



BRAND PERFORMANCE CHECK

Hess Natur-Textilien GmbH

PUBLICATION DATE: FEBRUARY 2015

this report covers the evaluation period 01-08-2013 to 31-07-2014

ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices.

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

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory 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 factory 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 FWF's work.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

BRAND PERFORMANCE CHECK OVERVIEW

Hess Natur-Textilien GmbH

Evaluation Period: 01-08-2013 to 31-07-2014

AFFILIATE INFORMATION	
Headquarters:	Butzbach, Germany
Member since:	01-03-2005
Product types:	Fashion, home textiles
Production in countries where FWF is active:	China, India, Italy, Lithuania, Macedonia, Poland, Portugal, Romania, Thailand, Turkey
Production in other countries:	Armenia, Austria, Belarus, Bosnia and Herzegovina, Croatia, Czech Republic, Germany, Hungary, Ireland, Mongolia, Morocco, Nepal, Peru, Slovakia, Slovenia, Sri Lanka, United Kingdom.
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	90%
Benchmarking score	59
Category	Good

Summary:

hessnatur meets most of FWF's management system requirements.

90% of the company's production volume is under monitoring, which meets FWF's threshold for affiliates who are a member for more than 3 years. This includes the 43% of the company's production volume from suppliers in low-risk countries.

A few important changes are under way at hessnatur; a new order tracking system was introduced, new clothing lines are being designed and a new supplier data software system has been implemented. The impact of these developments on supplier relations and working conditions is not yet measurable; FWF recommends that hessnatur analyses the impact of these new systems on factory level conditions. For instance, the new order tracking system can facilitate the production facilities' planning and therefore potentially reduce overtime; whether the system results in improvements should be assessed by hessnatur in the coming year.

During past financial year, hessnatur has gained more insight into production costs related to wages by estimating a cost breakdown, compared to country-level minimum wages and living wage benchmarks. A recommended next step would be to define the exact cost of labour per style (including the share that goes to workers) and trace this back to hessnatur's pricing policy.

hessnatur should take note of the phrasing and language used on the website, social report and catalogues when communicating about FWF. Particularly any reference to certification or approval seal should be avoided.

Hessnatur is encouraged to further motivate its main production sites to join WEP trainings.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

Good: It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—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 affiliates will receive a 'Good' rating.

Needs Improvement: Affiliates 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. Affiliates 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: Affiliates 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. Affiliates may remain in this category for one year maximum, after which termination proceedings will come into force.

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	55%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

Comment: hessnatur has significant leverage with suppliers representing 55% of its purchasing volume. The company aims to have more leverage at a smaller group of strategic suppliers and is in process of consolidating the supplier base.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	62%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
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Comment: 62% of the purchasing value is sourced from suppliers where the relation exists for more than 5 years. hessnatur has a big variance of factories given the specialised products. The company is in process of implementing a new sourcing strategy that resulted in a change of styles and subsequently resulting in changes in the supplier base.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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Comment: As part of the 'hessnatur Supplier Check', suppliers are requested to sign the Code of Labour Practices and fill in the supplier data sheet. In case a supplier uses other production locations, the production site needs to fill in the same information.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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Comment: The purchasing department introduces new suppliers after which the Corporate Responsibility department initiates a supplier check: possible existing audits are collected and social compliance information is gathered. Suppliers are also asked to fill in their lowest wage, average wage and highest wage; this is subsequently compared to the minimum wage and possible FWF living wage benchmarks. New factories in higher risk countries are always visited by company staff. Bulk orders will not be placed until approval by the CR department and the production site data is available. This process and guidelines for selecting suppliers is described in the purchasing policy which all departments have agreed on.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
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Recommendation: FWF recommends to include the remediation of complaints handling in the supplier evaluation rating. In addition, FWF suggests that in case a supplier has one or more production locations, those production locations are evaluated separately in order to serve the purpose of weighing working conditions as input for the purchasing department.

Comment: hessnatur has a supplier evaluation system where ecological and social criteria have a combined weight of 40% in the evaluation criteria. Twice per year a supplier evaluation meeting takes place. In a discussion with multiple departments (Buying, Technicians, Quality Assurance, Social Standards and the Financial Department) it is decided how to continue working with the supplier. It can be decided if orders can be increased in case of good performance or if extra activities/efforts are needed for suppliers who have lower performance.

1.6 The affiliate's production planning systems support reasonable working hours.	General or ad-hoc system.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	2	4	0
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Recommendation: With the new planning tracking system, it is recommended to analyse the affect it has on the working hours in the production facility. hessnatur can investigate in what way the tool can contribute to supporting reasonable working hours and to planning production capacity based on regular working hours of the factory. For purchasing staff it is advised to discuss production planning in relation to working hours more directly with the production locations, particularly in cases where the order goes through the main supplier.

Comment: hessnatur has developed new time tracking tool that facilitates better planning across the supply chain. The system creates a more transparent way of tracing the product; it shows the moment fabric arrives at the production facility and the moment the garment leaves the factory. However, hessnatur does not know the production operation in the period between fabric delivery and the moment the garment leaves the factory. Some suppliers have indicated the new system supports the factory's internal organisation. According to hessnatur, it can have a realistic assessment of production capacity if it buys 20-25% of the production volume of a factory.

Never-out-of stock items can be placed in low season of the supplier. The production location indicates which 2 month are low season. In case suppliers work with different production locations the planning is done by the supplier. Purchasing staff normally discusses planning with agent or main supplier/head office.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
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Requirement: Several audits have concluded working hour records are incomplete or in-transparent; hessnatur is expected to ensure openness and transparency of working hour records at the production locations.

Recommendation: In the cases where the supplier is responsible for production planning and monitoring at other production locations, it is recommended to get better insight into the exact working hour and manufacturing schedule of the production location, including identifying strategies that minimise the impact of hessnatur production on working hours.

Comment: With the new order tracking system, problems can be foreseen at an earlier stage. In case of delays, hessnatur has the option to postpone the delivery date, allow airfreight, split deliveries. In case material is late hessnatur can discuss the process with the fabric supplier in case they have a direct relationship to realize a better and earlier planning with the fabric supplier in future.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
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Recommendation: The calculation has given a useful insight into the costing of the sample styles. In order to ensure the hessnatur's price per style ensures the payment of at least minimum wage paid to the workers, a final step is to connect the estimates per country to the actual paid minute wage per style.

Comment: hessnatur has set up a sample calculation for styles produced at 3 factories. For those styles an estimated cost break down is made including material costs, transport and production costs. As a second step an estimate of working minute costs per country is given which is compared to the minimum wages and living wages. The overview is used by purchasing staff to check if the price given by the supplier is meeting the country estimates.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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Comment: Two audits conducted by FWF showed payment below minimum wage. At the factory in India hessnatur had a meeting and urged the factory to ensure payment of minimum wage. A follow up audit that is planned will need to show remediation. In the case of the other factory payment below minimum wage occurred only for 1 worker who was in training, which soon after the audit the factory ensured was remediated per 1 January 2014.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Recommendation: hessnatur is encouraged to further support factories in enabling them to make steps to move towards living wages as estimated by local stakeholders. FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models as a starting point for revising pricing policies that make movement towards living wages possible. As a first step this can be investigated with suppliers who are more systemically organised and where hessnatur sources a larger share of the production volume. The goal is to get workers and managers trained and aware on living wages by enrolling them in the FWF Workplace Education Program.

In relation to the living wage project in Macedonia, hessnatur is stimulated to follow up on the recommendations coming from the productivity assessments to implement higher wage levels.

Comment: hessnatur has gathered more insight and data on wages to compare with the FWF Wage Ladder benchmarks. Every factory provides highest wage, lowest wage and average wage (not verified) to hessnatur, which is checked against the legal minimum wage and FWF Wage Ladder benchmarks. Hessnatur's purchasing department calculates an estimate of the working minute cost, though the actual wage paid is unknown. Hessnatur is part of a FWF project in Macedonia that investigates the opportunities to pay higher wages by using productivity gains and by calculating the additional cost raising the wages to living wage level would cost.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 26

Additional comments on Purchasing Practices:

hessnatur is going through company changes that has also led to a new sourcing strategy. The sourcing strategy has an integrated approach combining every risk in a measurable system: ecological, social, business factors. More focus is put on transparency and raising awareness on the consumer side. In terms of products, hessnatur is developing a more modern product line (style collection) next to their regular line (family collection).

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	47%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	43%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	90%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2

Recommendation: In addition to receiving status reports from suppliers, hessnatur is advised to support remediation by own activities and decisions, creating in-depth efforts to address CAPs. Factory and brand level root cause analysis is suggested to show evidence of realised improvements and to create sustained progress towards corrective actions.

Comment: The corrective action plans resulting from audits are followed up on by hessnatur CSR staff by contacting the supplier to get an update on progress in realising improvements. Purchasing staff are mostly in communication with agent or main supplier and do not by definition visit production locations and are not directly involved in the CAP follow-up.

hessnatur has sent out emails to their agents and all suppliers with occupational health and safety standards, requesting feedback and status of health and safety issues at the production sites the agent works with. Based on the hessnatur screen and discussions with the supplier, follow up is monitored through receiving status reports of the supplier. In addition, status of improvements is checked during visits by CSR staff to suppliers where findings are discussed in personal meetings. The findings that are implemented are set in relation to the total amount of findings and hessnatur gives a percentage rate of performance on social standards.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	58%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	3	4	0
2.4 Existing audit reports from other sources are collected.	Yes and quality assessed	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	2	3	0

Recommendation: hessnatur is encouraged to further identify and investigate corrective actions of external audit reports. After communicating with the supplier on the status of findings, verification of the improvement is needed to ensure progress is made.

Comment: Collecting existing audit reports is part of the hessnatur supplier check.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0

Recommendation: FWF is working on guidances for affiliates to monitor and remediation working conditions at homeworkers. In cooperation with hessnatur, FWF will recommend further action. Hessnatur is encouraged to agree on additional commitments that are required to mitigate risks. The affiliate can provide additional measures for support and integrate that in the monitoring system.

Comment: In Peru hessnatur has organised a Day of Social Standards where suppliers attended a two day seminar. Moreover, a supplier in Peru makes use of homeworkers; hessnatur has visited the homeworkers to assess the situation. Freedom of association remains a challenging issue. Hessnatur took part in the FWF Round-Table in Turkey on complaints handling. Hessnatur has signed the Bangladesh Fire and Safety Accord, but did not have active production in Bangladesh during last financial year.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1
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Recommendation: hessnatur is encouraged to further actively contribute to the implementation of remediation plans when problems occur at shared suppliers.

Comment: Hessnatur has shared information (audit reports, monitoring activities) at shared suppliers.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: Suppliers in low risk countries are visited regularly. During visits it is checked whether the CoLP is posted. Suppliers are also asked to send pictures of the CoLP being posted.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	100%	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	3	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	0%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; Documentation of sales volumes of products made by FWF or FLA members.	0	3	0
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Requirement: The affiliate has to ensure that suppliers of external production are either a FWF member or have another acceptable system in place for monitoring its supply chain.

MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 23

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	7	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	5	
Number of worker complaints resolved since last check	2	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

Recommendation: In some cases, audit results showed the CoLP was not posted or was not in the local language used by migrant workers employed in the factory. Hessnatur is asked to do an additional check at those factories where this is a risk and shown as a finding in the audit report.

Comment: During visits it is checked whether the CoLP is posted. Suppliers are also asked to send pictures of the CoLP being posted.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	57%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
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Recommendation: Hessnatur can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet and their own flyers, hessnatur can use the worker information cards available for download on FWF's website.

Comment: Hessnatur has developed an awareness programme, particularly for countries where FWF is not active; flyers and material with the labour standards has been developed to share with factory management and workers.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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Recommendation: Following FWF's complaints procedure, hessnatur is asked to regularly update FWF on steps taken the steps taken by hessnatur (in addition to the parallel investigation by FWF) after a complaint is submitted and to support remediation suggested by FWF, based on investigation and local stakeholder consultation. Involvement by the FWF affiliate is crucial in resolving a complaint at a supplier, specifically acting on the remediation plan.

Comment: Complaints received from workers employed by Turkish suppliers were in many cases related to Freedom of Association. Resolving these complaints have proven to be difficult. In most cases, remediation is not yet verifiable or in process. Hessnatur has engaged in active discussions with their suppliers after a complaint was submitted.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	-2
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Comment: In responding to complaints from suppliers in Turkey, hessnatur has actively engaged with other customers of the factory in an attempt to resolve the complaints.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 11

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: All hessnatur employees are informed of the hessnatur company values including social standards. New employees are informed about the company's social standards and monitoring program in an annual "essentials class". Additionally, further information is made available to specific departments.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: The CSR department actively organises training for purchasing staff and designers. Staff is trained at least twice a year. A workshop took place between the corporate responsibility and purchasing staff addressing the Code of Labour Practices. In 2013/2014 all salespersons (Butzbach, Hamburg, Munich) and all people working at the call centre were trained on social standards.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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Recommendation: It is important to ensure the correct information is communicated to the factory management and production location, both from CSR as purchasing staff. Particularly on explaining the Workplace Education Programme, agents could take on a supportive role to convince factories to join.

Comment: Hessnatur works with agents in Italy, Morocco, Turkey, Peru and Portugal. Hessnatur decides where the orders are placed, agents take on tasks for further monitoring the production. Agents are also trained on social standards and are often present during meetings or to observe audits.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	8%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	1	6	0
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Recommendation: Awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. Hessnatur is encouraged to motivate its main production sites to join WEP trainings.

Comment: Two factories in India took part in FWF's Workplace Education Programme. In the 2013 financial year two Chinese suppliers took part in the programme. Together this accounts for 8% of last financial year's purchasing volume. Two factories in Turkey have started with the WEP by training supervisors or management, but workers are not yet trained.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
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Recommendation: All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends affiliates to ensure suppliers participate in trainings. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative.

Comment: hessnatur has started to set up training in countries where FWF is not active in a similar set up as WEP. The company has produced own material with the 8 labour standards and has piloted one sample training in Nepal. Furthermore, hessnatur has organised a 'Day on Social Standards' in Peru in 2014 where company staff, agents and suppliers were invited.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations and update supplier information.	Intermediate	Any improvements to supply chains require affiliates to first know all of their suppliers and production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

Requirement: All factories involved in the steps of manufacturing after fabric production, be it contracted or subcontracted should be part of FWF affiliates' monitoring system; this includes cutting, sewing, embroidery, printing, washing, ironing, finishing and any other related processes. This means the washing of jeans should also be included. External producers who are manufacturing products that include sewing must be included in the external supplier overview.

Comment: Suppliers of hessnatur are required to fill in a complete production data sheet. If orders are subcontracted to another location, the supplier must provide that information for approval of hessnatur. The payment relation is with the supplier.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
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Comment: Supplier information is managed in the company's internal access system. Results from audits and hessnatur screens are included in the system and in addition includes audit reports by other customers of suppliers are also registered in the database. The company is in process of implementing a new Product Data Management software to manage and track supplier data. Purchasing staff has contact with the supplier, CSR department in charge of communication on social standards with the production sites. There is also an internal mailing list for staff who visit suppliers; the CSR department can add topics that should be discussed.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	No	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	-2	1	-2

Requirement: hessnatur should adjust the phrasing and language used on the website, social report and catalogues when communicating about FWF. In particular, any reference to certification or guarantees should be avoided (i.e. geprüfte qualitaet or 'the Code of Labour Practices is fully guaranteed at all production sites' (citation)). FWF has published standardized language in many languages describing the FWF Code of Labour Practices. This wording should be used in all communication channels to prevent confusion as to what issues are covered by FWF membership.

Comment: Through establishing a consumer panel, hessnatur aims to have more direct communication with the consumer. Hessnatur uses its catalogues as communication platforms. hessnatur created an inter-divisional editorial council which bundles all relevant projects and information in order to improve transparency. Moreover hessnatur communicates about FWF through mailings and presentations to students, journalists and other stakeholders.

6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	1	0
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Recommendation: FWF recommends the affiliate to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Requirement: The requirements and recommendations outlined in indicator 6.1 should also be taken into account in the next Social Report, both online as well as in print version and in all languages (German and English).

Comment: hessnatur has published its social report on the website and has a printed version.

TRANSPARENCY

Possible Points: 4

Earned Points: 0

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The Corporate Responsibility department of hessnatur holds a meeting to evaluate the current implementation of FWF membership twice. Together with the purchasing department, the evaluation includes analysing the effectiveness of the management and monitoring system.

7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	38%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	8	-4
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Comment: hessnatur has started gaining more insight into the cost of labour related to own pricing policy. Open requirements from last performance check are: 1) ensure that suppliers of external production are either a FWF member or have another acceptable system in place for monitoring its supply chain, 2) ensure all its suppliers are transparent with FWF auditors on its overtime and attendance records and 3) ensure communication about FWF membership is in line with FWF's communication policy.

EVALUATION

Possible Points: 10

Earned Points: 4

RECOMMENDATIONS TO FWF

hessnatur indicated it would work more convenient if the timeline of submitting the social report would be after the performance check in order to include the figures in the social report.

In addition, hessnatur suggested to find a way in cooperation with FWF to better manage communication and reporting of complaints.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	26	40
Monitoring and Remediation	23	35
Complaints Handling	11	15
Training and Capacity Building	6	15
Information Management	4	7
Transparency	0	4
Evaluation	4	10
Totals:	74	126

BENCHMARKING SCORE (EARNED POINTS ÷ POSSIBLE POINTS)

59

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

01-12-2014

Conducted by:

Annabel Meurs and Ruth Vermeulen

Interviews with:

Mr. Maximilian Lang (Managing Director)

Mr. Rolf Heimann (Head of Corporate Responsibility)

Ms. Kristin Heckmann (Corporate Responsibility Manager)

Mr. Helmut Schädler (Head of Purchasing) & Mr. Philip Tönnis (Scheduling)

Ms. Anna Johannsen (Corporate Responsibility)

Ms. Maren Neundorfer (Corporate Responsibility)

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data. Future Brand Performance Checks will include improved usability and transparency for audit data.