



BRAND PERFORMANCE CHECK

Heigo Nederland B.V.

this report covers the evaluation period 01-01-2017 to 31-12-2017

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation 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. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF'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 FWF 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 FWF 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 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 member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Heigo Nederland B.V.

Evaluation Period: 01-01-2017 to 31-12-2017

MEMBER COMPANY INFORMATION	
Headquarters:	Elst (Gld), Netherlands
Member since:	01-10-2005
Product types:	Workwear
Production in countries where FWF is active:	Bulgaria, China, Turkey
Production in other countries:	Belgium, Hungary, Portugal
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
SCORING OVERVIEW	
% of own production under monitoring	96%
Benchmarking score	65
Category	Good

Summary:

Heigo has shown progress and met most of FWFs' performance requirements. It met the required monitoring threshold with a monitoring percentage of 96%, as the majority of its production takes place in Heigo's own production facility in Bulgaria and an audit was conducted at this location in 2016. Combined with a benchmarking score of 65, this year Heigo has been placed in the Good category.

In 2017, Heigo implemented a systematic approach in its monitoring procedures, including a process to assess risks at new suppliers and integrating labour standards into the yearly evaluation of its entire supplier base. Most notably, last year Heigo established a team at its own factory in Bulgaria, to assist in the follow-up of audit findings. This combined with regular factory visits by Heigo staff, meant that many of the points in the Corrective Action Plan had been resolved. Going forward, Heigo should maintain these systematic procedures, to help integrate social compliance into normal business processes and support good decision-making.

In the past year, Heigo has also taken first steps towards living wages, analysing wage levels in its factories and discussing the possibilities of starting a living wage pilot project with factory management in Bulgaria and Portugal. It is advised to start with suppliers where the Heigo has high leverage and long-term business relationship, for example Heigo's own factory in Bulgaria. If necessary, Heigo could hire external experts to provide guidance on how to move towards the implementation of living wages. As a first step, Heigo should stimulate its supplier to participate in a WEP training.

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 FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF 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.

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	93%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: DATABASE TO BE UPDATED

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	5%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: In 2017, Heigo purchased about 5% of its production volume from suppliers where it buys less than 2% of its total FOB.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	96%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: In 2017, approximately 96% of Heigo's production volume comes from suppliers where a business relationship has existed for at least five years. The above three indicators show that despite Heigo already having a short supplier list, it is still working to consolidate its supply chain and reduce risk by moving production to low risk countries and its own factory in Bulgaria.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: Heigo began working with one new supplier in China in 2017. The questionnaire with the Code of Labour Practices was returned before first bulk orders were placed.

Recommendation: As a way of checking its suppliers have read and agree to the Code of Labour Practices, in future Heigo should ensure the document has been signed by the supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: In the past year, Heigo moved to a more formal process to onboard new suppliers. Heigo utilised tools provided by FWF, including the China Country Study and Wage Ladder. Although the factory itself was not visited by Heigo, factory management visited Heigo's office in Europe, during which discussions on labour standards at the factory took place. From this meeting, Heigo completed its own evaluation covering labour standards and a wage level analysis. Heigo requested existing audit reports be shared, but none were available.

Recommendation: In future, this evaluation should begin to influence the decision on whether to place orders, how to prevent and mitigate risks, and what remediation steps may be necessary. Furthermore, conducting pre-audits or analysing existing audit reports can be a way to assess the level of working conditions before deciding to start or continue the business relationship. At the least, a staff member of Heigo should visit the production location before placing orders.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	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.	1	2	0

Comment: In 2017, Heigo integrated labour standards into the yearly evaluation of its suppliers. The new system covers own and external production, and includes outcomes of audits, trainings and complaints, willingness to cooperate, transparency, communication and wages, as well as delivery terms, quality, price, innovation and sustainability. For external production from other FWF members, Heigo made use of the Brand Performance Check report to complete the evaluation. In future, Heigo hopes that the evaluation will influence production decisions. For example, a supplier that is not willing to be transparent on social compliance, will not be a preferred long-term partner.

Recommendation: As it is not always possible to reward suppliers with more volumes, Heigo could look into other incentives that reward supplier's commitment towards the CoLP. An example would be to offer training for skill building/capacity development.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: Heigo's account managers keep in touch with clients and stay up to date on the products in the warehouse. Based on this, Heigo works with a detailed sales forecast that results in a production master plan for the coming 3-6 months. In 2017, Heigo planned in an extra two weeks production time for each order for all its suppliers, to reduce pressure and allow more flexibility on delivery.

In its own factory in Bulgaria, Heigo is aware of the production capacity, which is based on labour minutes. When capacity is reached, Heigo expects the use of temporary workers or subcontractors to avoid overtime. Heigo can also track fabric delivery and extend lead times in case of delays. For its other suppliers, Heigo produces very small orders and mainly Never Out of Stock items. Heigo does not know the production capacity for these suppliers, but because of the nature of the orders, Heigo is very flexible and allows the supplier to determine the delivery times.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours. For its own supplier in Bulgaria, Heigo should adjust planning to avoid going over production capacity. When this is unavoidable, a proper risk analysis should be conducted before accepting temporary workers or subcontractors.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	No production problems /delays have been documented.	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	N/A	6	0

Comment: In its own production location in Bulgaria, there is limited overtime. However, in its other production locations, Heigo remains unaware of whether overtime is an issue despite these factories being located in countries with high risks related to overtime.

Recommendation: Heigo should conduct audits in its high-risk production locations to determine whether excessive overtime is occurring. Heigo should also conduct another audit at its own factory in Bulgaria, to receive updated information on working hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company'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

Comment: Heigo is aware of the minimum wage levels for each of its production countries. For both its suppliers in Bulgaria, Heigo works with a costing sheet that includes the cost of labour for each garment. This costing system allows Heigo to ensure wages are at least above minimum wage in Bulgaria.

Recommendation: As an advanced step, increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. Heigo is recommended to implement the same costing system for all its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF member companies 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations 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 production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Basic approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0

Comment: In 2017, Heigo created an overview of wage levels from 2015 to 2017 in its own factory in Bulgaria and made a comparison to different living wage benchmarks using the Wage Ladder. Wage levels in factories is part of Heigo's new supplier evaluation system and it has already begun discussing the possibility of starting a living wage pilot project with factory management in Bulgaria and Portugal.

Recommendation: It is advised to start with suppliers where the Heigo has high leverage and long-term business relationship, for example Heigo's own factory in Bulgaria. If necessary, Heigo could hire external experts to assess root causes of wages lower than living wages with suppliers and provide guidance on how to move towards the implementation of living wages. FWF could recommend qualified persons upon request.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	87%	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 member company's score.	Supplier information provided by member company.	2	2	0

Comment: 87% of Heigo's production volume comes from a factory that it owns in Bulgaria.

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 26

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	87%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	9%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Total of own production under monitoring	96%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% 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

Comment: As the main part of production takes place its own factory in Bulgaria, the director of Heigo is responsible for follow-up on problems there. There is another person responsible for follow-up at other suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: In 2017, Heigo had one open Corrective Action Plan (CAP) from an audit conducted at its own factory in Bulgaria. After struggling in the past to achieve progress on towards the resolution of audit findings, last year Heigo established a team at the factory level to assist in the process. The team is made up of workers from different departments and levels within the factory and an internal training on the FWF Code of Labour Practices was given. CAP points were distributed amongst the team members and progress is discussed during regular meetings. Update reports on the CAP status are created and shared with Heigo head office. The director of Heigo also discusses their progress on the CAP during factory visits multiple times per year.

During the Brand Performance Check, Heigo could show that many of the points in the CAP had been resolved. It is planning another audit at this factory in 2018, so the team can work with updated information.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	97%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: The director of Heigo visits its production locations in Bulgaria 8-10 times per year and purchasing staff at Heigo visited the the production locations in Portugal, Hungary and Belgium in 2017.

Recommendation: Annual visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits. FWF has developed a Health & Safety Guide that can be used during these visits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

Comment: In 2017, Heigo began asking for existing audit reports as part of its due diligence process for own and external production. So far, no factories have supplied existing audit reports.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	None of the specific risk policies apply	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	N/A	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: No abrasive blasting is used in Heigo's production, as it only works with raw denim material.

Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Heigo can agree on additional commitments that are required to mitigate risks and can provide additional measures for support and integrate that in the monitoring system. For instance, Living Wages, the use of informal subcontractors and legally binding relationships are areas Heigo should discuss with its suppliers in Bulgaria.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No CAPs active, no shared production locations or refusal of other company to cooperate	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances 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.	N/A	2	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

Comment: Heigo fulfilled the monitoring requirements for all of its low-risk production locations in Portugal, Hungary and Belgium. Each factory was visited at least once in 2017, the questionnaire with the Code of Labour Practices was completed and the FWF Worker Information Sheet was posted in each of the factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	Not applicable	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	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.	2	2	0

Comment: Heigo actively shares the questionnaire and collects information back from external brands. In 2017, Heigo also took advanced steps, by including external producers in its annual evaluation of suppliers and by asking external brands for existing audit reports.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	8%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	1	3	0

Comment: It's part of Heigo's sourcing policy to purchase as much as possible from other FWF members. If one of its external brand is not a member of FWF, Heigo has been known to encourage them to join. In 2017, Heigo made use of the Brand Performance Check reports to complete its evaluation of external suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 23

Earned Points: 18

Additional comments on Monitoring and Remediation:

Requirement: FWF requires Heigo to audit all production locations that are responsible for over 2% of its total production and where Heigo is responsible for over 10% of the location's production capacity.

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	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	0	
Number of worker complaints resolved since last check	0	

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

Comment: A staff member from Heigo's purchasing department is designated to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place 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 production location visits, etc.	2	2	0

Comment: Heigo checks that the Worker Information Sheet is posted in factories during site visits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	2%	The FWF complaints procedure is a crucial element of verification. If production location 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. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	1	4	0

Recommendation: Heigo can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker helpline. In addition to sending the worker information sheet, Heigo can use the worker information cards available for download on FWF's website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 4

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	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: Information and news on Heigo's FWF membership is shared with all staff on a regular basis during a weekly lunch meeting. In addition, it is also shared in an internal/external newsletter and on its website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	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	-1

Comment: Staff from the logistics, sales and buying departments are involved in a half year evaluation of FWF membership with the director. Furthermore, Heigo staff regularly attends FWF events such as the Annual Conference and participates in webinars provided by FWF.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	0

Comment: Heigo has one agent for their production in Portugal. The agent is visited regularly by Heigo representatives and is aware of the FWF membership requirements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	2%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. 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

Comment: Heigo organised a WEP training at its production locations in Turkey in 2015.

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. As of 2016, WEP trainings were made available in Bulgaria. Heigo should motivate its own supplier in Bulgaria to join WEP trainings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, member companies 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

Recommendation: All factory workers and management should be informed about FWF, labour standards and grievance mechanisms. In order to further communication between employers and workers in the workplace FWF recommends Heigo 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 participation should be balanced and representative.

FWF has developed the Factory Guide, an innovative and comprehensive e-learning tool to increase awareness of factory managers on FWF requirements and labour standards. This tool specifically provides Heigo the opportunity to increase awareness of managers in countries where FWF does not offer the WEP modules. FWF recommends Heigo to ensure suppliers actively use the Factory Guide.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 5

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 member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: Heigo is aware of the use of subcontractors at its own supplier in Bulgaria and monitors their use during factory visits. However, the production location data is not entered correctly into the database and Heigo does not know how often or for which products subcontractors are used. Heigo began production at one new supplier in 2017. While its due diligence process for new suppliers did improve in the past year, the production location data was not entered into the database. This was amended during the Brand Performance Check.

Requirement: After the end of each financial year, member companies must confirm their list of suppliers and provide relevant financial data. A complete suppliers list means ALL suppliers are included, including subcontractors.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	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

Comment: Supplier information is shared among all purchasing staff.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: Heigo publishes the Brand Performance Check report on its website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Heigo has published the Social Report on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

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: FWF membership is evaluated twice a year with some key people within the organisation, the director, sales, purchasing, internal operations and logistics. During this meeting it is evaluated how FWF membership contributes to the company and what areas Heigo could improve in.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	83%	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: In 2017, Heigo implemented standard monitoring procedures to assess risks at new suppliers and evaluate social compliance of its entire supplier base. Heigo also made progress on basic requirements, ensuring all suppliers, (high and low-risk, own and external production) sign and return the questionnaire with the Code of Labour Practices. Furthermore, Heigo fulfilled the monitoring requirements for all its low-risk production locations in Portugal, Hungary and Belgium. It has also taken first steps towards living wages, analysing wage levels in its factories and discussing with factory management in Bulgaria and Portugal the possibilities of starting a living wage pilot project. Most notably, Heigo established a team in its own factory in Bulgaria to assist in the resolution of the CAP. In 2018, Heigo needs to ensure a complete list of suppliers, including subcontractors is entered into the FWF database.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

- Heigo requests FWF to assist them in communicating during the tender process. Heigo would like FWF to provide specifically tailored information about membership to local and national governments, including an explanation on the differences between FWF and other initiatives.
- Heigo would like FWF to raise awareness within the industry and to market players. A suggestion was to invite more industry representatives to the Annual Conference.
- Heigo would like FWF to stop all previous or non FWF members from using the logo on their website, as this provides the wrong information to Heigo's clients.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	26	40
Monitoring and Remediation	18	23
Complaints Handling	4	7
Training and Capacity Building	5	15
Information Management	4	7
Transparency	5	6
Evaluation	6	6
Totals:	68	104

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

65

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

04-07-2018

Conducted by:

Emma Conos, Rosan van Wolveren

Interviews with:

Piet Goossens, Director

Johan Peters, Purchasing