



# **Brand Performance Check**

## **HAVEP**

This report covers the evaluation period 01-01-2020 to 31-12-2020

## About the Brand Performance Check

Fair Wear Foundation (Fair Wear) 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. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear'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 Fair Wear 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 Fair Wear 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 Fair Wear'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.

*This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.*

# Brand Performance Check Overview

## HAVEP

**Evaluation Period: 01-01-2020 to 31-12-2020**

Member company information	
Headquarters:	Goirle , Netherlands
Member since:	2004-01-01
Product types:	Workwear
Production in countries where Fair Wear is active:	Bangladesh, North Macedonia, Tunisia, Viet Nam
Production in other countries:	Kosovo
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	86%
Benchmarking score	79
Category	Leader

## Summary:

HAVEP has shown progress and met most of Fair Wear's performance requirements. HAVEP has monitored 86% of its supplier base, which meets the threshold for member companies after the third year of membership. HAVEP scored 79 in this brand performance check and placed the HAVEP in the 'Leader' category. (The brand performance check 2021 does not consider the monitoring threshold due to auditing difficulties during COVID.)

## **Corona Addendum:**

Due to the pandemic, HAVEP experienced a decline in sales. During the same period, HAVEP had a significant change in its management, including a CEO and CFO change. There was no change in the CSR staff, and the CSR manager continues to be part of the management team. The CSR manager was able to work from home at full capacity, as most of the office staff in HAVEP.

HAVEP has signed contracts with each supplier and has long term relationships with most of its suppliers. Both practices provided a good foundation to deal with uncertain situations such as COVID-19. HAVEP was able to follow the contract agreements to continue and pay for the confirmed or ongoing production orders. The decrease in sales only resulted in new orders not being placed. Since many factories also experienced lockdown or reduced capacity, the decrease in new orders did not substantially impact the factories. Due to the long-term business relationship, HAVEP and the factories maintained frequent (daily or weekly) contacts during the pandemic. The suppliers regularly updated HAVEP on the capacities and requested support when needed. HAVEP requested all suppliers to pay the workers for the downtime. The local offices of HAVEP visited the factories to make sure appropriate prevention measures were taken. HAVEP made advanced payments to several suppliers so that they were able to pay workers timely.

## 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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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.	89%	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 has high leverage at the majority of its suppliers. At more than half of the suppliers, HAVEP has over 50% leverage.

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%	Fair Wear 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 Fair Wear.	3	4	0

**Comment:** HAVEP's tail-end maintains the same as the last financial year. It plans to gradually further consolidate its supply chain.

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.	66%	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:** There is a 14 percentage point increase in this indicator. HAVEP has made effort to consolidate its suppliers. HAVEP has long-term and stable working relationships with most of its suppliers.



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:** HAVEP has two new suppliers in 2020. Both have signed and submitted the Code of Labour Practices.

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 official policy to select new factories. It prefers to work with factories located in Tunisia and North Macedonia, where they know about the general risks and have local offices.

Before placing bulk orders, HAVEP's local representatives will visit the factories to discuss price, samples and check the labour conditions. HAVEP collects working condition information through various sources, including interviewing factory management, observing the work floor, collecting existing audit report and placing a Fair Wear audit. The working conditions of a factory is one of the criteria when choosing a supplier. HAVEP signs contracts with all suppliers. The contracts stipulate the prices and commit to future productions.

HAVEP started to work with two new suppliers in Tunisia in 2020. Both factories were audited by Fair Wear (one initiated by HAVEP).

**Recommendation:** In practice, HAVEP has taken working conditions into consideration when choosing new suppliers. HAVEP can make this process more explicit in its procedure description.

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:** HAVEP has developed scoring cards to evaluate the performance of each supplier. The scoring card rates suppliers based on three aspects (each weighs 1/3):

- Sustainability: remediation of audit findings, increase in wages, communication or willingness of the supplier to improve working conditions.
- Supply chain efficiency: production flexibility, planning, inventory, material supply management, and more.
- Quality and product development.

HAVEP rewards suppliers through providing positive feedback while sharing the results with them. Continuous working relationship is ensured for highly-rated suppliers during the supplier consolidation.

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:** HAVEP believes that planning is essential, especially in times of crisis such as the COVID-19. HAVEP has upgraded its production forecast system in 2020. The system has established the links among material, requirements and planning (MRP). The improved forecast system is more predictive and can provide more details based on multiple factors: historical figures, market needs, stock keeping units, etc.

There is a fixed lead time for each supplier. Besides a full annual plan, the planning system provides monthly detailed production update to the suppliers. Suppliers can make adjustments and send feedback based on real capacity availability. In case an issue is found, the system can replan immediately.

During the COVID-19 lockdown in the countries of the suppliers, HAVEP was able to replan production, explain to the customers, and increase lead time. In addition, HAVEP was actively engaged with suppliers and supported them in deal with the situations.

HAVEP maintains lists of suppliers with details on the numbers and percentages of employees impacted by COVID-19. This helps HAVEP to have an overview of the capacity changes at the suppliers.

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:** Due to COVID-19, HAVEP head quarter and the local representatives were not able to visit the factories as often as they could in the past. HAVEP believes that factories were working significantly less overtime in 2020, since orders dropped sharply.

Fair Wear had audited 4 suppliers of HAVEP in 2020, no excessive overtime was found at these suppliers. Excessive overtime were found at 5 factories audited between the end of 2019 and January 2020. Due to order drops and the consolidation process, HAVEP did not follow up with the phased-out suppliers intensively.

HAVEP focuses on supporting one supplier to improvement. The supplier is located in North Macedonia. HAVEP had hired its previous production manager as a consultant to help the factory to make the production process more efficient. The factory had written an action plan and made commitment to it.

**Recommendation:** While overtime work dropped significantly during COVID-19, it is evidential that excessive overtime as a major risk in the garment manufacturing industry will disappear.

HAVEP could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. HAVEP could extend its support to hire local experts to analyse root cause of excessive overtime in cooperation with more suppliers.

Fair Wear recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

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:** HAVEP uses production minutes per style to determine prices. The indicators including production minutes, factory efficiency and labour costs. Production costs are agreed upon by signing the contracts. This practice is used for all CMT suppliers (90%), but not for RMG suppliers(10%). HAVEP continues this practice in 2020.

In addition, HAVEP supports suppliers during difficult times. HAVEP made several advance payments to suppliers so that they could pay wages during the lockdown. In one case, HAVEP made a down payment to the factory because the workers needed some money for emergency child care. HAVEP requested all suppliers to pay workers for the downtime and take measures to prevent COVID. Whenever possible, the local office staff visited the factories to monitor the working conditions. When local staff is not available, HAVEP checked the documents and photos provided by the suppliers.

**Recommendation:** Fair Wear recommends HAVEP expand its knowledge of cost breakdowns of all product groups, including RMG suppliers. The next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. Fair Wear's labour minute value and product costing calculator also enables suppliers to include any COVID-19 related costs. The priority would be to make sure this level of transparency can be achieved with their suppliers.

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, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

**Comment:** Fair Wear audit found a relevant issue at a factory located in North Macedonia. Some workers were not paid minimum wages because of their absence. The factory could show a legal document that supports this. However, the auditor found mismatches in different documents. HAVEP had followed up on the issue with the factory. According to the factory, the mismatches had been fixed. However, since HAVEP stopped working with the factory in 2020, it did not verify the results.

During COVID-19, HAVEP maintained regular discussions with the suppliers, and actively support the suppliers to pay worker wages and solve financial issues. HAVEP requested all suppliers to pay for lockdown time for the workers. The suppliers were offered help by HAVEP. For example, HAVEP made advanced payments to the suppliers when requested.

**Recommendation:** When wage records are not transparent, HAVEP should recheck the remediation claimed by suppliers.

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:** There was one case of delay payment reported in an audit, and it was solved immediately. The case was mainly due to a temporary internal administrative issue of HAVEP.

HAVEP did not change any payment terms during the pandemic, neither did it negotiated the prices. All financial terms were set prior to the pandemic in the contracts with the suppliers. No late payment was reported by the supplier. In addition, HAVEP had made advanced payments to some suppliers to support them in paying wages.

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.	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	6	6	0

**Comment:** Since 2019, HAVEP has paid an increase of 23% to all CMT suppliers after using the Fair Wear costing sheet to calculate the cost. The increased payment is to support factories to pay higher wages to workers. In addition to that, it pays an extra amount (30-100%) at factories where HAVEP produces only small orders. For one specific small factory in Tunisia, HAVEP paid a fixed weekly price to the supplier and promised fixed orders.

HAVEP has weekly productions at factories in North Macedonia and Tunisia. It produces only twice a year at the factory in Viet Nam, therefore the fixed weekly price is not paid to that factory.

COVID-19 has not impacted the payment HAVEP made to the factories, since the increased amounts are all written in the contract. HAVEP continuously worked on the living wage project despite the drop in its revenue in 2020. However, during the pandemic, HAVEP was not in the position to verify that the suppliers will use the extra amount on worker wages.

**Recommendation:** Fair Wear encourages HAVEP 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. In addition, HAVEP could request wage payment records from suppliers to make sure that the additional amount is paid to increase the wages of the workers.

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 North Macedonia.

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.	6	6	0

**Comment:** Target wages were set by HAVEP and the majority of the suppliers (nearly 90%) after a series of meetings in 2018. Minute price increased by 23% after setting the target. Despite the negative impact of COVID-19 on the turnover of HAVEP, it has not decreased the payment to the suppliers.

HAVEP explained in the last brand performance check that the suppliers still faced difficulties in paying the target wages, given the low quantity in HAVEP's orders. However, HAVEP could demonstrate that target wages have been reached at their own factory in North Macedonia.

**Recommendation:** In case Fair Wear members are interested to develop a joint approach to improve wages at a shared supplier, Fair Wear can give advice on measures that need to be taken by HAVEP 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%	Fair Wear 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.	2	6	0

**Comment:** At HAVEP's own factory located in North Macedonia, most workers were paid above the CCC benchmark (first step towards living wage) and the industry average benchmark.

**Recommendation:** HAVEP is encouraged to roll out their approach to other suppliers.

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 44**



## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	86%	
% 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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check	NA	
Total monitoring threshold:	86%	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 Fair Wear 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:** A staff member - the CSR manager - is designated to follow up on problems identified by the monitoring system.

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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

**Comment:** HAVEP mainly use Fair Wear audits in its monitoring system. The external audit is used occasionally.

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: Fair Wear 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:** As a standard practice, HAVEP summarises and set the priorities of the CAPs upon receiving the audit report. It shares its comments and guides the follow-up to the suppliers within one month. HAVEP requires the factory management to share the reports with the worker representatives too. It has verified that its own factory in North Macedonia and another factory in Tunisia have done so.

**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.	Intermediate	Fair Wear 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.	6	8	-2

**Comment:** Throughout 2020, HAVEP maintained weekly conversations with the suppliers to make sure they could react swiftly to deal with issues caused by or impacted by the COVID-19. HAVEP had not cancelled any confirmed or ongoing production orders. It has given flexibility to factories when there was a lockdown or a reduction in employee capacity.

Ensuring payment of wages during the pandemic has been a priority for HAVEP. In several instances, HAVEP provided financial support directly to the suppliers for wage payment. For example, it paid two invoices in advance to a factory located in Tunisia before the goods arrived. This is to enable the factory to pay wages when production was delayed due to the lockdown.

HAVEP also invited most of its suppliers to attend the Fair Wear wage remediation webinar. It worked with its local offices in Macedonia and Tunisia to provide information and knowledge to factories when they are eligible to get government financial support. It also kept informing the suppliers about the governments' requirements to protect workers in terms of health & safety, paid leaves and payment of wages.

In addition, HAVEP continues its work on following up on the audit Corrective Action Plans of all the audits. Although the staff in headquarter could not visit the factories, the local offices in North Macedonia and Tunisia had managed frequent visits to the factories in between lockdown periods.

The priority of HAVEP has been to establish forms of social dialogues at the factories. It has been integrated into HAVEP's remediation process. At its own factory in North Macedonia, HAVEP had consulted worker representatives on used how to improve based on the audit findings. At another factory in Tunisia, HAVEP supported the workers to elect their own representatives. Ten worker reps were democratically elected. Although both factories have yet to comply fully, HAVEP believed that the involvement of worker representatives would make the remediation process more sustainable, more rights-driven and eventually more efficient. At its supplier in Viet Nam, HAVEP worked with other Fair Wear members and a Fair Wear Stitch Partner - a Dutch trade union confederation CNV - to prepare for union training for workers.

Another priority is addressing the root cause of workplace stress. At another factory in North Macedonia, the supplier, the worker reps and HAVEP found that production inefficiency was the key problem causing worker-supervisor conflict. HAVEP hired its previous production manager to improve efficiency at the factory.

The 2020 audit reports have not shown significant improvements in compliance. However, HAVEP has demonstrated its effort in involving workers and identifying the root cause. HAVEP has taken steps towards sustainable remediation.

**Recommendation:** Fair Wear encourages HAVEP to continue and expand its current system in remediation. It could make extra effort to verify remediation results through gathering feedback from worker representation.

Fair Wear advises HAVEP to build a data management system to monitor the working conditions and the corrective action plans efficiently.

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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

**Comment:** Despite the impact of COVID-19, HAVEP's local staff had visited 85% of the suppliers (based on production volume).

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:** HAVEP has collected external audit reports of two factories, which account for about 5% of its total purchasing volume. The quality of the audit reports has been checked.

At one factory in Bangladesh, HAVEP worked with the factory to follow up on the findings, including several health & safety issues and one overtime work issue. The audit report of the other factory in North Macedonia has not found any non-compliance. While follow-up on CAP was not possible, HAVEP continuously worked with the factory to address risks (see 2.7).

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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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.	5	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	Advanced			6	6	-2

**Comment:** Prevention and mitigation of risks related to COVID-19:

HAVEP maintained at least weekly update discussions with all factories regarding orders, financial issues, COVID-19 impacts, and prevention strategies. HAVEP kept information about the number of impacted employees of each factory during the pandemic. HAVEP reached out to the factories when risk is perceived or expected. For example, one factory in Tunisia decided to discontinue the contracts of 10 temporary workers due to re-organisation, HAVEP made sure that the factory had paid all legal dues to the workers. At another factory in Tunisia, HAVEP made a quick advance payment to the factory as the workers needed extra money to cover children's daycare when schools were closed.

To prevent the risks of health and safety, HAVEP invited the factories to attend Fair Wear's workshop. Besides factory visits, HAVEP asked the factories to share photos of their prevention measures, such as spacing of work station, using of masks and disinfectants. To prevent wage payment issues, HAVEP local offices kept informed of local regulations and made sure that factories received the information.

Prevention and mitigation of other risks:

Bangladesh:

HAVEP worked with one factory in Bangladesh. The purchasing column is about 2%. HAVEP did not sign the Bangladesh Accord on Fire and Building Safety (the Accord). However, HAVEP supports the factory to follow up on the Corrective Action Plans found by the Accord.

Macedonia, Tunisia and Viet Nam:

Based on its own research, HAVEP identified country-specific risks related to gender discrimination, freedom of association, living wages, excessive overtime, and health & safety in all three countries. The perceived risks are reported in the social report 2020 of HAVEP. HAVEP believed that supporting social dialogue among factory management and workers is most effective to prevent risks. HAVEP had taken different measures to improve social dialogue at factories in all three countries (see 2.4).

Kosovo:

HAVEP had to phase out the factory in Kosovo because it is very hard to prevent risks and monitor the working conditions. HAVEP does not have local staff in Kosovo and it has identified country-level high risks issues. HAVEP had taken 6 months to leave the factory based on the requirements of the Fair Wear responsible exit strategy.

**Recommendation:** HAVEP is encouraged to work with worker representatives to have a worker-led response to all related risks.

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.	Active cooperation	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.	2	2	-1

**Comment:** HAVEP worked with two other members to prepare for a social dialogue training at their suppliers in Viet Nam. The training was postponed due to COVID-19.

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. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	N/A	2	0

**Member undertakes additional activities to monitor suppliers.:** No (o)

**Comment:** There is no production in low-risk countries.

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	Fair Wear 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 Fair Wear and recent Audit Reports.	N/A	2	0

**Requirement:** No audits at the tail-end production location.

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.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

**Comment:** No external brand resold (N/A)

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).	No external brands resold	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

**Comment:** No external brand resold (N/A)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear 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

**Comment:** No licensess (N/A)



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## Monitoring and Remediation

**Possible Points: 24**

**Earned Points: 20**

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### 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.	1	
Number of worker complaints resolved since last check.	2	

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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

**Comment:** The CSR manager is responsible to address worker 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 Fair Wear 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:** HAVEP has informed all factories about the Fair Wear Code of Labour Practices and the complaints mechanism. There had been mistakes in the CoLP found by audits, but HAVEP has corrected the problems.

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 Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** HAVEP had requested WEP training sessions in 2020, but such training was not possible due to the COVID-19. Due to a communication error, HAVEP also did not realise that they could have distributed videos on worker rights to the workers. As a result, HAVEP could not score points in this indicator.

**Requirement:** Fair Wear requires members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline. HAVEP should ensure good quality systematic training of workers and management on these topics. To this end, members can either use Fair Wear's Workplace Education Programme (WEP) basic module or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear'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.	Yes + Preventive steps taken	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.	6	6	-2

**Comment:** In 2020, HAVEP had resolved two complaints received in 2019. Both complaints were about the same factory located in North Macedonia and were filed to Fair Wear via a local organisation. The complaints were about supervisors' attitudes, lack of communication regarding overtime, and the use of social media to publicly discuss the factory's working conditions.

After an investigation conducted by Fair Wear, the root cause was identified. There had been ineffective communications between the factory and the workers. There were also production efficiency issues. HAVEP persuaded the factory management to establish a dialogue with the trade union members of the factory. It took over one year to solve the issue. Fair Wear interviewed the complainants at the end of 2020. It was confirmed that the communication has improved.

The ongoing complaint was about a factory in Tunisia. 15 workers claimed that they were laid off unfairly, while the factory management insisted that the dismissals were due to misconduct. The workers were union members and they had filed a court case against the factory. HAVEP maintains communications with both sides. The dismissed workers did not want to be reinstated if the current people continued to work as the management. The first court decision was unfavourable to the workers. They have filed an appeal. The case is currently waiting for the second court decision.

HAVEP has taken preventive steps at their suppliers learning from these cases. HAVEP helped the factories to establish an incentive system (bonus), trained the factories to work efficiently, and facilitated social dialogue.

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 Fair Wear 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:** No other customers were involved in the worker complaints. HAVEP was the main buyer of both factories that received complaints.

## Complaints Handling

**Possible Points: 15**

**Earned Points: 9**

## 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 Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

**Comment:** All staff are aware of Fair Wear membership.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** All staff in direct contact with suppliers are informed of FWF requirements.

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, Fair Wear audit findings.	N/A	2	0

**Comment:** Member does not use agents/contractors (N/A)

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. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** HAVEP had planned training on social dialogue at two suppliers. Due to COVID-19, the training sessions were both postponed.

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

**Comment:** No training programmes have been conducted or member produces solely in low-risk countries (N/A)

## 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:** Unauthorised subcontracting is not allowed according to the agreement HAVEP has with the suppliers. HAVEP has local offices in Tunisia and Macedonia, who visit the production locations frequently. For productions in Bangladesh, HAVEP hires a consultant to visit and be present during production. Fair Wear audits have found so far no unauthorised subcontracting.

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:** The CSR manager of HAVEP is part of the management team. The production department, local representatives and the CSR staff frequently exchange information and observations about the suppliers.

**Recommendation:** HAVEP can improve its information management if use a more automated system.

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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	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

**Comment:** Minimum communications requirements are met.  
No significant problems are found.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear'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.	2	2	0

**Comment:** HAVEP published its supplier list, the brand performance check report and the social 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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

**Comment:** Social report is submitted to Fair Wear and published on HAVEP's website. The information meets Fair Wear's requirements.

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## **Transparency**

**Possible Points: 6**

**Earned Points: 6**

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## 7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** There is an annual evaluation of Fair Wear membership requirements. The management meets regularly to review HAVEP's social performance and make adjustments when needed.

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.	No requirements were included in previous Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

**Comment:** There was one requirement from the last brand performance check:

1) HAVEP has not audited all production locations, which need to be monitored according to Fair Wear's monitoring requirements. For example, all factories where HAVEP has at least 10% leverage or at least 2% FOB, and all factories located in Bangladesh.

In 2020, HAVEP had requested audits at several factories. Fair Wear could not deliver the service due to COVID-19. HAVEP had collected an audit report at the factory located in Bangladesh and followed up on the findings.

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## Evaluation

**Possible Points: 2**

**Earned Points: 2**

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## Recommendations to Fair Wear

HAVEP found it difficult to keep up with all the CAPs in different audit reports. It would appreciate it if Fair Wear could provide an information management system to organise the data. For the time being, it would be great if it is possible to download all CAPs of all factories audited by Fair Wear.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	44	52
Monitoring and Remediation	20	24
Complaints Handling	9	15
Training and Capacity Building	3	9
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	91	115

### Benchmarking Score (earned points divided by possible points)

79

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

17-05-2021

Conducted by:

Juliette Li

Interviews with:

Jobien Laurijssen, CSR manager

Wilma Bloo, CEO

Fedor Nouwen, Production manager

Els de Ridder, Marketing manager