



## BRAND PERFORMANCE CHECK

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Hess Natur-Textilien GmbH

PUBLICATION DATE: JANUARY 2016

this report covers the evaluation period 01-08-2014 to 31-07-2015

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of 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. They evaluate the parts of affiliate 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 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.

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 affiliate 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.

## BRAND PERFORMANCE CHECK OVERVIEW

Hess Natur-Textilien GmbH

Evaluation Period: 01-08-2014 to 31-07-2015

AFFILIATE INFORMATION	
Headquarters:	Butzbach, Germany
Member since:	01-03-2005
Product types:	Fashion
Production in countries where FWF is active:	Bangladesh, China, India, Macedonia, the former Yugoslav Republic of, Romania, Turkey, Viet Nam
Production in other countries:	Austria, Belarus, Bosnia and Herzegovina, Croatia, Czech Republic, Germany, Hungary, Italy, Lithuania, Mongolia, Morocco, Nepal, Peru, Poland, Portugal, Slovakia, Spain, Sri Lanka, Thailand, United Kingdom
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	96%
Benchmarking score	75
Category	Leader

## Summary:

Hessnatur meets most of FWF's management system requirements and goes beyond.

97% 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 47% of the company's production volume from suppliers in low-risk countries. Hessnatur is sourcing in 28 countries. With a little bit more than half of their suppliers the company maintains a business relation of more than 5 years.

Hessnatur has worked proactively to follow up on the requirements from the previous Brand Performance Check. The sourcing department is now more integrated with the CSR department, which enables the sourcing department to factor in commitment on social standards, when making purchasing decisions.

Hessnatur 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 discuss with suppliers a process to raise wages towards a living wage benchmark level.

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. Leaders show best practices in complex areas such as living wages and freedom of association.

**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	59%	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

**Recommendation:** Together with a process of consolidation, Hessnatur is recommended to reduce the number of countries its sourcing in, to facilitate managing the monitoring system.

**Comment:** Hessnatur has significant leverage with suppliers representing 58% 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. Hessnatur sources in 28 different countries.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	58%	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:** 58 % of the purchasing value is sourced from suppliers where the relation exists for more than 5 years. Hessnatur has a large variance of factories given the specialised products.

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. All production sites fill in the production site information sheet, which is even more detailed. This information is stored in the supplier information system from the company.

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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**Recommendation:** Next to information from existing audit reports Hessnatur needs to take into account specific information relevant for the context/country when doing their due diligence. As the company is currently sourcing in 28 countries, there is a high burden in ensuring enough information is available relevant to social compliance and local stakeholders. Hessnatur is recommended to look for more consolidation, in order to be able to focus more.

**Comment:** The purchasing department introduces new suppliers after which the Corporate Responsibility department initiates a supplier check: existing audit reports are collected where available and social compliance information is gathered. Suppliers are also asked to fill in their lowest wage, average wage and highest wage; this is compared to the legal minimum wage and different living wage benchmarks. New factories in higher risk countries are always visited by company staff. Depending on the production country Hessnatur may decide to do an audit before the first order is placed. Bulk orders will not be placed until approved by the CR department and the production site data is available. This process and the guidelines for selecting suppliers are 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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**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. Hessnatur responded to the recommendation in the earlier Brand Performance Check by now including the remediation of complaints handling in the supplier evaluation rating. If a supplier continuously scores negatively on this, this has consequences for future orders. Moreover, it is rewarded when a supplier has only one production site. Longlasting relationships are rewarded when making sourcing decisions.

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:** 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 and where audits have shown proof of the use of excessive overtime.

**Comment:** The time tracking tool that hessnatur has developed allows suppliers to plan better, and is especially helpful for suppliers who experienced problems with planning. To avoid delays, materials are preordered before orders take place, on responsibility of the member to make sure materials are at the supplier when the order is placed.

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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**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 hours and manufacturing schedule of the production location, including identifying strategies that minimise the impact of hessnatur production on working hours.

**Comment:** The leadtimes of hessnatur are 3 to 4 months. If there is delay in the process, for instance with supplying materials, then new delivery times will be discussed in a very early stage. There is generally a tolerance of two weeks for later delivery without deducting money. When there is excessive overtime, hessnatur visits the supplier to discuss this. Suggestions that were discussed were for example skills training for workers and ensuring availability of different skills that make workers more flexible, or to have a regular partner (approved subcontractor) that can help out.. Hessnatur fills in the CAP columns to keep track on dicussions that they had with suppliers and sends it back to the supplier for agreement.

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 gives 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 estimates the working minutes and costs for cut make trim based upon the information that suppliers provide. Hessnatur knows the legal minimal wage and calculates the living wage per minute, which is used by purchasing staff to check if the price given by the supplier meets the country estimates. Conclusions so far are that prices of Hessnatur cover at least for the payment of the legal minimum wage.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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.	2	2	-2
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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.

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

**Comment:** Hessnatur discusses with one of their most important suppliers how they can increase productivity and improve logistics, and in this way reduce costs. Hessnatur offered them to contribute to hiring a consultant to help with this. Hessnatur 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. A supplier of Hessnatur participated in 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.

1.12 Affiliate sources from an FWF factory member.	Yes	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.	1	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: 41

Earned Points: 28

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	39%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	47%	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	96%	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	Advanced	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.	8	8	-2

**Comment:** Hessnatur tracks progress on each CAP per finding and uses an electronic database to keep track of all CAPs. There is continuous dialogue with the suppliers on the follow up of the CAPs and the timeline. In addition, the 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. For the audit findings on overtime, Hessnatur flew to Turkey to discuss how its suppliers can improve their planning to reduce overtime.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	65%	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
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2.4 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	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.	3	3	0
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Comment: External reports are collected and when there are CAPs they are followed up. If CAPs are missing, hessnatur sends an additional questionnaire and follows up on the information provided. If the questionnaire yields insufficient information, or in case of specific findings, hessnatur plans a FWF audit.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced 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.	6	6	0
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**Comment:** Hessnatur shared the guidance document on Syrian refugees with the Turkish suppliers, and discussed this issue during visits. The agent hessnatur works with in Turkey is informed about the country specific risk of subcontracting and actively checks on possible subcontracting when visiting the production locations for hessnatur.

2.6a High risk issues specific to Bangladesh are identified and adressed by the monitoring system and remediation activities.	Intermediate Capacity	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	1	3	0
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**Recommendation:** When Hessnatur would decide to continue working with a supplier in Banlgadesh, it should ensure participation of management of production locations in Bangladesh in the FWF fire and building safety workshops.

**Comment:** Hessnatures supplier has not participated in FWFs workshop on fire safety. Hessnatur has facilitated and ensured access to credible fire and building safety inspection reports by signing the Bangladesh Fire and Safety Accord. Hessnatur is phasing out the cooperation with the Bangladeshi supplier for quality reasons.

2.6b High risk issues specific to Myanmar are identified and adressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
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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 keep FWF updated about the cooperation with other customers when resolving corrective actions.

Comment: Hessnatur cooperates actively with other customers in remediating complaints and follow up on CAPs.

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: When non CSR staff visits production locations they inquire with the CSR department on which indicators to check and they make pictures of the posting of CoLPs.

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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Comment: Hessnatur knows the production sites of all three external brands and they all have returned the questionnaire.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	32%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	0	3	0
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**Recommendation:** We appreciate the effort of hessnatur to get to know the production locations of their external brands and limit the production for hessnatur to low risk countries as Poland and Germany. However, there is no independent verification system in place for the third brand that hessnatur resells and that sources in other countries than Germany.

**Comment:** Two brands with together a external sales volume of 32% only source in Germany. The third brand developed a CoLP based on BSCI requirements. They have a German employee full-time in one production site in Ukraine, but they agreed with hessnatur to focus their production for them in one supplier in Poland.

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## MONITORING AND REMEDIATION

Possible Points: 38

**Earned Points: 32**

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	4	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	6	

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.	40%	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.	2	4	-2
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**Recommendation:** Hessnatur should 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 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 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 member is crucial in resolving a complaint at a supplier, specifically acting on the remediation plan.

Comment: All complaints are in an excell sheet and discussed with head of purchasing. For some complaints the process of remediation was lengthy. Hessnatur has engaged in active discussions with their suppliers in Turkey to discuss the problems related to freedom of association and Syrian refugees. Hessnatur extensively engaged with suppliers on remediation of important issues, by visiting them and discuss possible solutions. Hessnatur brought a union and supplier together in a round table.

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: 10

## 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: New employees receive 3 days training, including one day about the company's social standards. 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 CR department organizes training for purchasing staff and designers. Staff is trained at least twice a year. Also shop and customer service training receive training 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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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. The Turkish agent participated in the Turkey seminar, and supports the WEP training.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	35%	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.	4	6	0
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**Recommendation:** In order to ensure 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 should motivate its main suppliers to join WEP trainings.

**Comment:** Three factories in Turkey took part in FWF's Workplace Education Programme, also suppliers in China and Romania received a WEP. Together this accounts for 10% of last financial year's purchasing volume.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	11%	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.	2	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 organized training in Thailand and Nepal and shares the reports of these training with FWF. Hessnatur is developing an e-learning tool to train factory management on the CoLP. In order to ensure high standards of the training, there are special 'train the trainers' programmes. The trainings are set up in a way that allows the trainers to transfer knowledge about local legislation and issues that are specific for the country..

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require affiliates to first know all of their 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

**Recommendation:** The member is asked to notify FWF as soon as possible in case unknown subcontractors are discovered.

**Comment:** The questionnaire that hessnatur sends to suppliers asks for subcontractors, and staff that checks on environment standards have a list which will be checked and personal visits. Hessnatur makes sure that their agents are transparent about the production locations, and hessnatur has the final say in the selection of the production location used.

FWF discovered a subcontractor working for a supplier of hessnatur and was involved in their production. This needs more attention.

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: CSR meets with the head of purchasing at least once a week. The supplier evaluation database contains information relevant for both buyers and CSR staff. The living wage system and the purchasing strategy and purchasing evaluation are developed by both departments together.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	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.	1	1	-2

**Recommendation:** Quality control should include checking the use of the right labels.

**Comment:** An old label was found to be used by a supplier using a slogan that does not adhere to FWF communications policy. However, suppliers are clearly informed about which hangtags to use and to stop using old hangtags with incorrect wording. Hessnatur organised a workshop for employees communicating about the company (marketing, social media, copywriters, pr) to ensure that hessnatur communication adheres to FWF communication policy. The CR and communications department are developing a list of do's and don'ts to make clear which wording is and is not allowed.

6.2 Affiliate engages in advanced reporting activities	Yes	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.	1	1	0
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**Comment:** The Brand Performance Check report and FWF formula video are published on the website. Hessnatur organised a media trip with magazine Brigitte to the production locations in Peru that resulted in a large article. Hessnatur participated in several fashion and CSR related events to talk about how they work on social standards.

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 affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

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## 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, with involvement of the management board. Together with the purchasing department, the evaluation includes analysing the effectiveness of the management and monitoring system and the status of implementation at the suppliers..

7.2 Changes from previous Brand Performance Check implemented by affiliate	80%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2
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Comment: The requirement about including subcontractors in the monitoring system is still open, because remediation is ongoing.

## EVALUATION

Possible Points: 6

Earned Points: 6

# RECOMMENDATIONS TO FWF

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	28	41
Monitoring and Remediation	32	38
Complaints Handling	10	15
Training and Capacity Building	11	15
Information Management	4	7
Transparency	4	4
Evaluation	6	6
Totals:	95	126

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

75

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

10-12-2015

Conducted by:

Margreet Vrieling

Interviews with:

Mr. Marc Sommer (Managing Director)

Mr. Helmut Schädler (CSR, Purchasing, Dispo, Technik Management Board)

Ms. Kristin Heckmann (Corporate Responsibility Manager)

Ms. Elisabeth Schmidt (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.