



# BRAND PERFORMANCE CHECK

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HAVEP

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this report covers the evaluation period 01-01-2018 to 31-12-2018

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# BRAND PERFORMANCE CHECK OVERVIEW

HAVEP

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Goirle, Netherlands
Member since:	01-02-2004
Product types:	Workwear
Production in countries where FWF is active:	Bangladesh, Macedonia, Tunisia, Viet Nam
Production in other countries:	Serbia
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	85%
Benchmarking score	71
Category	Good

## Summary:

In 2018, HAVEP met most of FWF's performance requirements. With 85% of its supply base under monitoring, the brand meets the threshold for member companies after their 3rd year of membership. HAVEP has reached a benchmarking score of 71, placing it in the 'Good' category.

HAVEP has a stable supplier base. The vision for long-term relationships is further strengthened with these suppliers. The new pricing strategy of the company in combination with a strong production planning and knowledge of the standard minutes per style allows HAVEP to make serious strides forward in the payment of a living wage for factory workers. Future performance checks will inform us if HAVEP has been able to monitor its efforts and verify if the additional price paid also led to a higher income for the workers.

Besides monitoring its efforts on the payment of a living wage, FWF requires HAVEP to work on a systematic approach that will integrate social compliance into normal business processes and support good decision-making. The approach needs to ensure that the member consistently evaluates the entire supplier base and includes information into decision-making procedures. In addition, FWF CAP follow-up should be better captured in a structured monitoring system to support the work of the country teams and of HAVEP's head office.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	99%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** HAVEP works with nine main suppliers in Tunisia and Macedonia, with whom it has a long term relationship. At nine of these suppliers, it has 100% leverage. It uses the other factories in Macedonia, Tunisia, Bangladesh, and Vietnam to support the production of its main factories, and buys at least 10% of these suppliers production volume as well.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	6%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

**Comment:** Compared to last year, HAVEP has a larger tail-end production. The tail-end increased from 0% in 2017 to 6% in 2018. At one of the factories in HAVEP's tail-end, the brand has full leverage but production remains below 2% of its total FOB.

**Recommendation:** FWF recommends HAVEP to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, members should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	74%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** HAVEP values long-term relationships, especially with its main suppliers with which it has been working for many years. The brand has put in a lot of effort to improve labor conditions at these suppliers. The percentage of production volume where a business relation longer than five years exists increased by 6% compared to 2017

**Recommendation:** FWF recommends HAVEP 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.

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

**Comment:** Whereas in the year before HAVEP did not onboard new production locations, the brand introduced 6 new production locations in their supply chain in 2018. The brand was able to show signed FWF Code of Labor Practices (CoLP) questionnaires for all of its new production locations except for one Bangladeshi factory for which it was able to show that the first bulk order still needs to be placed. This location will need to be checked again in the 2020 Brand Performance Check of HAVEP.

HAVEP has integrated the FWF CoLP questionnaire integrated into the new Quality Manual and in the Contract Agreements with the new supplier, the questionnaire is part of Annex. All document must be signed before any production can start.

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

**Comment:** HAVEP has an extensive due diligence approach, especially for the onboarding of new production locations. HAVEP requests from new suppliers to fill out a questionnaire based on the FWF Code of Labour Practices. New production locations need to be visited before placing the first order. HAVEP also assesses health and safety in production locations using the FWF Health and Safety Check and to discuss social compliance during these visits. For existing production locations HAVEP regularly visits and provides training and coaching and reports on this in a systematic manner.

HAVEP has a general insight into the specific country risks. For the Dutch Agreement on Sustainable Garment and Textile, the brand has made a risk analysis based on various sources, including FWF country studies. They communicate about these risks to their (potential) customers and they explain the actions to improve the issues at hand.

The process is as follows:

- Risk analysis on country level
- Factory assessment chart
- contract agreement
- test sample
- bulk order

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

**Comment:** HAVEP has not implemented factory quality assessments structurally. In 2018, it was only done for new factories. The company uses FWF audits to follow up on the CoLP. The company ended a business relation with one factory with which it had a long business relationship and significant leverage. The brand tried to exit the factory in a decent manner after fraud practices came to the attention of HAVEP. HAVEP does not have a formal responsible exit strategy in place yet, but it was able to show that it handled the exit carefully.

**Requirement:** A systematic approach is required to integrate social compliance into normal business processes and supports good decision-making. The approach needs to ensure that the member consistently evaluates the entire supplier base and includes information into decision-making procedures.

**Recommendation:** FWF recommends HAVEP to include a policy on responsible exit strategies. The company could use FWF's guidelines for a responsible exit strategy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** The system that HAVEP has implemented has been the same in the past years. With almost all of its suppliers, HAVEP has a weekly planning system that is based on the known weekly capacity of the factory as calculated including available hours and number of workers. The minutes needed to produce a style are known and therefore orders are split across suppliers based on the available capacity and competence of the factories and complexity of the product. HAVEP has a lead time of 6 weeks for its suppliers and also accounts for holidays in its planning. For custom made specials, HAVEP has shorter lead times but always discusses reasonable lead times with its factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

**Comment:** FWF conducted two audits at production sites of HAVEP in 2018. No issues related to overtime were found during these audits. In 2018, one complaint was filed related to overtime in a Macedonian factory, which has been taken up by the factory and HAVEP.

As a basic principle, HAVEP does not allow for overtime but acknowledges that overtime happened in a few cases due to tight deadlines in 2018. HAVEP prevents excessive overtime by its weekly planning system and shifting orders to other suppliers if necessary. Local staff in Tunisia and Macedonia regularly visit HAVEP's main suppliers and check working hours and production lines.

**Recommendation:** The member could discuss with factory management on the causes of excessive overtime and provide support to manage the overtime. If necessary, HAVEP could hire local experts to analyze the root cause(s) of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	4	4	0

**Comment:** Together with the factories, HAVEP has calculated the minutes needed per style, based on standard minutes developed in house at HAVEP's own production locations. It is also aware of the available minutes per location. Cost of fabric and accessories are known per supplier.

As of 2018, the brand has increased the purchasing price (based on the minutes needed for each style) in their main production locations in Macedonia and Tunisia. This considerable increase is a movement towards paying a living wage to the workers. The minimum wage paid to workers has been increased and contractually agreed with the factories. However, in order to get to the target wage of HAVEP, workers need to receive additional bonuses.

**Recommendation:** FWF recommends HAVEP to expand their knowledge of cost break downs of all product groups. A next step would be to calculate the labor minute costs of its products to be able to calculate the exact costs of labor and link this to their own buying prices. The first priority would be to make sure this level of transparency can be achieved with all their suppliers, going beyond their main production locations in Macedonia and Tunisia.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

**Comment:** All FWF audits executed in 2018 confirm that at least the legal minimum wage is paid in those factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

Comment: In 2018, FWF audits and external reports did not show late payments by HAVEP to its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

Comment: HAVEP is aware of wage levels in its factories and shares the wage ladders in the FWF audit reports at its main suppliers. It has initiated conversations with its main suppliers in Macedonia and Tunisia and as of 2018, increased the price per minute as a movement towards a living wage.

FWF conducted one audit in 2018 after implementing the increase and there is positive feedback. The audited factory in Macedonia has developed a strategy for wage increase expecting all of the workers to receive a salary increase in 2018. The strategy was presented to the workers. The objective is to ensure that all workers receive wage that can cover the basic living costs.

Through a project with FWF, there has been a wage analysis done at two of HAVEP's main suppliers in previous years.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	11%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	1	2	0

Comment: HAVEP owns one factory in Macedonia where it sources 11% of its total FOB. This factory is used to test new products and lines and gain a better understanding of the standard minutes per style.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	Advanced	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	4	4	0

Comment: HAVEP stresses that the workers in their production locations should be able to earn an income that can provide them a decent standard of living. In 2017 and 2018, HAVEP started conversations with their production locations to work on implementing payment of a living wage. This has led to agreements in the fourth quarter of 2018. The brand contributes directly by paying a higher price per minute for their products made in their Tunesian and Macedonian factories (approximately 80% of its total FOB). HAVEP has made a considerable step towards living wages for their workers.

However, the brand has currently no insight into what portion of the price increase is related to the direct labor costs. Proper monitoring still needs to be put in place. The brand furthermore acknowledges that they need to engage with other companies that produce in the same factories in order to cater for a sustainable living wage for all workers.

**Recommendation:** FWF recommends HAVEP to develop a living wage strategy in the other countries where the member brand is active. Furthermore, in determining what is needed and how wages should be increased, it is recommended to involve worker representation at all production locations if possible.

In case HAVEP is interested to develop a joint approach to improve wages at a shared supplier, FWF can give advice on measures that need to be taken by the member companies to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	11%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	1	3	0

**Comment:** HAVEP pays a target wage to all workers in their fully owned production location in Macedonia. In 2018 HAVEP also increased the prices for the other factories in Macedonia and Tunisia. Although most production locations are paying the target wage, HAVEP has not been able to verify if the price increase has also been used to finance the target wages of the factory workers.

**Recommendation:** FWF encourages HAVEP to show that discussions and plans for wage increases and its actual implementation have resulted in the payment of a target wage.

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## PURCHASING PRACTICES

Possible Points: 49

Earned Points: 37

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	84%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	In the tail end of HAVEP's supplier base, FWF requires HAVEP to ensure it audits all production locations that: <ul style="list-style-type: none"> <li>• Produce more than 2% of the member's volume</li> <li>• Where the member has more than 10% leverage</li> <li>• Where a high risk policy applies</li> <li>• Where a complaint is submitted.</li> </ul>	
Total of own production under monitoring	85%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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 sustainability manager is responsible for all follow up on issues identified, working with local staff in Tunisia and Macedonia.

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

Comment: HAVEP makes predominantly use of FWF audits but uses external audits in the onboarding process.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: In 2018, FWF conducted two audits. The results of the audit and the CAP were shared with the local teams of HAVEP which on their turn discussed the outcomes with the factory in a timely manner. The response of the factory management was received and a timeframe shared for remediation provided. The outcomes were not shared with worker representation in the factory.

**Recommendation:** Before an audit takes place, HAVEP is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting.

Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	4	8	-2

**Comment:** In 2018, HAVEP shares the findings with suppliers and asks them to follow up on the CAP issues. In the shared documents during the brand performance check, it showed that only the factory comments and timelines were provided, but there was no registered follow up by the brand.

The factory progress was not tracked and therefore the HAVEP's score on this indicator will remain Basic. Local staff in Tunisia and Macedonia do visit the factories regularly and have the opportunity to discuss remediation and follow-up with the suppliers. This information should be captured and systematically shared with HAVEP's head office.

**Requirement:** Resolving and remediating non-compliances is one of the most important criteria member companies can do towards improving working conditions. FWF expects members to examine and support the remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs. In the case of HAVEP, CAP follow-up should be better captured and systematically shared between the country teams and HAVEP's head office.

**Recommendation:** FWF recommends HAVEP to only close issues when verification can be provided by showing proof (pictures, documentation) or by on-site visits of HAVEP, by including worker representation, or an independent third party. This information should be captured and systematically shared with HAVEP's head office.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	100%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

**Comment:** Local teams are frequently visiting the suppliers in Macedonia and Tunisia. In addition, personnel from HAVEP's headquarters, such as the sustainability manager, CEO and sourcing manager are visiting production locations in all countries on a regular basis.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	3	0

**Comment:** Audits from VF were collected in 2018 and the quality assessment was available. However, the provided corrective action plan was not considered.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** HAVEP has not signed the Bangladesh Accord itself but does source from a factory which is working under the Accord. The former COO was well informed about the situation in Bangladesh and helped the brand to make a choice for its sourcing in Bangladesh. HAVEP was able to show inspection reports and follow up by the factory.

The brand has made a risk analysis for each country they source from. It explains the general risks in the country vis-a-vis the main risks they observe in their production locations. The identified risks are not systematically monitored or leading in production decisions and therefore cannot be counted for an advanced score.

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

**Comment:** In 2018, HAVEP did not cooperate with other brands on CAP remediation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	3	0

**Comment:** HAVEP did not source from low-risk countries in 2018.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

Comment: HAVEP sent the FWF CoLP questionnaire to all external brands in their portfolio and has received signed copies back.

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

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

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## MONITORING AND REMEDIATION

Possible Points: 30

Earned Points: 19

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	3	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	2	
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: In 2018, the sustainability manager is designated to address complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: During this Brand Performance Check, HAVEP could show proof of the CoLP being posted at a number of suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	22%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** HAVEP had the FWF Worker Education Programme (WEP) basic module in two factories in the past three years, which amounts to 22% of its total FOB. No other training was carried out that could count for this indicator.

**Recommendation:** FWF recommends members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline among a larger portion of its suppliers. The member should ensure good quality systematic training of workers and management on these topics. To this end members can either use FWF's WEP basic module, or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: In 2018, FWF received three complaints from factories in Tunisia and Macedonia. One of the complaints was closed after careful intervention by HAVEP. Another complaint is waiting for an audit in order to verify if the issues have been resolved. The last complaint is now put forward in court. This case is about unfair dismissal of 15 workers which could not be solved with remediation.

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

Comment: In 2018 there was no possibility to cooperate with other brands sourcing in the factories that received a complaint as the brand had full leverage in these factories.

## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 10

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: HAVEP staff is generally updated about FWF via their intranet called MyHavep. In addition, the brand offers courses via the HAVEP University, which includes a course on sustainability. FWF is the basis for the social dimension.

Staff is generally informed about new policies through quarterly sessions or by middle management.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: Staff members who are in direct contact with suppliers are informed of FWF requirements. This includes local staff in Macedonia and Tunisia. Regular information is shared by the sustainability manager.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	N/A	2	0

Comment: HAVEP does not use agents or contractors.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: HAVEP did not have any factories participate in advanced modules of the FWF WEP nor did they participate in any other training programmes that support transformative processes related to human rights.

**Recommendation:** FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end, members can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

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

**Comment:** HAVEP is aware of its production sites. Local staff checks the quality and delivery times, production lines and capacity. HAVEP has a strict policy on subcontracting. Therefore the risk of unauthorized subcontracting is low. In one case subcontracting was found without prior notice. The production location was immediately informed about HAVEP's policy and after careful consideration, the factory decided not to use the subcontractor in future orders.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** HAVEP uses an online system that shows all the things that are related to FWF and social compliance. Staff can access relevant files, like audits, follow up reports, etc.

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

Comment: The requirement the wording of FWF membership from last year is resolved. The member fulfils the minimum requirements and no significant problems were identified.

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

Comment: HAVEP has published the latest Brand Performance Check and is planning to disclose its supplier list in 2019.

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

Comment: HAVEP has submitted its social report which is published online.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5

## 7. EVALUATION

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

Comment: The sustainability meets regularly with the management team to discuss FWF, including the evaluation of membership. The CEO also participates in regular meetings to help guide the sustainability and sourcing strategy of HAVEP, which directly relate FWF membership.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	100%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: HAVEP had one requirement from last year concerning the wording of FWF membership on its website. This issue has been resolved.

## EVALUATION

Possible Points: 6

Earned Points: 6

## RECOMMENDATIONS TO FWF

- Share more information on how to communicate on being a member of FWF.
- FWF can make member brands more visible on social media. HAVEP is interested in supporting the communication of FWF to a wider audience.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	37	49
Monitoring and Remediation	19	30
Complaints Handling	10	15
Training and Capacity Building	3	9
Information Management	7	7
Transparency	5	6
Evaluation	6	6
Totals:	87	122

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

71

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

11-06-2019

Conducted by:

Jesse Bloemendaal

Interviews with:

Anna van Puijenbroek (CEO/sourcing)

Jobien Laurijssen (Sustainability manager)

Els de Ridder (Marketing & communication manager)