



## BRAND PERFORMANCE CHECK

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MADNESS THE NATURE TEXTILE COMPANY GmbH

PUBLICATION DATE: JUNE 2015

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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

MADNESS THE NATURE TEXTILE COMPANY GmbH

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

AFFILIATE INFORMATION	
Headquarters:	Welle-Kampen, Germany
Member since:	01-08-2014
Product types:	Fashion
Production in countries where FWF is active:	China, India
Production in other countries:	
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	98%
Benchmarking score	54
Category	Good

## Summary:

MADNESS meets most of FWF's management system requirements. 98% of the company's production volume is under monitoring, thus exceeding the 40% monitoring requirements for first year members.

MADNESS joined FWF in August 2014 and commissioned a FWF audit for its main supplier in November 2014 in India. The audit showed several serious CoLP violations. MADNESS immediately followed up on the CAP with the supplier and has started to work on longtime issues such as overtime and legally binding employment relationships. A Workplace Education Programme has been scheduled at the supplier for June 2015 to enhance dialogue between factory management and workers.

MADNESS sources 98% of its products at his main supplier, where they have a high leverage of 95%. This allows MADNESS to effectively work on improving working conditions. FWF therefore recommends MADNESS to continue CAP follow-up and conduct another audit at the supplier in 2015 to evaluate progress. Root causes for excessive overtime should be identified and remediated, including adopting the sourcing practices of MADNESS to allow reasonable working hours. Also, FWF requires MADNESS to take a more active role in working towards higher wage benchmarks

## 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	98%	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

**Recommendation:** FWF recommends MADNESS to investigate their leverage at subcontractors and consolidate its supplier base where possible to increase leverage at subcontractor-level to effectively request improvements of working conditions.

**Comment:** In 2014, MADNESS sourced 98% of its products at one supplier in India. 95% of the production capacity of this supplier is booked by MADNESS. This allows MADNESS to substantially work on better working conditions together with the supplier. 7 to 8% of the production for MADNESS at this supplier takes place at subcontractors. The leverage at those subcontractors is unknown to MADNESS.

2% of MADNESS' sourcing in 2014 came from one supplier in China, where MADNESS has a leverage of less than 1%. This relationship was terminated in 2014.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	2%	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.	1	4	0
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**Recommendation:** FWF recommends MADNESS to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

**Comment:** MADNESS started sourcing with their current main supplier in 2011 and intends to continue the partnership. Until 2014, they had been sourcing at one supplier in China for more than 10 years, until the supplier terminated the sourcing relationship due to MADNESS' small order volumes.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	No new suppliers	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.	N/A	2	0
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Comment: MADNESS did not add new suppliers to its supplier base in 2014.

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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Comment: MADNESS did not add new suppliers to its supplier base in 2014.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
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Comment: MADNESS regularly evaluates the progress of its Indian supplier regarding CoLP compliance. Since it is their only supplier (after terminating the relationship with their Chinese supplier), it is difficult for MADNESS to reward this with larger order volumes.

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:** MADNESS commissions two collections a year. After they receive final orders from their retail clients, they immediately place orders at their supplier. After this, no changes are made by MADNESS and the supplier receives a lead time of four to five months, which is exceptionally long for the fashion industry. Furthermore, the supplier receives loans by MADNESS for materials to allow a smooth production process. Nevertheless, an audit as well as own reports from the supplier showed that excessive overtime happened in 2014. To a certain extent, this was due to MADNESS pushing for a fixed delivery date after some unexpected production delays occurred. MADNESS is planning to take several steps in 2015 to optimize its own production planning and support its supplier in taking steps towards a more efficient production process to allow reasonable working 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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**Recommendation:** MADNESS could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, the affiliate could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

**Comment:** The excessive overtime that occurred in 2014 was partly due to MADNESS pushing for a fixed delivery date. In 2015, MADNESS has started to conduct root cause analysis and is planning to discuss possible solutions with factory management. As high rejection rates were one main cause of production delays (and as a consequence excessive overtime) in the past, MADNESS intends to convince its supplier to conduct a productivity training.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	No policy in place	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.	0	4	0
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**Recommendation:** At a minimum, MADNESS is recommended to investigate wages levels in 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:** MADNESS is aware of minimum wages in India and knows the share of material and CMT costs of the product price they pay to their Indian supplier. They don't know how much labour costs contribute to the CMT price. The audit team was unable to calculate a wage ladder during an audit in November 2014 in India, since wage records and other documents were missing at the time.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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**Comment:** During an audit in November 2014, there was some indication (calls from workers via the FWF complaint line, missing records for piece rate workers) that some workers might be paid below legal minimum wage. MADNESS discussed the issue immediately with the supplier. The supplier responded, that they have now raised all wages to comply with legal requirements and send copies of wage registers to MADNESS for proof. Furthermore, the supplier stated that they always pay at least minimum wages to piece rate workers and are now keeping registers for those workers, too. This has not yet been verified by FWF.

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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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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**Requirement:** MADNESS 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. 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.

**Recommendation:** FWF encourages MADNESS 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. FWF advises companies to avoid the concept of a one-time charitable contribution, and strongly recommends affiliates commit to a long term process that leads to sustainable implementation of living wages. FWF encourages MADNESS to set clear targets and a timeline with its supplier to achieve higher wages.

**Comment:** MADNESS is the largest client (95% leverage) at its Indian supplier. Both MADNESS as well as the supplier are generally committed to raising wages, but have not yet agreed on concrete steps or a timeline. MADNESS argues that higher productivity would be necessary to allow pay raises and therefore plans to enroll its supplier in a productivity training. MADNESS is willing to partly pay for this training as well as new machines.

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: 34

Earned Points: 15

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	98%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	0%	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	98%	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

**Comment:** The project manager of MADNESS, responsible for sourcing and CSR, has the main responsibility of following up on monitoring and remediation. The general manager discusses social compliance issues during visits with the supplier.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2
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**Recommendation:** To facilitate remediation, especially regarding reasonable working hours and legal employment relations, MADNESS could consider:

- Developing a timebound action plan and to assist factory management in investigating root causes.
- Providing factory training.
- Sharing knowledge/material.
- Providing financial support to the supplier for implementing improvements.

**Comment:** A FWF audit conducted in 2014 showed several serious CoLP violations ranging from a missing factory licence, a lack of grievance channels for workers, non-payment of overtime premium or social security, excessive and forced overtime, missing legal records, no legally binding employment relationships including making workers sign blank papers as well as several critical OHS findings.

MADNESS visited the supplier shortly after the audit to agree on a remediation plan. Several points have been remediated since the audit. The factory received a license and claims that they have installed legally binding employment relationships, payment of social security as well as wage and worker records. A fingerprint system has been installed to monitor attendance. Furthermore, the factory has hired HR staff, set up a factory policy covering various social compliance issues and let the workers elect a worker committee.

As another measure, a FWF Workplace Education Programme (WEP) was scheduled for June 2015 to enhance communication and dialogue between factory management and workers.

MADNESS received several documents from the supplier to proof the remediation. However, a complaint received by FWF in March 2015 showed, that still not all workers are paid correctly for overtime hours. There was also some indication that legally binding employment relationships are still not implemented.

Furthermore, excessive overtime remains a challenge.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	98%	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:** The general manager of MADNESS visits the supplier four to five times a year to check production progress. During those visits, social compliance issues are discussed.

2.4 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF affiliate	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
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Comment: The main supplier of MADNESS is certified by GOTS. The certification report did not highlight any non-compliances.

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
2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0

Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. MADNESS can agree on additional commitments that are required to mitigate risks. MADNESS can provide additional measures for support and integrate that in the monitoring system.

Comment: MADNESS has read FWF's country study for India and is aware of common issues such as excessive overtime, illegal termination of workers as well as sexual violence. In 2014, they did not actively address those issues, before the FWF audit in November 2014 showed several severe CoLP violations.

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
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
2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	No CAPs active or no shared suppliers.	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.	N/A	2	-1

Comment: MADNESS contacted a small client of its main supplier (5% leverage, no FWF affiliate) to work on remediation, but did not receive an answer.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	No production in lowrisk countries	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.	N/A	2	0
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
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

## MONITORING AND REMEDIATION

Possible Points: 22

Earned Points: 15



### 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: The project manager of MADNESS responsible for sourcing and CSR is responsible for complaint management.

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
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Recommendation: It is suggested to ask subcontractors to submit a photo of the posted CoLP with the annual questionnaire and to ask staff visiting a subcontractor to check if the documents are still posted as indicated on the obtained photo.

Comment: MADNESS has asked its main supplier to send pictures of the posted CoLP. During visits, this is checked regularly. A similar system has not yet been installed for all subcontractors.

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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**Recommendation:** MADNESS 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, MADNESS can use the worker information cards available for download on FWF's website.

**Comment:** Workers showed little awareness for FWF and the complaints hotline during the FWF audit. After the auditors distributed worker information cards, FWF started to receive calls from workers. MADNESS has arranged a FWF Workplace Education Programme for June 2015 at its main 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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**Comment:** FWF received a complaint the day after the audit at MADNESS' main supplier. Since the allegations were similar to the findings of the audit, the complaint was incorporated in the audit report and CAP and not registered as a separate complaint.

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: 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:** MADNESS consists of three employees as well as several freelance staff. All of them are aware of FWF membership requirements and regular share updates and information. Freelance sales agent are trained about FWF membership.

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:** 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:** MADNESS' project manager responsible for sourcing and CSR participated in FWF's affiliate training. The general manager, who usually visits the suppliers and makes final sourcing decisions, has not received training by FWF, but is briefed by the project manager before each visit.

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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**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 the 4 priority countries as well as Vietnam, Romania and Tunisia. MADNESS should motivate its supplier to join WEP trainings.

**Comment:** The main supplier of MADNESS participated in a WEP training in June 2015.

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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## TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 3

## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	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.	6	6	-2

Comment: MADNESS knows the location of all its suppliers as well as most of its subcontractors. Its main supplier relies on regular subcontractors, most of them have been visited by MADNESS.

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: Since MADNESS consists of a small team, they share relevant information regarding sourcing and social compliance on a daily basis. All staff members have access to documentations and files.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

Comment: MADNESS mentions on its website that it is a member of FWF.

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 MADNESS to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for 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 social report 2014 was sent to FWF on time and has been published on MADNESS' website. The report gives a transparent insight into MADNESS' achievements of the first year of membership.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 3

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## 7. EVALUATION

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

Comment: The general manager regularly discusses progress in implementing FWF's CoLP as well as the benefit of membership for MADNESS on a regular basis with the responsible project manager.

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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## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

MADNESS would appreciate more information about FWF (e.g. website) in German.

MADNESS asks FWF to centrally organize printing of FWF information material for all members, since this would lower costs compared to members individually printing information.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	15	34
Monitoring and Remediation	15	22
Complaints Handling	1	7
Training and Capacity Building	3	9
Information Management	7	7
Transparency	3	4
Evaluation	2	2
Totals:	46	85

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

54

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

09-06-2015

Conducted by:

Lisa Suess

Interviews with:

Peer Meyer, project manager (CSR, sourcing)

Matthias Warnke, General Manager

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.