



Brand Performance Check

Heigo Nederland B.V.

Publication date: July 2022

This report covers the evaluation period 01-01-2021 to 31-12-2021

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

This year's 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 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

Heigo Nederland B.V.

Evaluation Period: 01-01-2021 to 31-12-2021

Member company information	
Headquarters:	Elst , Netherlands
Member since:	2005-10-01
Product types:	Workwear
Production in countries where Fair Wear is active:	Bulgaria
Production in other countries:	Hungary, Portugal
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	91%
Benchmarking score	81
Category	Leader

Summary:

Heigo met most of Fair Wear's performance requirements in 2021 and has a monitoring percentage of 91%, with a benchmarking score of 81, Heigo retains its 'Leader' status.

Corona Addendum:

Heigo is a workwear company with a diverse portfolio. The company buys approximately two-thirds from external brands and produces one-third under its own label. Fair Wear members are the preferred external brands. It has its own production location in Bulgaria, responsible for 85% of its own production FOB. Heigo started a Fair Wear Team at its own supplier to monitor and improve on smaller issues. Heigo made small improvements in its own supplier on the CAP of the audit of 2019.

Heigo consolidated its supply chain by exiting Turkey and China in a responsible way. For some years, Heigo indicated to these suppliers that it would reduce orders and would exit in 2019. To support both locations in the COVID-19 pandemic, Heigo still produced one order at each location in 2020. Due to this small leverage, the impact of Heigo leaving the suppliers is limited. With this consolidation, Heigo could focus more on the monitoring and remediation of its suppliers in Bulgaria, Hungary and Portugal.

COVID-19 had an impact on Heigo and its suppliers again. Heigo made an effort to continue production as normal. Ongoing orders were produced as agreed and scheduled. There were no reductions or cancellations, and payments were in time. It produced extra stocks for current and new projects. It used the Fair Wear COVID-19 Health and Safety checklist to ensure safe working conditions for workers. Heigo could not visit the locations in Bulgaria, Hungary and Portugal, except for one visit of the CEO to the own supplier in Bulgaria in August. Instead, there has been frequent contact with the locations regarding order and production schedules.

In Portugal, an agent has worked for Heigo for a long time. He understands the requirements of Fair Wear well and focuses on social compliance when visiting the factories. The supplier in Hungary only produced one order. During this order, the contact was more frequent. Otherwise, Heigo contacts the locations quarterly.

To strengthen Living Wages in its own supplier in Bulgaria, Heigo joined the Fair Wear Incubator 2.0 working group established in 2020. It improved a system to track productivity, which had a positive impact on paying living wages. It increased the target wages from 793 Leva in 2020 to 854 Leva in 2021 (the minimum wage in 2021 was 610 Leva. The source is Wage Indicator).

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.	91%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In 2021, Heigo purchased 91% of its production volume from suppliers where it buys at least 10% of production capacity.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	7%	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: Heigo purchased 7% of its production volume from production locations where the member company buys less than 2% of its total FOB. This amount comprises a specialised range of items that Heigo's own factory cannot produce.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	96%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: In 2021, 96% of the production volume came from production locations where a business relationship has existed for at least five years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	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: Heigo established an agreement at its owned factory that all subcontractors must be discussed and agreed upon during the yearly planning. All CoLP questionnaires are signed, which is the same requirement for all suppliers. In 2021, Heigo uploaded the new subcontractor's signed questionnaire to the Fair Wear database.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: Heigo's sourcing strategy is to focus on its own factory in Bulgaria (85% of its FOB) and to buy from other brands, preferably other Fair Wear members. If the current locations don't have the required skills, Heigo will search for another location, always in low-risk countries. In general, Heigo starts a relationship aiming to work together for the long term.

In 2021, Heigo started working with a new subcontractor in Bulgaria. The working conditions are part of the first screening of new subcontractors. Heigo considers social compliance an important topic which is included in introductory conversations as any other topic. The quality manager paid several visits to check on the working conditions before placing its first order. The quality manager has discussed the CoLP questionnaire and posted the WIS. The quality team monitors the conditions at the subcontractor every 14 days during production.

Heigo could not conduct new audits. Instead, Heigo had daily contact with Bulgaria via phone and mail. Heigo introduced a Fair Wear team at its own factory in Bulgaria to monitor the conditions during regular visits and to solve the CAP issues. This team consists of worker representatives and quality managers from Bulgaria and Heigo.

Heigo could not visit the locations, except for one visit to its own supplier in Bulgaria. There were no lockdowns.

The location in Hungary has Dutch owners, which makes contact easy. Heigo has a quarterly check-in with them and more frequently when they produce an order of Heigo. During this meeting, they discuss the issues and updates regarding COVID-19.

In 2020, Heigo did a human rights risk assessment of all production countries, identifying the main risks and risks related to COVID-19. The main risks in Bulgaria were discrimination and payment below minimum wages. Risks related to COVID-19 in all countries were mainly related to health and safety. Heigo updated this risk assessment in 2021. This (update of the) assessment was based on publicly available information, such as the Fair Wear country studies and MVO risk checker. The member used this analysis to prioritise its actions in Bulgaria. It discussed the assessment with the agent in Portugal and the management in Hungary.

Recommendation: Fair Wear recommends that Heigo monitors the subcontractors more closely as well.

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: Heigo's evaluation system covers circularity, sustainability and social compliance under which factories' compliance with the Fair Wear Code of Labour Practices is covered. Each supplier with a direct relationship to Heigo has been assessed. A report produced outlining points for evaluation such as CoLP and questionnaire, audit reports completed, the outcome from audits, willingness to cooperate on CAP, transparency during audits and factory visits, communication speed and clarity, work on living wages, basic criteria on quality, price, delivery times. The evaluation of suppliers is conducted by upper management and the purchasing and sales team, who are also in charge of maintaining the supplier portfolio with a focus on minimising risk.

In 2021, Heigo booked orders in coordination with the production locations, discussing the right prices and possible delivery times. No orders have been cancelled or reduced. To compensate for disappointing orders from other customers, Heigo brought forward stock orders to allow production to continue.

The strategy of Heigo is to produce as much as possible in low-risk countries or via other Fair Wear members. In 2021, Heigo exited the production locations in Turkey and China in cooperation with these locations. Staff management of both locations was already informed in 2019. The locations in China and Turkey had enough other clients, and the leverage of Heigo was small, so the impact of this exit strategy was small.

Recommendation: Fair Wear encourages Heigo to have its responsible exit strategy on paper.

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: 85% of the FOB is produced in Heigo's own production location in Bulgaria. This production location is responsible for its own planning and will communicate delivery dates with Heigo. Heigo will communicate this delivery date to their clients without negotiation. Heigo is completely transparent with the factory, allowing the factory access to Heigo's warehouse stock figures, which assists in making a better forecasting system for both parties. Only the final sewing occurs at the subcontractors based in Bulgaria. Heigo's own factory is responsible for the fabric, cutting and trimmings. Therefore Heigo can adjust its own planning to work with the provided lead times and forecasting as supplied by the relevant parties.

Heigo roughly knows which orders will come in over the year, as these are from existing clients and procurement procedures. Heigo and the suppliers in all three countries have access to the system in which these orders are incorporated. The suppliers in Bulgaria can plan their own production, as Heigo has products in stock. If an order of another brand comes in at the supplier, it can choose to work on that order and move the order of Heigo to another week. The suppliers in Portugal and Hungary only have small orders from Heigo. They know about these orders well in advance.

Heigo increased the lead times of orders from six weeks to eight to ten weeks in general. It also increased its production efficiency. The workers can follow their efficiency in real-time. It resulted in higher efficiency and commitment with a direct advantage for the workers in having a higher salary paid.

In 2021, more workers fell ill or needed to quarantine, which sometimes led to a delay in the planning. This didn't cause overtime, as the suppliers could plan their sourcing themselves.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	No production problems /delays have been documented.	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	N/A	6	0

Comment: None of Heigo's production locations were closed due to COVID-19, and none experienced production problems.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	4	4	0

Comment: In Bulgaria, Heigo uses an open costing system that can give them the breakdown per material, overhead done, work per day and rate per product. Because 85% of production is made at its own factory, Heigo works closely with the supplier to set prices and has a clear understanding of the wage component in the prices it pays. Heigo provides the materials and accessories already cut at the Bulgarian subcontractors. Therefore, Heigo can still have rough estimations on their wage contribution based on its factory knowledge. At its own factory, Heigo controls the price-setting process and has insight into the labour minutes needed per product. With this information, Heigo can link the necessary minutes to the price per minute to extrapolate to wages the workers receive. The brand can connect its price to wages for its factory.

Heigo knows the material and labour costs for the locations in Hungary and Portugal. Also, Heigo has an overview of wages in different production locations. Heigo thus has a rough insight into the wages of the workers in these locations.

In 2021, prices rose due to the COVID-19 measures, higher material costs, transport and energy. Wages were not affected by this because Heigo could absorb these price increases in its own margin. Some clients understood and adjusted their prices, but most held on to the contract.

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: There were no lockdowns at any of the production locations, so there were no specific issues with the payment of wages.

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: Heigo did not delay any payments and actually offered pre-payment or early payment to suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

Comment: With the introduction of the new planning and assessment system in 2020, Heigo has achieved higher efficiency in production with its supplier in Bulgaria. Workers can monitor the efficiency of their own production, making it transparent for everyone what their earnings are. There has been an increase in real wages of 37% since 2019. In addition, the introduction of Beehive has resulted in recognising inefficient processes which were re-evaluated. The supplier can also see the strong skills per worker. As a result, workers are better classified, resulting in an efficiency increase in production of approximately 10%.

Heigo is also part of Fair Wear's Living Wage Incubator 2.0. This working group is intended for companies that own their production location and for which Fair Wear considers they have a bigger responsibility to ensure living wages are paid at these wholly-owned facilities.

Recommendation: Fair Wear encourages Heigo to assess the root causes of wages lower than living wages. Fair Wear recommends that Heigo discusses different strategies to work towards higher wages with its suppliers.

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).	85%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	2	2	0

Comment: Heigo owns one of its production facilities, responsible for 85% of total production.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	6	0

Comment: Heigo has investigated the wage gap between the wages paid and Living Wages. One of the strategies to reduce this wage gap is to measure and monitor production efficiency. The production's real-time insights raised the work's efficiency, increasing the wages (see indicator 1.11). In addition, Heigo used the Labour Minute Costing Tool for some products to understand how cost prices are structured. The target wage in 2021 was 854 Leva which is 140% of the legal minimum wage (610 Leva) (the source is Wage Indicator and Clean Clothes Campaign).

Heigo did not set a target wage in Hungary and Portugal. The minimum wages in these countries are closer to the living wages. Heigo's strategy is also to start paying its share of a living wage.

Heigo has calculated products at a Living Wage rate in its future tenders. Heigo has absorbed the current rising cost price in its own margin.

Recommendation: Fair Wear recommends Heigo to continue to evaluate the possible target wage against the latest living wage estimates provided by Fair Wear and start the living wage strategy in the other two production countries. Fair Wear also recommends that Heigo develops a long-term plan to absorb wage increases.

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.	85%	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.	6	6	0

Comment: 85% of the FOB is produced by Heigo's own supplier. The workers earn the target wage or more during regular working hours (without benefits).

Recommendation: Fair Wear recommends Heigo to keep increasing the target wages.

Purchasing Practices

Possible Points: 46

Earned Points: 39

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	85%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	6%	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.	No (implementation will be assessed next performance check)	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Total monitoring threshold:	91%	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: Heigo's managing director is responsible for all activities that take place at their main factory in Bulgaria. Heigo hired a quality manager in The Netherlands who is Bulgarian and previously worked in the factory herself. The sustainability manager works together with the director to address the problems identified by monitoring system's remaining suppliers.

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

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.	No Corrective Action Plans were active during the previous year	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.	N/A	2	-1

Comment: Heigo did not organise any audits in 2021.

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	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.	4	8	-2

Comment: In 2021, Heigo continued to work on the Corrective Action Plan of the audit done in 2019. Heigo showed the excel sheet with the CAPs and the progress. It could do less than expected, due to COVID-19. Heigo couldn't travel to the locations to verify. At its own supplier, Heigo started a Fair Wear team consisting of worker representatives and the quality manager to identify and remediate issues in between audits. An example of a smaller issue is that the buses for transportation from and to the supplier, organised by the supplier, were too cold in winter. The Fair Wear team organised heaters for the buses. The Fair Wear team could not meet each other regularly due to COVID-19. Instead, they held online meetings.

Heigo also responded to the health and safety measures, like purchasing hearing protection and performing periodic medical examinations.

Another topic concerned gender and discrimination. Together with Heigo, the workers developed a code of conduct on the work floor. According to this code, all workers are obliged to speak one language, and the workers rotate places to avoid working in fixed groups.

Regarding COVID-19, Heigo used the 2020 COVID-19 health and safety checklist to identify and respond to possible risks. The suppliers already implemented all measures in 2020, which were still in place in 2021.

In Portugal, Heigo works with an agent who checks on the conditions. The agent visits the locations regularly to check on the conditions.

Recommendation: Fair Wear encourages Heigo to continue strengthening its system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices. Fair Wear recommends organising a new audit in 2022, as the 2019 audit was done before COVID-19 happened and therefore very outdated. Fair Wear also recommends including the subcontractors in audits.

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.	85%	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.	4	4	0

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2020 for members. Because the CEO of Heigo could visit its own supplier in Bulgaria one time in August, this indicator does count.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No	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.	0	3	0

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

Comment: Heigo consolidated its supply chain by exiting the locations in Turkey and China responsibly (indicator 1.5). This consolidation helped Heigo to focus on monitoring the remaining locations: its own supplier in Bulgaria with its subcontractors, one location in Hungary and two locations in Portugal.

Most of Heigo's production occurs in Bulgaria in Heigo's own supplier. Being based in Bulgaria since its inception, Heigo is aware of the production risks within the area and mitigated them in consultation with the local staff based at the factory. Heigo collects information from the Fair Wear country study, data from the Agreement on Sustainable Garment (currently not existing anymore) and the audit results of 2019. In Bulgaria, Heigo has noted main structural risks such as low wage levels in the country, limited freedom of association, restricted civil society and discrimination in the workplace. Heigo set up a code of conduct for the work floor to reduce discrimination (see indicator 2.4). The supplier has active worker representatives, and Heigo works on increasing the wages. Most COVID-19 measures were already in place in 2020, and the locations continued implementing these measures.

In Portugal, an agent has worked for Heigo already for a long time. He knows the Fair Wear requirements and checks on those during his regular visits to the two locations. He has regular contact with the CSR Manager to discuss the findings.

Heigo only placed a small order in Hungary. Throughout the year, Heigo has contact with the factory every three months and more regularly during the production of the order. Heigo discussed the working conditions with the management but couldn't verify due to travel restrictions.

Recommendation: Fair Wear recommends Heigo to monitor the subcontractors and the factory in Hungary more actively.

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: Heigo did not have a CAP at shared production locations.

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.	100%	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.	2	2	0

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

Comment: Heigo has three production locations under the monitoring requirements for low-risk countries, one in Hungary and two in Portugal. All three locations have been informed of Fair Wear's membership. The suppliers had signed and returned the completed CoLP questionnaire before production orders were placed. Furthermore, the locations have the Fair Wear Worker Information Sheet in local languages. Heigo visited all locations in 2019.

In Portugal in 2021, an agent, who had already worked for Heigo for a long time, visited the two locations regularly.

Recommendation: Fair Wear recommends that Heigo revisit these low-risk locations in 2022.

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

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	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.	2	2	0

Comment: Heigo actively shared the questionnaire and collected information back from its external brands.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	18%	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.	1	3	0

Comment: As part of Heigo's sourcing policy, it aims to purchase as much as possible from other Fair Wear members. In 2021, 18% of Heigo's external sales volumes came from other Fair Wear members.

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

Monitoring and Remediation

Possible Points: 31

Earned Points: 18

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	0	
Number of worker complaints resolved since last check.	0	

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of 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 sustainability manager at Heigo is responsible for addressing worker complaints in the supply chain in Hungary and Portugal. Within Bulgaria, the sustainability manager cooperates with the product and quality manager, who is also their former factory employee at the Bulgarian main supplier and speaks fluent Bulgarian.

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: Heigo provides production locations with a Worker Information Sheet at the start of the business relationship and, if needed, updates those sheets. Heigo uploaded the WIS to the new subcontractor in Bulgaria in the data system of Fair Wear.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of COVID-19 restrictions in 2021 that limited the possibility to conduct training, this indicator is considered not applicable in this check.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the 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

Complaints Handling

Possible Points: 3

Earned Points: 3

4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: Heigo developed a CSR magazine, which is shared with employees and customers, including information about Fair Wear membership. Due to COVID-19, Heigo informed its staff mainly through online meetings. Because of increased social sustainability awareness in the procurement sector, the level of importance of Fair Wear membership and social compliance is rising. Especially the sales team has been more informed about Fair Wear membership to ensure it is actively included in communication with (potential) customers.

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 is aware of Fair Wear requirements. Heigo regularly attends webinars to stay informed of Fair Wear activities. This information is then disseminated to the rest of the team during regular internal meetings.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	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.	2	2	0

Comment: Heigo has worked with the same agent for their production in Portugal for many years. The agent is aware of the Fair Wear membership requirements. The agent actively supports the Fair Wear Code of Labour Practices by supporting monitoring activities at the production location in Portugal.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility to conduct training, this indicator is not applicable in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

Training and Capacity Building

Possible Points: 5

Earned Points: 5

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: In 2019, Heigo established an agreement at its owned factory that all subcontracting must be discussed and agreed upon during the yearly planning. For the active production locations, Heigo included details per supplier as part of the Fair Wear database overview. It can track the production planning to double check if the active locations could make the production. In Bulgaria, the CEO approves the collaboration with new subcontractors. With detailed insights into the minutes per product, Heigo can double-check whether the capacity at the locations matches the number of products made.

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: Heigo's director, sustainability manager and purchasing manager are in direct contact with suppliers and regularly update each other on working conditions at production locations. Sustainability is at the core of Heigo and an active topic in regular discussions.

Information Management

Possible Points: 7

Earned Points: 7

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: Heigo communicates about Fair Wear membership through the following channels of communication: website, social media and presentation for customers. All communication is in line with Fair Wear's communications policy. Heigo distributes a CSR magazine to its customers, showing the social sustainability efforts made in 2021.

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: Heigo has disclosed their supplier list responsible for 88% of production. Heigo also publishes the Brand Performance Check on their website.

Recommendation: Fair Wear recommends Heigo to disclose 100% of production locations to other Fair Wear members in Fair Force and on the Fair Wear 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: Heigo submitted and published its Social Report on its website.

Transparency

Possible Points: 6

Earned Points: 6

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: Heigo evaluates Fair Wear membership twice a year with the top management in the company. The evaluation is led by the Director in discussion with other key people throughout the company such as the people responsible for sales, purchasing, sustainability and logistics.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	100%	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.	4	4	-2

Comment: Heigo received two requirements in the previous Brand Performance Check. Heigo acted successfully on both indicators.

Fair Wear required Heigo to do a proper risk assessment under indicator 2.7, especially referring to the missing assessment of the locations in Turkey and China. Heigo exited both locations in a sustainable matter (indicator 1.5). It conducted a risk assessment at the current locations in a proper manner.

Under indicator 3.2, Fair Wear required Heigo to ensure the up-to-date WIS sheets are posted in all locations. The WIS sheet of China was very outdated. This is also not applicable anymore, as Heigo did not source in these locations anymore.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

Again, Heigo recommends that Fair Wear put more effort into the communication and information towards the clients of the brands, especially for workwear brands, as they are often unknown of what is going on in the supply chain and its effects. The competition within the procurement sector is high, and a good understanding of the Fair Wear membership will help.

Heigo also recommends Fair Wear be more active in signalling and acting on the wrong use of the Fair Wear logo by non-member brands.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	39	46
Monitoring and Remediation	18	31
Complaints Handling	3	3
Training and Capacity Building	5	5
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	84	104

Benchmarking Score (earned points divided by possible points)
81

Performance Benchmarking Category
Leader

Brand Performance Check details

Date of Brand Performance Check:

07-07-2022

Conducted by:

Femke Blickman

Interviews with:

Piet Goossens - CEO

Tom Gerards - manager of sustainability

Johan Peters - manager sourcing