



BRAND PERFORMANCE CHECK

Heigo Nederland B.V.

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

BRAND PERFORMANCE CHECK OVERVIEW

Heigo Nederland B.V.

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

MEMBER COMPANY INFORMATION	
Headquarters:	Elst (Gld), Netherlands
Member since:	01-10-2005
Product types:	Workwear
Production in countries where FWF is active:	Bulgaria, China
Production in other countries:	Belgium, Hungary, Portugal
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	97%
Benchmarking score	61
Category	Good

Summary:

Heigo has met most of FWF's performance requirements. Heigo has monitored 97% of its purchasing volume and meets the threshold for third-year members. The monitoring threshold consists of FWF audits, external audits and fulfilling monitoring requirements for its low-risk production location. The monitoring percentage, combined with a benchmark score of 61, means that FWF has awarded Heigo the category 'Good'.

In 2018, Heigo further established its FWF team at its own production facility in Bulgaria which accounts for over 90% of its production. The team is made up of representatives from each department HR, finance, production, logistics and the worker elected representatives from each sewing line. This team meets and discusses compliance issues including followup and CAP remediation. The team also works as an internal grievance mechanism, where workers can submit complaints both in person or anonymously. The Team meets together with a representative from the Heigo headquarters and the meeting notes translated and shared both in Bulgarian and English in order to make the information accessible to both management at the Heigo head office in the Netherlands, and factory workers who also receive a summary.

Heigo has started making steps towards increasing information and knowledge in the factory however it should prioritize actively raising awareness about the FWF Code of Labour Practices and FWF complaint hotline. This can be done either using FWF's Workplace Education Programme (WEP) basic module, or another training related to the FWF CoLP and complaint hotline through service providers or brand staff.

Furthermore, Heigo made use of FWF's wage tools such as the wage ladder and Bulgaria costing sheet to gain more insight into the wages in respective areas and further developed a more elaborate costing information sheet. Heigo has financed a consistent annual wage percentage increase at its own production facility however has not made an explicit calculation and analysis to determine how they contribute to living wages. FWF recommends that Heigo uses the information it already has to set a target wage and elaborate in a company strategy how wages will be financed. This will increase transparency, whilst also provide further information to its customers.

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.	92%	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: In 2018, Heigo purchased about 92% of its production volume from suppliers where it buys at least 10% of production capacity.

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

Comment: Heigo purchased about 5% of its production volume from production locations where member company buys less than 2% of its total FOB. This amount is made up of a specialised range of items that Heigo's own factory cannot produce.

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.	97%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Heigo has steady and long-term relationships with its suppliers. In 2018, 97% of Heigo's production volume comes from suppliers where a business relationship has existed for at least five years.

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.	No	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.	0	2	0

Comment: Heigo did not start any new production in 2018, however, Heigo did not include all subcontractors in the database. Therefore none of the subcontracting production locations signed or returned the questionnaire with the Code of Labour Practices.

Requirement: After the end of each financial year, members must confirm their list of production locations and provide relevant financial data. All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices.

Recommendation: It is advised to use the outcome of the questionnaires to update the production location data, for instance on leverage and subcontractor information. Moreover, members are also encouraged to follow up with suppliers in case they do not endorse the Code of Labour Practices or show resistance in some of the replies.

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

Comment: Heigo is aware of general human rights risks their main sourcing country Bulgaria, where 92% of Heigo's total production takes place and they own the factory. This means they are in regular contact with the factory manager, who is employed by Heigo, to stay informed about any potential risks to their supply chain. The company regularly visits production locations and collects any reports from the most recent audits at the facilities.

Heigo still does not visit its Chinese supplier, as the factory management visits Heigo's office in Europe, during which discussions on labour standards at the factory take place and an evaluation of the supplier is completed. The remaining suppliers are all visited and existing audits collected and evaluated as part of Heigo's supplier evaluation checklist. Final decisions on sourcing from new suppliers are made by the managing director, in close consultation with the purchasing team which incorporates the CSR and compliance aspects.

Recommendation: A risk analysis as part of the decision-making process of selecting new production locations is an important step to mitigate risk and prevent potential problems. This should be done for all locations. FWF recommends Heigo to clearly define preventive actions for identified risks and connect them to sourcing decisions. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association and restricted civil society that are beyond the brand's individual sphere of influence.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	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

Comment: In 2018, Heigo further elaborated on its evaluation checklist for working with suppliers. Evaluation takes the form of a written report for each factory, points for evaluation include: CoLP and questionnaire, Audit reports available, outcome from audits, willingness to cooperate on CAP, transparency during audits and factory visits, communication speed and clarity, work on living wages, basic criteria on quality, price, delivery times, factory summary as per the FWF Social Report.

Heigo's main supplier in Bulgaria is visited at least 4 times a year, and as part of the evaluation goals for improvement, areas are set with each supplier. The remaining suppliers are visited annually, either by the managing director or head of purchasing. The evaluation of suppliers is conducted by upper management, the purchasing and sales team, who are also in charge of maintaining supplier portfolio with a focus on minimizing risk.

Heigo also works with a large number of external suppliers, who are also evaluated. In 2018, Heigo added FWF membership is an increasingly important criterion for external production. Heigo needs to further integrate its evaluation system into the decision-making process including furthering its plan to incorporate FWF membership of external production as a selection criterion moving forward.

Recommendation: FWF recommends Heigo to further integrate the assessment and evaluation of compliance with the Code of Labour Practices at suppliers into their decision-making in a systematic way.

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: 92% of Heigo's production takes place in its own factory in Bulgaria. They have full transparency into the capacity and planning of this factory, the factory also has access to Heigo's warehouse stock figures, which assists to make a better forecasting system for both parties.

In 2018, Heigo introduced a new production planning system, to track the working minutes per worker. Although the complete traceability of records shall only start in 2019, this tool has already been established in 2018 to start recording information for future analysis. Heigo anticipates this tool to provide accurate information that can assist increase productivity and plan factory capacity and orders, which hopefully will reduce the need for overtime.

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

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: In 2018, 92% of Heigo's production volume came from their own factory in Bulgaria where they have insight into the price composition of each product including materials, overhead done, and wages.

Heigo reviewed FWF's wage ladder to gain more insight into the wages in respective areas they are producing. Heigo developed its own costing sheet based on the FWF wage ladder and gathered working minutes and wage information from their factory.

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

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses 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: Heigo pays relatively high wages at its own factory in Bulgaria where 92% of their production takes place. In 2018, Heigo focused on setting the foundation for entering a living wage pilot project that further researches exact wage with the input of the factory employees.

Heigo is aware that the wage levels are lower than a living wage, however, has yet to conduct a root cause analysis of wages below a living wage at all their production locations.

Recommendation: FWF encourages Heigo to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship. FWF encourages Heigo to involve worker representatives and local organisations in assessing the root causes of wages lower than living wages.

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).	92%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	2	2	0

Comment: Heigo owns one of its production facilities, responsible for 92% of FOB.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	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.	2	4	0

Comment: Heigo was able to show a consistent increase in wages at their own factory of approximately 10% each year based on inflation and as a means to maintain the experienced workers at their factory. Heigo determined to finance these increases via raising selling prices as well as prior in indexation calculation per product per year of tenders.

Recommendation: FWF recommends members to integrate the financing of wage increases in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

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	0%	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.	0	3	0

Comment: Whilst Heigo has determined wage increases over the year, this increase is based on discussion and decision between factory management and Heigo's managing director. Heigo is yet to conduct an in-depth wage analysis which will assist in setting the target wage.

Recommendation: FWF encourages the member to show that discussions and plans for wage increases have resulted in the payment of a target wage, and start discussing with the supplier how the wages of other workers can be increased to a living wage benchmark.

PURCHASING PRACTICES

Possible Points: 43

Earned Points: 31

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	92%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	5%	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.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	97%	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: Heigo's managing director is responsible for all activities that take place at their main factory in Bulgaria.

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

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

Comment: Heigo shares audit reports and CAP findings with the factory. In 2018, Heigo set up a FWF team at their own factory which is made up of representatives from each department (HR, finance, production, logistics and sewers/cutters). Three people were elected by the workers, as a representative from each sewing line. Any discussions on factory issues, including CAP follow-up is also communicated back to the rest of the workers through these representatives. Every point in the CAP was assigned to a team member, along with a timeline for completion. The progress of follow up is reviewed during the factory FWF team meetings, factory visits as well by skype and email.

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.	Advanced	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.	8	8	-2

Comment: Heigo makes use of its local staff as well as regular visits to see the progress of agreed timelines of follow-up and remediation. As part of the FWF Team established by Heigo for follow up at their own factory, an extra employee who previously worked in the factory (now based in the Heigo headquarters in the Netherlands) is in charge of CAP follow up. These are discussed in monthly meetings, where meeting minutes are also translated into Bulgarian and English so that everyone in the company is able to understand the ongoing remediation activities.

During the Brand Performance Check, Heigo could show that many of the points in the CAP, for example, all the fire and safety issues had been resolved. Heigo showed evidence of resolution using meeting minutes from their FWF factory team as well as photos.

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.	99%	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: Heigo regularly visits production locations. In 2018, the company visited all its production locations except for its Chinese factory.

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

Comment: Heigo collects existing audit reports from all suppliers as part of their supplier evaluation. Heigo uses the FWF audit quality assessment tool to assess the quality of audit and further discusses the identified issues that need remediation.

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	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: In 2018, the majority of Heigo's production remained in Bulgaria. Heigo is aware of the risks specific to its production in Europe and continues to discuss any potential risk at suppliers during visits. These include the issues with living wages both in Bulgaria and Portugal. Heigo made use of the FWF country study to gain more information on the countries where they source as well as information gathered during visits.

Approximately 1% of Heigo's production is currently made in China for their specialized products. Heigo sees this as a risk and has started to research ending this product group, as they have limited information on China. Heigo has not visited this facility as it accounts for a very small percentage of total production, however, it regularly communicates with the factory and is aware of the general issues around excessive overtime, freedom of association, and social insurances in China based on the FWF country study.

Recommendation: Knowing the country-specific risks facilitates the starting point for discussing this with suppliers. Heigo can further integrate its knowledge to mitigate risks and can provide additional measures for support and integrate that in the monitoring system.

FWF also recommends Heigo to review the responsible exit strategy as part of their plan to slowly exit out of China.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100% AND member undertakes additional activities to monitor suppliers	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.	3	3	0

Comment: Heigo met all the monitoring requirements for their low-risk production locations. All locations were visited, signed and returned the Code of Labour Practices, and had posted the FWF Worker Information Sheet. Heigo also collected any existing audits at factories in Portugal and has added the low-risk production locations in their annual supplier evaluation, which includes follow up on the CAPs.

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: Heigo actively shares the questionnaire and collects information back from all its external brands.

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).	10%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	1	3	0

Comment: As part of Heigo's sourcing policy, it aims to purchase as much as possible from other FWF members. In 2018, 10% of Heigo's external sales volumes came from another credible initiative.

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

MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 28

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: For their main supplier, Heigo has appointed a quality and Product manager who is also their former factory employee to address worker complaints. The person responsible for sustainability and compliance is responsible for responding to any complaints at the other supplier.

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: Heigo has set an initial grievance mechanism through the FWF team at their own factory in Bulgaria, in which a complaint form has been created and an elaborate system to follow-up when complaints come in. The complaint can be handed into line representative or in person, and once filed back to the office must include a timeline for resolution. Workers have also been informed of the FWF CoLP and complaints hotline as another alternative for the workers.

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.	0%	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.	0	6	0

Comment: In 2018, Heigo has not initiated FWF's Workplace Education Programme (WEP) at any of their suppliers.

Requirement: FWF requires members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline. The member should ensure good quality systematic training of workers and management on these topics. To this end, members can either use FWF's Workplace Education Programme (WEP) basic module or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF's guidance on training quality standards 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	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

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

COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 3

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: All staff are aware of FWF membership and share information on FWF during their weekly lunch staff meeting.

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: All staff in direct contact with suppliers are aware of FWF requirements. Heigo regularly attends FWF events such as the Annual Conference, the Dutch Stakeholder meeting, as well as other webinars to stay informed of FWF activities. This information is then disseminated to the rest of the team during weekly meetings. The sales team at Heigo also took part in a FWF training.

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

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 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: In 2018, Heigo did not initiate any FWF's Workplace Education Programme (WEP) at any of their suppliers.

Recommendation: FWF encourages members to actively encourage factory participation in training programmes that support transformative processes related to human rights. The member should ensure good quality systematic training of workers and management on these topics.

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: 11

Earned Points: 4

5. INFORMATION MANAGEMENT

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

Comment: Heigo is aware of the use of subcontractors at its own supplier in Bulgaria and monitors their use during factory visits. However, the production location data is not entered correctly into the database and Heigo does not know how often or for which products subcontractors are used.

Requirement: After the end of each financial year, members must confirm their list of production locations and provide relevant financial data. A complete list means ALL production locations are included of all production processes the member uses in the stages after fabric production, including subcontractors.

Non-CMT production locations should also be included in the database. With fob figures for production locations where the member has a direct relationship (direct exchange of goods for money or direct communications). If there is no direct relationship, no fob figures need to be included but the member should select that the location is active.

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: All supplier information is shared among purchasing staff.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: -1

6. TRANSPARENCY

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published 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: Heigo publishes the Brand Performance Check report on its website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report 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: Heigo has published the Social Report on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

7. EVALUATION

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

Comment: FWF membership is evaluated twice a year with some key people within the organisation, the director, sales, purchasing, internal operations, and logistics.

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.	0%	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.	-2	4	-2

Comment: In 2018, Heigo was supposed to ensure a complete list of suppliers, including subcontractors is entered into the FWF database. This, however, was not completed for the 2018 financial year before the brand performance check.

Requirement: For 2019, Heigo needs to ensure that after the end of each financial year, it confirms its list of suppliers and provide relevant financial data. A complete supplier's list means ALL suppliers are included, including subcontractors.

EVALUATION

Possible Points: 6

Earned Points: 0

RECOMMENDATIONS TO FWF

Heigo recommends FWF to increase visibility and communication of its standards within the workwear and B2B industry. Furthermore, Heigo would like to request more salespeople focused training and presentations on how to pitch FWF activities.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	43
Monitoring and Remediation	28	33
Complaints Handling	3	9
Training and Capacity Building	4	11
Information Management	-1	7
Transparency	5	6
Evaluation	0	6
Totals:	70	115

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

61

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

13-06-2018

Conducted by:

Sandra Gonza

Interviews with:

Piet Goossens, Director

Johan Peters, Purchasing

Tom Gerards, Sustainability