solved outstanding occupational health and safety issues.

The CAP issues that require improvement actions and are still open are issues that are more complex or structural, and therefore need more time to be remediated. These include the payment of living wage, the right to freedom of association, and protection of maternity benefits.

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

**Comment:** Maier Sports has identified some root causes of the CAP findings. In particular, the brand assessed that many Chinese suppliers do not sign the Code of Labour Practices and do not post the Worker Information Sheet on the factory premises because they do not want to commit to labour and human rights. In addition, the brand has assessed that Chinese workers do not want to be elected as worker representatives because they lack knowledge of their rights, and they fear retaliation by the suppliers and/or the government. During the performance check, the brand could demonstrate that it has started addressing the problem by raising its own awareness on FoA and social dialogue and decided to leave factories that systematically refuse to work sustainably.

**Recommendation:** Fair Wear recommends Maier Sports to identify more root causes of CAP issues together with its suppliers and create corresponding preventive actions.

| 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. | No factories in the respective risk profile | When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses. | Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo. | N/A   | 6   | 0   |

**Comment:** Maier Sports has not suppliers where improvement or prevention steps are not needed.

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

**Comment:** In the financial year under review, one audit report out of two mentioned excessive overtime. Another audit showed that working hours are not fully recorded. As such, the exact number of hours worked were not detected.

Maier Sports analysed the root causes of these findings. The member conducted a survey on excessive overtime among its main suppliers (evidence was shown), and the results were shared with the CEO. The survey proved to be critical in identifying the root cause of excessive overtime. In particular, the brand asked suppliers to identify the main causes that lead to excessive overtime and how workers are compensated. In particular, excessive overtime generally happens because of short lead times, delayed fabric and materials, the high number of product sizes and colours, and workforce shortage. In addition, the production of seasonal products has been associated with excessive overtime (during the peak season). It was noticed that the sewing, cutting and finishing departments are those where excessive overtime happens more frequently. All suppliers have a system in place to track overtime (machines with attendance presence). While the Chinese suppliers pay workers overtime according to the national legislation, the Turkish supplier provides workers with additional rest time during the low season. No overtime was detected at the Indian and Bangladeshi suppliers. In addition, suppliers were also asked how they ensure overtime is on a voluntary basis: the factory managements inform workers verbally and with posters hung on the factory premises.

The member has taken action to address the root causes. On the one hand, the brand works with forecasts and has set a minimum of three months lead time. On the other hand, the brand created more efficiencies by introducing the ERP system that is shared by Maier Sports and its suppliers. The brand can monitor the status of the production and suppliers can flag unforeseen hiccups and request an adjusted lead time. In addition, if late changes to the styles are requested by the brand, the lead times are always adjusted. In addition, the brand asked one of its Indian suppliers to ensure working hours are fully recorded.

| 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 financial year under review, all the audit reports (two) included findings regarding non-payment of legally required wage elements and failure to provide wage data. In one case, time records were inaccurate; in another, workers did not receive statutory holidays.

Maier Sports responded immediately to these findings by investigating why the time record system was malfunctioning and collected all wage data to ensure that workers received at least the legal minimum wage; in addition, the brand informed the suppliers that statutory leaves must be paid and asked for evidence of payment (shown during the performance check). The member promotes transparency about wages by collecting wage data.

| 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. | Intermediate | Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach. | 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. | 4     | 6   | 0   |

**Comment:** Maier Sports has a complete overview of the wage levels at its suppliers. The wage data are disaggregated by gender and per department (except for Bangladesh).

Maier Sports discusses the topic of wages with 100% of its suppliers. Maier Sports understands which suppliers pay wages below living wage estimates as a consequence of the member's policies/actions. Maier Sports followed up on this and reviewed internally how the member's practices could be altered and ensured this was done. In particular, the brand has introduced an online planning system that created more efficiency on the brand and supplier's side. In addition, some machineries used to produce Maier Sport's products should be refurbished to produce at a higher speed.

Maier Sports has done a thorough root-cause analysis to find out why wages at suppliers are below the living wage. The brand has an ongoing living wage project at its own factory in Türkiye. Maier Sports conducts a survey among workers to calculate the average wage they need to cover all their expenses. In particular, the brand assesses family composition, the number of dependable children, the costs to cover food, transportation, education, savings (generally, there are few to few savings per family) etc. This survey is conducted on an annual basis to give workers a voice and 'include' them in price negotiations. The survey results are shared with the CEO as she takes the lead in negotiating prices with the supplier. At the other suppliers, the brand collected wage data for the first time and the next step and is working on full wage transparency with its suppliers in order to start living wage projects.

| 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:** Maier Sports has started to address the topic of living wage internally, by setting a target wage for one of its production locations and collecting the wage data from all its suppliers to determine the average wage and the gap to the living wage benchmark set for the country or region.

However, Maier Sports does not yet have a clear strategy on how to finance wage increases at its suppliers. So far, the brand reduced its margin to finance the agreed target wage increases.

Maier Sports set a target wage at its own production location in Türkiye. The brand uses Fair Wear wage ladder as its reference for the set living wage target in Türkiye. On top of the living wage share, the brand adds the inflation costs. In the financial year under review, the wage for this production location increased by 468% from 2020 until 2023 and the inflation increase was by 364% in the same timeframe. However, the brand has an ad-hoc plan regarding the finance wage increases across its supplier base.

| 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. | 8%     | 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:** Maier Sports uses fact-based costing to ensure its prices support the payment of a living wage estimate at suppliers responsible for 8% of Maier Sports's FOB.

**Recommendation:** Maier Sports is encouraged to roll out its approach to other suppliers.

| 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:** Maier Sports 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:** Maier Sports has some CAP findings where training is a recommended follow-up action. The member has enrolled some suppliers with findings on lack of awareness about the Code of Labour Practices and communication between factory management and workers in the following training modules: 'Onboarding Training for Suppliers and Workers' and 'Factory Dialogue Module' for its Indian and Türkiye suppliers. However, the CAPs also recommended training modules on the Code of Labour Practices for the Chinese and Bangladeshi suppliers. In the last three financial years, the brand has not enrolled any of these suppliers in training modules.

**Recommendation:** Maier Sports 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. | Advanced | 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. | 6     | 6   | 0   |

**Comment:** Maier Sports followed up on all training results. In particular, the brand had email exchanges with factory management on the benefits and challenges of the training events. The workers enrolled in the 'Onboarding Training for Suppliers and Workers' were now aware of Fair Wear and the Code of Labour Practices; the social dialogue training offered to the brand's own production location was so well received that a complaint on calculating the productivity premium was solved. Additionally, the member used the training results as input for its human rights risk monitoring by using the information in the training report in its risk country scoping and factory risk assessment.

| 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:** Maier Sports's human rights risk monitoring includes a responsible exit strategy. Based on the document shown during the brand performance check, a different procedure is set based on the brand's leverage. In particular, the brand does not have any responsible exit strategy set if the leverage is below 33%.

The brand discontinued its business relationships with several suppliers and subcontractors in the past financial year. However, the brand did not track which factories were discontinued permanently and which did not have orders placed for the financial year under review. As such, it could not be assessed during the performance check that the member has followed its responsible exit strategy procedure with the terminated suppliers.

Maier Sports does not systematically discuss the responsible exit strategy with its suppliers.

**Requirement:** Maier Sports must have human rights risk monitoring that includes a responsible exit strategy.

**Recommendation:** Maier Sports could discuss the responsible exit strategy with its suppliers, for instance as part of its supplier evaluation. In addition, the brand could include the responsible exit strategy as part of its suppliers' agreement or contract.

| 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:** Maier Sports 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. | 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:** Maier Sports communicates accurately about Fair Wear membership on its website. In particular, the brand has dedicated webpages on its websites (Maier Sports and Gonso) on corporate social responsibility, where Fair Wear membership is mentioned, and the link to the last brand performance check is available.

The member also uses other channels to inform customers and stakeholders about Fair Wear membership. By creating posts on social media, Maier Sports actively spreads the Fair Wear message. In addition, the brand has a monthly newsletter dedicated to end-customers on its products and corporate social initiatives. Maier Sports share similar information with its retailers.

| 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:** Maier Sports 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:** Maier Sports has submitted its social report, which Fair Wear approved. The member 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:** Maier Sports published its social report, which includes some factory-level data and remediation results, on its website. The factory-level data Maier Sports included are main audit findings, factory-level training events, and some remediation actions. Maier Sports has yet to disclose its full factory list and its time-bound improvement plans.

**Recommendation:** Maier Sports is recommended to publish a complete factory list and 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:** Maier Sports has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. So far, the brand uses the CAPs and the action centre in the Member Hub (Fair Wear's information management system). The internal evaluation system involves top management. In particular, the CEO is promptly informed of all audit findings and complaints and the related follow-ups. In its evaluation system, the member does not yet include triangulated information from external sources.

| Performance indicators   | Result | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|--------|---|---|-------|-----|-----|
| 4.6 Level of action/progress made on requirements from previous Brand Performance Check. | Basic  | 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. | 0     | 4   | -2  |

**Comment:** The previous performance check included the following requirements: Maier Sports needs to ensure that new production locations sign and return the questionnaire before first orders are placed; Maier Sports must ensure that the Worker Information Sheet, including contact information of the local complaints handler of Fair Wear, is posted in factories, in a location that is accessible to all workers. Maier Sports should check by means of a visit whether the Worker Information Sheet is posted in the factories. Do not terminate a business relationship without first having discussed scenarios and solutions with your supplier. If exit is unavoidable, Maier Sports should ensure that workers are protected and paid and follow Fair Wear’s responsible exit strategy. As Maier Sports has high leverage at its two Chinese business partners (joint venture) and the fact that the member brand only sources in three countries, Fair Wear expects that Maier Sports can demonstrate the link between its pricing and the wage levels at its Chinese suppliers. The same applies to the Indian supplier. In relation to the first and second requirements, the brand has started collecting some of the missing Code of Labour Practices questionnaires and checking if the Worker Information Sheet is hung on the factory's premises. However, Maier Sports did not ensure that all the new suppliers added in the financial year under review returned the signed Code of Labour Practices questionnaire and post the Worker Information sheet before placing the first purchase order.

Maier Sports has developed a responsible exit strategy that is discussed with some of its new suppliers. However, the brand could not provide evidence that this strategy is discussed with all its supplier base (including subcontractors) at the beginning of the business relationship. In addition to that, the brand should keep trace of all the exited factories and the impact on workers.

In relation to the last requirement, the brand has collected the wage data of its main suppliers in China and India, and has started some forms of open costing. As such, the brand has a good understanding of how its buying prices are linked to wages.

**Recommendation:** Maier Sports is strongly recommended to address the requirements that are still outstanding.



## 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.: **Yes**

**Comments:** Maier Sports and 30 other brands co-signed an opinion piece on adopting the Corporate Social Due Diligence Directive (CSDDD) by the European Union. In addition, the brand has signed a letter to the Bangladesh prime minister and wage board on increasing the legal minimum wage.

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: **Not applicable**

## Recommendations to Fair Wear

Maier Sports recommends Fair Wear to update the brand performance check guidance by indicating how Fair Wear interprets the indicators in layer three, 'Remediation and impact'. The brand would like to have the same performance checker for more years in a row as this would help only focus on the changes across the financial years.

The brand has started using the Member Hub as its internal information management system. At the same time, the overdue actions should indicate to which factory they relate; at the same time, some actions (e.g., 'Read the excessive overtime policy') should be automatically marked as completed for all factories for which the action was recommended.

Maier Sports suggests Fair Wear, providing information on non-active Fair Wear countries.

# Brand Performance Check details

Date of Brand Performance Check: **29-01-2024**

Conducted by: **Gemma Giammattei**

Interviews with: During the brand performance check, interviews were conducted with:

Simone Mayer - Maier Sports CEO

Lisa-Marie Dozier - Head of CSR department

Jasmina Veit - CSR manager

Stefan Taft, Head of Marketing Maier Sports

Jens-Nico Wiegand, Head of Marketing Gonso