



BRAND PERFORMANCE CHECK

HAVEP

this report covers the evaluation period 01-01-2017 to 31-12-2017

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

HAVEP

Evaluation Period: 01-01-2017 to 31-12-2017

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

Summary:

In 2017, Havep met most of FWF's performance requirements. With 85% of its supply base under monitoring, Havep meets the threshold for member companies after their 3rd year of membership. Havep has reached a benchmarking score of 71, placing them in the 'Good' category.

Havep has a stable supplier base, which was further consolidated by implementing a new sourcing strategy by the end of 2017. The result is an increase from six to nine main suppliers fully dedicated to Havep's production in countries Macedonia and Tunisia. The vision for the long-term relationship is further strengthened with these suppliers and Havep is in regular contact with them via weekly visits by its local staff and regularly visits by headquarter staff and the management team. Havep has strong production planning systems in place and works closely with suppliers to adjust orders when necessary. Havep also knows the cost-per-minute for each of its garments, which helps to ensure that orders placed are feasible.

In 2017, several major changes were made in the Havep's management team. In May a new CEO and in December a new COO were appointed. Aside from having a 100% female management team, the new company vision brought a modern, innovative, sustainable and focused company strategy. The clear objectives that are drawn up and implemented each year are called Rocks (BIG 5). Also, since 2017, Havep no longer burns or dumps any textile waste. The textile waste from the workshops is collected and sent back to the Netherlands. From the head office the textile waste is delivered to a manufacturer of boxing balls and punch bags. Furthermore, the company is involved in its community and currently employs one asylum seeker with a residence permit. In addition, HAVEP actively contributes to the "Annetje van Puijenbroek Foundation". This is a foundation with the aim of supporting individuals and smaller organisations, projects and initiatives.

The new company's strategy contributed to the increase of 11 points in the company's benchmarking score in comparison to 2016. However, Havep had not fully followed up on the previous year's requirement to ensure it is complying with the FWF Communication Policy.

FWF encourages Havep to continue developing internal systems for monitoring the social compliance of its suppliers and training internal staff on these processes to ensure consistency and progress.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	0%	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.	4	4	0

Comment: Due to its further consolidation of its supplier base, only one factory is active with the production volume less than 2% of Havep's total FOB. Because the factory leverage is 100%, full 4 points were given.

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.	68%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: Havep values long-term relationships, especially with its main suppliers. It works with these suppliers for many years and has invested much effort to improve labour conditions at these suppliers. The percentage remains the same as in the previous year.

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 new production locations added in past financial year	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.	N/A	2	0

Comment: There was no new production location added in the past financial year. Havep created a new internal process when on-boarding a new supplier. The FW CoLP questionnaire was integrated into new Quality Manual and in the Business Agreements with new supplier, the questionnaire is part of Annex. All document must be signed before any production can start.

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

Comment: End 2017 Havep refreshed their Due Diligence approach. It was already the standard approach of Havep to request from new suppliers to fill out a questionnaire based on the FWF Code of Labour Practices, to visit the production location before placing the first order, to assess health and safety in production locations using the the FWF Health and Safety Check and to discuss social compliance. For existing production locations Havep regularly visits and provides training and coaching and reports on this in a systematic manner. In addition to the existing elements, Havep developed a template with the six different stages as formulated in the Dutch Agreement on Textile on Due Diligence and places the production locations in one of these stages. Most production locations are in stage 3 or stage 4. Havep identified actions for themselves and for the production locations for improvement and monitors follow up on these actions.

Havep has a general insight in country risks of the countries where they are sourcing. They communicate about these risks to their (potential) customers and they explain the actions to improve.

In case of urgent issues that might have been riskfull for workers, Havep showed a willingness to remediate and to prevent this situation to happen in the future. An example was given of a production location where there was no production for two weeks as there were no fabrics available. Havep has paid the factory to enable them to pay the workers and has discussion with factory management how to prevent this to happen in the future

Recommendation: FWF recommends Havep in 2018 and beyond to further develop and embed the new due diligence approach in their internal operational organisation, for example by making the relationship with the different units as sourcing, finance or planning more explicit as a next step to mitigate risks.

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	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.	1	2	0

Comment: A new COO was hired by the end of 2017 and outlined together with the Quality Specialist the systematic approach for the supplier evaluation. One point has been awarded due to starting the process by the end of the year.

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: This is already stated in 2016 report and no change has been found. With almost all of its suppliers, Havep has a weekly planning system that is based on the known weekly capacity of the factory as calculated including available hours and number of workers. The minutes needed to produce a garment are known and therefore orders are split across suppliers based on capacity and complexity. Havep has a lead time of 6-8 weeks for its suppliers and also accounts for holidays in its planning. For custom made specials, Havep has shorter lead time, but always discusses reasonable lead times with its factories.

Recommendation: The weekly production feedback from the factories is provided to Havep by end of each week on Friday. This feedback becomes very valid and would immediately indicate any issues of missing fabrics and trimmings. When the actual production volume is too low without any obvious problems, this should be escalated and checked immediately to find the root cause in order to prevent any OT hours in the coming weeks..

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

Comment: FWF conducted seven audits at production sites of Havep in 2017. Issues related to overtime were found only during one audit in Tunisia. The finding was not related to the production workers but to the additional staff, the guardian and the driver, who can do more than 12 hours a week as overtime and it is not accounted and not paid. After the audit factory confirmed remediation and the Havep's Production Specialist checked and interviewed the workers including the driver and guardian to make the remediation is sustainable.

Havep prevents excessive overtime by its weekly planning system and shifting orders to other suppliers if necessary. Local staff in Tunisia and Macedonia regularly visit Havep's main suppliers and check working hours and production lines.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0

Comment: As of November 1, 2017 a new CEO increased the purchasing price per minute for all suppliers. This considerable increase is a movement towards paying a living wage to the workers. Currently there is no insight into the portion that goes to direct labour costs of workers.

For CMT the price negotiations are done based on standard minutes developed in house at Havep's own production unit. Cost of fabric and accessories are known per supplier.

Recommendation: FWF recommends to conduct an impact analysis of this wage increase per factory to gain insight into the portion of purchase price that goes to the wages of the workers and take the local wages levels into account. Further, consider the inflation in price agreements with the suppliers each year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2

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

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0

Comment: Havep is aware of wage levels in its factories and shares the wage ladders in the FWF audit reports at its main suppliers. It has initiated conversations with suppliers and as of November 1st, increased the price per minute as a movement towards a living wage.

FWF conducted one audit after implementing the increase and there is a positive feedback. The audited factory in Macedonia has developed a strategy for wage increase expecting all of the workers to receive a salary increase in 2018. The strategy was presented to the workers. The objective is to ensure that all workers receive wage that can cover the basic living costs. In comparison with other Havep's suppliers in Macedonia, this is the first case where wage system and policy exist on this level and where factory management push for living wage independently.

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

Recommendation: The maximum score requires evidence of wage increases from consecutive audits at factories and evidence of pricing policy. This impact will be visible in the year of 2018.

In addition, FWF encourages Havep to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

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).	10%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	1	2	0

Comment: Havep owns one factory in Macedonia where it sources 10% of its total FOB. This factory is used to test new products and lines and gain a better understanding of the time it takes to make each garment.

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 34

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	85%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	N/A	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Total of own production under monitoring	85%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: The QHSE Specialist is responsible for all follow up on issues identified, working with local staff in Tunisia and Macedonia, and with oversight from a Director in the Sourcing/Purchasing Department.

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: In late 2017, FWF conducted seven audits that were shared and discussed with the factory in a timely manner.

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

Comment: In 2017, following an audit, Havep shares the findings with suppliers and asks them to follow up on found issues. Two CAP's from Havep's suppliers in 2017 were shared and showed that only the factory comments and timelines were provided, but there was no further registered follow up by the brand. The factory progress was not tracked and therefore the Havep's score on this indicator remains Basic. Local staff in Tunisia and Macedonia do visit the factories regularly and have the opportunity to discuss remediation and follow-up with the suppliers, however this information should be captured and systematically shared with Havep's head office.

Recommendation: FWF recommends Havep to systematically capture information about progress and CAP follow-up and share this with the head office. Resolving and remediating non-compliances is one of the most important criteria FWF Member companies can do towards improving working conditions. FWF expects Member companies to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

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

Comment: Local staff is visiting the suppliers on regular basis.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	2	3	0

Comment: BSCI report and SA 8000 were collected in 2017.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	None of the specific risk policies apply	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.	N/A	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	Policies are not relevant to the company's supply chain			N/A	6	-2

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

Comment: In 2017, Havep did not cooperate with other brands on CAP's remediation.

Recommendation: Cooperation with other brands will increase a successful outcome on remediation and reduce the workload for the factory.

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.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	80-90%	FWF encourages all of its members to audit/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.	1	3	0

Comment: Havep has developed a Factory Assessment Tool which includes an extensive CSR check list.

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

Comment: Havep has sent the questionnaire out to all external brands and has received signed copies back.

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

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

MONITORING AND REMEDIATION

Possible Points: 27

Earned Points: 17

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	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		
Number of worker complaints resolved since last check	1	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: In 2017, the QHSE Specialist is designated to address complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	50%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	3	4	0

Comment: At the audited sites counting to this evaluation period, only 50% of the workers was aware of the FWF CoLP and the helpline. It's 10% less compare to previous year 2016.

Recommendation: Havep can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker helpline. In addition to sending the worker information sheet, Havep can use the worker information cards available for download on FWF member portal.

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

Comment: In 2017, FWF received one complaint from factory in Tunisia. The complainant claimed that the salary of workers has been paid late, what resulted in difficulties for workers to make ends meet. Workers refused to work on Saturday morning after payment was overdue. The manager had explained to the workers that he was facing cash flow problems. Furthermore, the worker complained about excessive overtime taking place in the finishing and packaging department. Although the complainant was not affected by the overtime, the worker did wish to report it. According to the worker, overtime was not paid in line with the Collective Bargaining Agreement.

FWF informed Havep (former Van Puijenbroek) about the case. Havep then contacted factory management who confirmed the late payment. The late payment of salaries was partially due to the fact that a large order of Havep was of insufficient quality. Havep did not pay the invoice until repairs were made.

After the complaint and discussion with factory manager, Havep decided to immediately pay for the order. It also decided to pay another invoice early, to ensure that workers would be paid on time. This complaint is resolved.

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

Comment: No possibility to cooperate with other client. In 2017, Havep did not share any FWF audited suppliers with other FWF members.

Recommendation: Cooperation among FWF members is required. In addition, it is advised to identify other clients and their commitment to improving working conditions. Involving more customers of the factory increases leverage, the chances of successful outcomes and long term improvements.

COMPLAINTS HANDLING

Possible Points: 13

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 FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: Havep's staff is informed about FWF via the intranet, MyHavep.

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

Comment: Staff members who are in direct contact with suppliers, including local staff in Macedonia and Tunisia, are informed of FWF requirements. Regular information is shared by the QHSE Specialist and they are looking to improve the integration of this information by reorganizing office space to bring key staff closer together.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	32%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0

Comment: Two WEP trainings were conducted at production locations of Havep.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	N/A	4	0

Comment: In 2017 trainings were given to its suppliers. Trainings 'Suppliers Days' were organized at Havep's headquarter on the subject of quality improvement, management training, communication, formatting and internal accounting.

TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 7

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: Havep is aware of its production sites. Local staff checks the quality and delivery times, production lines and capacity. Havep has a strict policy on subcontracting. Therefore the risk of unauthorized subcontracting is low.

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.	No	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: There is an online system that shows all the things that are related to FWF and social compliance. Staff can access relevant files, like audits, follow up reports, etc. However despite the systems being in place, active sharing of information between the local teams in regular contact with the suppliers and the head office does not seem to occur.

Recommendation: It is advised to make relevant staff aware of the available tools FWF offers, such as the Health and Safety guides, monitoring CAP documents, access to FWF's online information system. Purchasing and local staff is recommended to share reports from factory visits that include a status update of implementing the CoLP.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 5

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Significant problems found, but appropriately remediated	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.	0	2	-3

Comment: Havep communicates about FWF membership as part of the communication of their pillar 'Sustainability'. Information is included on their website, in brochures and catalogues, and on signage. Wording on Havep's website indicated that being a member of FWF guaranteed that their garments were made under fair conditions, which is a violation of FWF's Communication Policy. When informed, Havep immediately updated the website.

Requirement: Wording on Havep's website indicating being a member of FWF, guaranteed that their garments were made under fair conditions, should be removed immediately.

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

Comment: Havep has published the latest Brand Performance Check. Furthermore, the company's info is shared in Covenant and Facebook.

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 published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Havep has submitted its social report and has published it online.

TRANSPARENCY

Possible Points: 6

Earned Points: 3

7. EVALUATION

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

Comment: The QHSE Specialist meets regularly with the management team to discuss FWF, including evaluation of membership. The new CEO also participates in regular meetings to help guide strategy.

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.	49%	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: Havep had two requirements in the last Brand Performance Check.

- The requirement to ensure that the Worker Information Sheet is posted in all factories it sources from and show proof of that has been a requirement in the past two Performance Checks. Havep was able to show that the Worker Information Sheet was posted in most of its factories. One factory needed to have this document in Albanian language, which was provided by FWF just after BPC. FWF received the evidence of this document being posted in the factory.
- Havep was required to ensure it complied with FWF Communications Policy. No steps were made to remediate this, therefore FWF considers that this requirement was not fulfilled.

Requirement: Havep is required to work towards remediation of previous requirements from the former FWF Brand Performance Check.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

Share more information on how to communicated on being member of FWF.
FWF can make the member brands more visible on social media.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	34	44
Monitoring and Remediation	17	27
Complaints Handling	9	13
Training and Capacity Building	7	9
Information Management	5	7
Transparency	3	6
Evaluation	4	6
Totals:	79	112

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

71

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

11-09-2018

Conducted by:

Terezia Haselhoff, Mariette van Amstel, Emile Schaepman

Interviews with:

Emile Schaepman, Production Specialist

Dhyana van der Pols, COO

Anna van Puijenbroek, CEO