



## BRAND PERFORMANCE CHECK

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Hydrowear B.V.

PUBLICATION DATE: JUNE 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

## 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

Hydrowear B.V.

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Emmen, Netherlands
Member since:	01-07-2009
Product types:	Workwear
Production in countries where FWF is active:	China, India
Production in other countries:	Croatia
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	100%
Benchmarking score	50
Category	Good

## Summary:

Hydrowear met most FWF's management system requirements to improve working conditions. Hydrowear has only three suppliers, of which one in Low Risk Country Croatia. The remaining two suppliers are located in China and India. As both suppliers were audited, Hydrowear reached a monitoring percentage of 100% of its total purchasing volume. Combined with a benchmarking score of 50, this places Hydrowear in the 'Good' category.

Hydrowear enjoys long business relations and significant leverage with its suppliers, which should give Hydrowear a good position to demand improvements in working conditions. Nevertheless, basic requirements, such as receiving a duly completed and signed questionnaire or posting of the worker information sheet at all production locations, including subcontractors, remained a challenge.

During 2015, Hydrowear followed-up on the corrective actions of a 2013 audit at its main supplier in India by asking for a status overview of the corrective actions. Relatively simple improvements, such as health and safety, were addressed. However, improvements on wages, excessive overtime, transparency and worker-management communication proved more difficult.

In 2016, Hydrowear is expected to underscore at the highest level to its suppliers the importance of full transparency on wages and OT records and full cooperation on the corrective action plans. Rigorous and systematic follow-up on all CAPs is important. Taking part in the audit would underline the importance attached to it by Hydrowear. Hydrowear is furthermore expected to enroll its suppliers in India and China in the Workplace Education Programme 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.

## 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	83%	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 2015, 83 percent of Hydrowear's purchasing volume came from 2 suppliers in China and India where Hydrowear is responsible for more than 10 % of the respective suppliers' production capacity.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	62%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
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Comment: With 2 of its main suppliers, Hydrowear enjoys a long-term business relation that exceeds 10 years. Combined these two suppliers account for 62 % of Hydrowear's purchasing volume.

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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Requirement: Hydrowear needs to ensure that all suppliers sign and return the questionnaire before first orders are placed.

Comment: Hydrowear did not add any new suppliers in 2015. However, its main supplier in India did not yet sign the questionnaire, though it did complete it. A subcontractor of the Chinese main supplier used for printing, which was identified through a FWF audit, was not yet requested to complete and return the signed questionnaire. Following the brand performance check this was addressed by Hydrowear. The signed COLP of the supplier in India was received. The subcontractor of the Chinese supplier is no longer used.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	No new suppliers	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.	N/A	4	0
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1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	No	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.	0	2	0
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**Recommendation:** Hydrowear 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:** Hydrowear is of the view that its suppliers, due to the high level of sophistication of products, also perform well on social compliance. However, a formal system to evaluate supplier compliance with the Code of Labour Practices does not exist.

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 based on the production capacity of the factory for regular working hours.

**Comment:** Hydrowear tries to place orders on time to allow sufficient time for production. Hydrowear enjoys a very strong business relation with its supplier in India, which indicates on a monthly basis the available production capacity for Hydrowear. Extra capacity is reserved on time when needed. At the supplier in China Hydrowear is able to place orders during low season. When orders for special projects are low, Hydrowear is often able to compensate by placing orders for the Never-Out-of Stock products, allowing stable order flows at its main suppliers.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Insufficient 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.	0	6	0
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**Requirement:** The affiliate 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.

**Recommendation:** Hydrowear could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, Hydrowear could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. This could be combined with a root cause analysis on living wages, which is closely linked to excessive overtime. Hydrowear could first start supporting factories where it has a higher leverage and a stable working relation such as the supplier in India.

**Comment:** Excessive overtime was observed during a FWF audit at the supplier in China. Hydrowear is of the opinion that overtime is often caused by late delivery of fabric.

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:** When Hydrowear is able to investigate further and determine more precisely the labour costs for its products, as well as output data, it should have a better understanding whether its FOB prices support payment of at least minimum wages, and moving towards living wages.



**Comment:** Hydrowear does not negotiate about the number of working minutes for products, but leaves this to the discretion of the supplier concerned. Even though Hydrowear knows the number of labour minutes, and price per minute, it has never determined whether the prices paid suffice to pay at least minimum wages. It looks at FWF audits to understand whether the respective supplier is paying at least minimum wages.

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
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.	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

**Recommendation:** Fair Wear Foundation encourages Hydrowear to discuss with suppliers about possibilities to work towards higher benchmarks. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give companies specific guidance on process rollout on request.

Comment: FWF audits confirm that Hydrowear's suppliers do not pay living wages to its workers. Hydrowear essentially uses FWF's wage ladders from audit reports to have an understanding of wages paid at Hydrowear suppliers.

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

## PURCHASING PRACTICES

Possible Points: 36

Earned Points: 17

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	83%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	16%	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	100%	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	Insufficient	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.	-2	8	-2

**Requirement:** Resolving and remediating non-compliances is one of the most important responsibilities FWF member companies have towards improving working conditions. FWF expects Hydrowear to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

**Recommendation:** More rigorous and systematic follow-up on CAPs will be required to ensure effective remediation. Follow-up of corrective actions carries more weight when raised by the CEO of Hydrowear when visiting suppliers, especially as Hydrowear has high leverage.

**Comment:** In 2015 Hydrowear followed up on the CAP of a 2013 audit at the supplier in India, audited on behalf of a different FWF member, by asking for a status overview on the CAPs. Most issues related to health and safety were already remediated. Documents and pictures are filed in the CAP.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	100%	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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2.4 Existing audit reports from other sources are collected.	Yes	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.	1	3	0
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Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

Comment: For its supplier in India, an audit report of SA8000 was collected. The report, however, was not used to monitor the status of CAP follow-up. For the Chinese supplier certificates were received.

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. Member companies can agree on additional commitments that are required to mitigate risks. The FWF member companies can provide additional measures for support and integrate that in the monitoring system. Overall/integrated risk for the textile industry is gender discrimination and violence against women, which is a specific focus of FWF under the Workplace Education Programme in India.

**Comment:** Hydrowear has basic understanding of the country-specific risks. Hydrowear however was not aware of the specific risks of violence against women and the Sumagali scheme in India. Hydrowear has also not taken note of the FWF country studies.

2.6a High risk issues specific to Bangladesh are identified and adressed 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	Information sharing	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.	1	2	-1
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Comment: Hydrowear is collaborating with another FWF member company in the follow-up of the CAP at its supplier in India.

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: Hydrowear has one supplier in Low Income Country Croatia. It has been visited by Hydrowear in 2015; has returned the completed CoLP questionnaire and has posted the FWF Worker Information Sheet in the factory.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	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.	N/A	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	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.	N/A	3	0
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## MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 13

### 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	No	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.	0	2	0

**Requirement:** Hydrowear must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. Hydrowear should check by means of a visit whether the Worker Information Sheet is posted in the factories.

**Comment:** Hydrowear requested its suppliers to share photo's the posted Worker Information Sheet. However, from the photo it is not clear whether the COLP is posted in a place visible for workers. Furthermore, the COLP was not (yet) posted at the subcontractor of Hydrowear's Chinese supplier.



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

**Comment:** One of Hydrowear's supplier participated in the Workplace Education Programme in 2014 at the request of another FWF member companies sourcing at this supplier.

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
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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
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## COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 4

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## 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

**Recommendation:** It is advised to develop a standard procedure for all new employees to get familiar with FWF membership. FWF has material available that can be used to inform (sales) staff.

**Comment:** Hydrowear staff demonstrated awareness on FWF membership requirements. Relevant documents, such as audit reports and CAPs, are saved on a shared drive accessible to all relevant staff.

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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**Recommendation:** FWF encourages purchasing staff or agents to observe factory audits by FWF audit teams to learn about the audit process and to be able to better follow up on corrective action plans.

**Comment:** Hydrowear's staff responsible for FWF membership requirements participated in a FWF seminar for new members. Information learned was shared internally with other staff that is directly in contact with suppliers and support follow-up on membership requirements and CAPs.

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)	45%	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. Hydrowear should motivate its main suppliers in China and India to join WEP trainings.

**Comment:** Hydrowear's supplier in India has participated in the Workplace Education Programme in 2014. This was however requested by another FWF member company sourcing at the same supplier.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	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.	N/A	4	0
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**Comment:** All of Hydrowear production is either in countries where it is offered, China and India, or in Low Risk Country Croatia.

## TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 7

## 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

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

**Comment:** Hydrowear was not aware of a subcontractor used by its supplier in China for printing, which was identified through a FWF audit. Also, Hydrowear buys socks through a trading partner and was not able to confirm where the products are being made.

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:** Hydrowear is a relatively small family-owned company. Hydrowear also has only three main suppliers. Information is shared freely and systematically between all staff in contact with the suppliers.

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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	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: Hydrowear was suspended in 2015. This meant that all information about FWF should have been removed from the website and all other communication material, such as catalogues. This was not done.

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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Comment: Hydrowear does not engage in advance reporting activities, such as posting of audit reports, supplier information, or brand performance check reports on the website.

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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Comment: The 2015 social report is posted on the website of Hydrowear.

## TRANSPARENCY

Possible Points: 4

Earned Points: 0



## 7. EVALUATION

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

Comment: FWF membership was discussed and evaluated with top management during 2015.

7.2 Changes from previous Brand Performance Check implemented by affiliate	No requirements were included in previous Check	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.	N/A	4	-2
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Comment: In 2014 no brand performance check has taken place.

## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

N/A

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	17	36
Monitoring and Remediation	13	29
Complaints Handling	4	7
Training and Capacity Building	7	9
Information Management	4	7
Transparency	0	4
Evaluation	2	2
Totals:	47	94

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

50

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

26-04-2016

Conducted by:

Koen Oosterom

Interviews with:

Gerard Cramer – General Director, Responsible sourcing, sales

Jeroen Borghuis – Director Texowear, Responsible CSR, internal/external communication

Laurens Voors – Stagiair MVO

Mia Cramer - Finance Hydrowear

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.