



BRAND PERFORMANCE CHECK

Heigo Nederland B.V.

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this report covers the evaluation period 01-01-2014 to 31-12-2014

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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Heigo Nederland B.V.

Evaluation Period: 01-01-2014 to 31-12-2014

AFFILIATE INFORMATION	
Headquarters:	Elst (Gld), Netherlands
Member since:	01-10-2005
Product types:	Workwear
Production in countries where FWF is active:	Bulgaria, India, Turkey
Production in other countries:	Belgium, Hungary, Netherlands, Pakistan, 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
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	93%
Benchmarking score	54
Category	Good

Summary:

In 2014, Heigo met most of FWFs management system requirements. With a monitoring percentage of 93% and a benchmarking score of 54, it has managed to meet the minimum requirements for attaining the Good category after having been in the Needs Improvement category for the previous year.

In order to meet the required monitoring threshold, Heigo shifted production from suppliers located in high-risk countries to Portugal, which is a low-risk country. In addition to this, it also worked to consolidate production to its own production facility in Bulgaria.

There was one audit at a supplier producing for Heigo and a number of other FWF brands. This audit identified several significant issues that were followed up by Heigo as well as the other brands sourcing there. Part of this remediation process included a factory visit as well as a financial contribution.

Heigo continues to make significant use of external producers, and has increased its share of purchases from FWF members. This is also reflected in the FOB and purchasing figures.

FWF encourages Heigo to continue consolidating its production base to its own production facility and suppliers located in low-risk countries. In this way, it mitigates many of the social compliance risks associated with producing in high-risk countries without having an effective monitoring system in place for these suppliers.

Finally, Heigo is required to remove its FWF on-garment communication immediately. Failure to do so will lead to automatic placement in the Needs Improvement category, regardless of the benchmarking score or monitoring threshold.

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	82%	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.	4	4	0

Comment: In 2014, Heigo purchased about 82% of its production volume from suppliers where it buys at least 10% of production capacity, a similar amount compared to the previous year.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	93%	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.	4	4	0
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Comment: Approximately 93% of Heigo's production volume comes from suppliers where a business relationship has existed for at least five years, a similar amount compared to the previous year.

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: Heigo started production at one production location in Portugal, and this supplier signed the FWF Code of Labour Practices.

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: A risk analysis as part of the decision-making process of selecting new suppliers is an important step to mitigate risk and prevent potential problems. FWF recommends Heigo to assess the risks associated with operating in specific production areas. FWF advises to use information from FWF country studies and wage ladders. Heigo can cooperate with local stakeholders to further investigate the situation in a specific country.

Comment: Heigo started production at one production location in Portugal. It was a conscious decision to start production in a country that FWF has defined at low-risk. When meeting with factory management, social compliance and FWF were discussed and agreed upon.

1.5 Supplier 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
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Recommendation: Heigo is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions.

Comment: Heigo visits the largest supplier at least 4 times a year. In addition to this, in 2014 it worked to reduce production in high-risk countries such as India, Turkey and Pakistan. This trend is reflected when the production data for the past two years are compared. In this way, Heigo shows evidence of having evaluated supplier compliance in a systematic manner, and taken steps accordingly. It does not reward suppliers for labour conditions performance improvement.

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: A good production planning system needs to be established for all factories based on the production capacity for regular working hours.

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 masterplan for the coming 3-6 months. Heigo also works to ensure that the materials are delivered on time to the production locations. Its main production location in Bulgaria has 6-8 weeks for production. In this factory, overtime occurs only rarely.

For the other factories, the factories themselves provide the delivery times. Heigo does not know whether these delivery times are based on regular working hours or overtime hours.

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: Heigo should investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

Comment: In 2013, there was 1 instance of excessive overtime in its production location in Bulgaria. In response to this, Heigo undertook extensive and specific actions to mitigate and prevent future instances of excessive overtime. There is no indication that such an OT occurrence took place again in 2014.

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.

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: At a minimum, Heigo is recommended to investigate wage levels in all production countries, among others by making use of FWFs Wage Ladder and country studies. 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.

Comment: Heigo is aware of the labour costs for its factory located in Bulgaria, but is not aware of the labour costs for the other production locations.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No data available	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.	N/A	2	-2
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Comment: One audit was conducted in 2014, and the payment of legal minimum wage was not an issue.

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
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Comment: One audit was conducted in 2014, and there was no evidence of late payments.

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.	Basic approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0
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Recommendation: Heigo is expected to take an active role in discussing living wages with its suppliers. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, Asia Floor Wage, collective bargaining wage and industrial best practice wages are provided in the wage ladder. The wage ladder is included in FWF's audit reports. It demonstrates the gaps between workers' wages at a factory and living wages demanded by major stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

FWF encourages Heigo to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

Comment: Heigo currently only consults the wage ladder as part of the audit and CAP follow-up for its most important supplier.

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.	80%	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.	2	2	0

Comment: Around 80% of Heigo's production volume comes from a factory that it owns.

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)	81%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	12%	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	93%	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: There was one audit conducted at a factory supplying Heigo and a number of other FWF members in 2014 and another audit at its main production facility in 2013. The audit in 2014 identified a number of significant issues, and Heigo has been involved with the remediation and has also contributed financially.

The 2013 audit, as mentioned in the previous Brand Performance Check, also had a complaint related to excessive overtime and was followed up effectively by conducting a root cause analysis, addressing the root cause and taking preventative steps.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	94%	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.	4	4	0
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Comment: Heigo visited approximately 94% of its production volume in 2014, but did not visit production facilities located in high risk countries such as India, Pakistan and China.

2.4 Existing audit reports from other sources are collected.	No	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.	0	3	0
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Recommendation: FWF recommends Heigo to collect audit reports from other sources, especially for the factories located in high-risk areas.

Comment: In 2014, Heigo did not collect existing audit reports.

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.	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
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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. The affiliate can provide additional measures for support and integrate that in the monitoring system.

Comment: Heigo is well aware of the high risk issues related to its factory in Bulgaria but did not address high risk social compliance issues related to its other factories in other countries.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	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.	N/A	3	0
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2.6b High risk issues specific to Myanmar are identified and addressed 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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Comment: In 2014, Heigo actively cooperated with other customers in resolving corrective actions at a shared supplier.

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: In 2014, Heigo made an effort to ensure that it met the monitoring requirements for production in low-risk countries.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	0%	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.	0	3	0
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Comment: FWF was unable to verify what percentage of Heigo's external brands completed and returned the questionnaire.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	17%	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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Comment: Approximately 17% of Heigo external production is produced by FWF members or another credible initiative, a significant increase from the previous year.

MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 23

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
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

Comment: In 2014, Heigo did ensure that the Worker Information Sheet was posted at its suppliers.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	0%	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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Comment: One audit was conducted in 2014, and the audit showed that workers were not aware of the FWF worker helpline.

3.4 All complaints received from factory 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. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	N/A	6	-2
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	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.	N/A	2	-2

COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 1

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: Heigo took a number of steps to make sure that FWF membership requirements were met.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	No	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.	0	2	0
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Recommendation: A training session on labour standards can be held for purchasing staff. FWF can support or facilitate in providing trainings. In addition, it is recommended to actively take part in training opportunities FWF offers such as: FWF seminars, the FWF annual conference and webinars.

Comment: Heigo staff regularly attends FWF events such as the Annual Conference, but has not recently provided training to staff to support FWF requirements.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Affiliate does not use agents	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.	N/A	2	-2
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4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	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.	0	6	0
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Requirement: Manufacturers and their workers should be systematically informed about FWF and the implementation of the Code of Labour Practices. All factory management and workers should be informed and aware about the relevant labour standards and grievance mechanisms.

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. This programme is offered in various countries where Heigo sources from, and will shortly offer a WEP training in Bulgaria.

Comment: Heigo has not had any of its suppliers take part in the WEP program.

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: Heigo has not undertaken any training sessions for its factories located in countries where WEPs are not available.

TRAINING AND CAPACITY BUILDING

Possible Points: 13

Earned Points: 1

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: Heigo is advised to develop a systematic approach to complete the supplier list. Part of the approach can be:

- 1) automatically include information from audit reports and complaints.
- 2) Agreements with factories on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process.

The supplier register of the previous financial year has to be complete and accurate; production locations of all suppliers must be listed, including subcontractors.

Correct FOB percentages should be given per supplier to show the relevance of each supplier in relation to the affiliate's total purchasing volume. These can be calculated on the basis of payments made during the previous financial year.

The affiliate is asked to notify FWF as soon as possible in case unknown subcontractors are discovered.

Comment: Heigo is aware of its production locations and updates this in the database. It is, however, unaware if there are any (potential) subcontractors that produce for it. The audit conducted in 2014 identified a large number of subcontractors that it was not aware of. In addition to this, Heigo has not recently visited or audited factories located in other high risk countries, meaning that the risk of subcontracting has not been mitigated sufficiently.

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: Heigo has an internal server that allows all necessary people to have access to information about working conditions at suppliers.

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: FWF membership should be communicated according to the FWF communications policy.

Comment: Heigo continues to make use of on-garment communication without fulfilling the necessary requirements.

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.

Comment: Heigo currently does not engage in advanced reporting activities.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Complete report submitted to FWF	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.	1	2	-2
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Comment: Heigo has submitted its Social Report 2014 to FWF.

TRANSPARENCY

Possible Points: 4

Earned Points: -1

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
7.2 Changes from previous Brand Performance Check implemented by affiliate	50%	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

Comment: In 2014, Heigo made progress of 3 of the 6 required changes identified by the previous Brand Performance Check:

- It conducted due diligence at new production locations on a country level;
- It fulfilled the monitoring requirements for low-risk countries;
- It had a system in place to ensure that the Worker Information Sheets were posted in all production locations.

It, however, did not make any progress on the following required changes:

- Identify and mitigate (potential) root causes of excessive overtime;
- Organize WEP training sessions in its factories located in countries where this program is offered;
- Remove its on-garment communication until the time when it has achieved Leader status.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	26	40
Monitoring and Remediation	23	35
Complaints Handling	1	7
Training and Capacity Building	1	13
Information Management	4	7
Transparency	-1	4
Evaluation	6	6
Totals:	60	112

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

54

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

18-12-2015

Conducted by:

Kees Gootjes, Niki Janssen

Interviews with:

Piet Goossens, Director

Dennis van Aalten, Head Internal Affairs

Johan Peters, Purchasing

Harold Zoet, Production Planning

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.