



Brand Performance Check

Hess Natur-Textilien GmbH & Co. KG

Publication date: January 2023

This report covers the evaluation period 01-08-2021 to 31-07-2022

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

Hess Natur-Textilien GmbH &Co. KG

Evaluation Period: 01-08-2021 to 31-07-2022

Member company information	
Headquarters:	Butzbach , Germany
Member since:	2005-02-28
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	Bulgaria, China, North Macedonia, Romania, Thailand, Tunisia, Turkey, Viet Nam
Production in other countries:	Austria, Bosnia and Herzegovina, Croatia, Czechia, Egypt, Germany, Greece, Hungary, Italy, Lithuania, Mongolia, Nepal, Peru, Poland, Portugal, Slovakia, Spain, Ukraine
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	94%
Benchmarking score	89
Category	Leader

Summary:

Hess Natur-Textilien GmbH & Co. KG (hereafter Hessnatur) has shown advanced results on performance indicators and has made exceptional progress. With a benchmarking score of 89, the member is again placed in the Leader category. Although the monitoring threshold does not determine the category this year, Hessnatur has fulfilled the monitoring requirements at suppliers responsible for 94% of its production volume.

This performance check was a self-assessment verified by Fair Wear as part of a pilot.

Corona Addendum:

This performance check assesses Hessnatur's financial year from August 2021 to July 2022.

Hessnatur has a thorough human rights due diligence system involving all relevant departments to assess risks and monitor and remediate labour conditions along its broad supply chain. This system continued to prove its strength throughout the pandemic.

As in the first year of the pandemic, the member did not decrease or cancel orders. Instead, if suppliers experienced liquidity issues because of reduced orders, Hessnatur supported them with advance payments. Hessnatur continued to be flexible in its production planning. One of the risks it identified was that late material delivery would lead to excessive overtime if lead times were not extended. Therefore, it booked material much further in advance and extended lead times where needed.

Another risk the brand identified is the non-payment of legal minimum wages due to COVID-19 restrictions in China, for instance. The member could show it has diligently followed up on these issues. The member generally shows a proactive approach in following up on country- and supplier-specific risks.

Hessnatur has integrated living wages into its pricing. It considers the highest available living wage benchmark for a region or country as its target wage. The member ensures that the labour component of minute price calculations allows for the payment of this wage for the production minutes.

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.

0. 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.	68%	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.	3	4	0

Comment: During its last financial year, Hessnatur added several production locations because of the growth of the company. Hessnatur now buys more than 10% of the production volume of a factory at 68% of its suppliers (compared to 61% the year before). When starting to work with a new factory, Hessnatur places small order volumes. The company's strategy is to increase the orders at these suppliers gradually. This allows Hessnatur to work effectively on improving working conditions.

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.	48%	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.	0	4	0

Comment: Hessnatur produces a variety of products from a variety of fibres for a variety of clients: fashion (clothing, accessories, shoes) for women, men, kids, baby, as well as homeware. To manage risks, no product is produced in a single factory, which results in a broad value chain. In addition, Hessnatur prefers selecting sewing facilities close to the source of the natural fibre, which also limits consolidation opportunities.

As its current business model and supply chain setup proved an asset in mitigating the impact of COVID-19 on its production, Hessnatur has not further consolidated its tail end during its last financial year. Having similar products, like, for example, denim, produced in two different factories and countries allowed them to continue production during the pandemic and support partners that were impacted more severely. As Hessnatur grew significantly in the past financial year, several production locations were added. When starting with a new factory, the factory is given time to get used to Hessnatur's requirements; therefore, orders are small.

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.	70%	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: Hessnatur's focus on high-quality products that require a certain skill level and eco-certification results in a stable supplier base. Suppliers are considered partners, and working together on improving labour conditions is a crucial element of that partnership. Investments are made with a long-term partnership in mind.

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 (2)	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.	Yes (2)	Yes (2)	Yes (2)

Comment: As part of the onboarding process, a new supplier has to sign Hessnatur's Code of Conduct, including the Fair Wear Code of Labour Practices, before first bulk orders are placed. In addition, Hessnatur asks existing suppliers to update their information annually to ensure no new production sites are added without Hessnatur's consent.

During its last financial year, Hessnatur added a limited number of new production locations, mostly factories affiliated with existing suppliers and all in low-risk countries because of the travel restrictions related to COVID-19. Signed questionnaires of new production locations were uploaded to Fair Wear's system.

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 (4)	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.	Advanced (4)	Advanced (4)	Advanced (4)

Comment: Corporate Responsibility (CR) and sourcing staff follow a joint strategy when selecting new production locations. While the sourcing department takes the lead in proposing new suppliers, the CR department has a decisive voice in the selection process. The sourcing department relies on an assessment of the CR department before initiating a collaboration, as CR staff has the right and responsibility to stop production in case risks increase to a critical level. A social risk analysis is part of the decision-making process when selecting new suppliers. Fair Wear country studies, risk policies and webinars are used to stay up to date with the situation in a production country. When no Fair Wear reports are available, Hessnatur uses other sources, e.g. Human Rights Watch and Amnesty International.

To understand the situation of a new supplier, a visit or audit always precedes collaboration. During COVID-19, as a principle, only suppliers in low-risk countries were added. Although physical visits were impossible, Hessnatur did virtual factory tours at all these factories. Compared to the previous financial year Hessnatur was able to start visiting partners again slowly and plans to increase these in the upcoming financial year. When non-compliance is observed, this information is used to formulate a Corrective Action Plan (CAP) followed up according to the set timeline.

In the context of COVID-19, Hessnatur used an extensive country risk overview to keep track of the situation in each production country, with this closely working together with other members. In this overview, each country was regularly updated on whether there were lockdowns, what government support was available, what the infection rate was, etc. During the second half of the pandemic, Hessnatur followed up individually with its suppliers as the impact varied more. When country- or region-specific problems emerged, the member would contact all suppliers who might be impacted.

Hessnatur ensured internally that the people in contact with suppliers for business reasons were updated about any increased risks and reported back to the CR department if suppliers indicated any issues. Hessnatur had regular contact with all suppliers; the CR department worked closely with the buying department. The main risk identified by Hessnatur concerning COVID-19 was the non-payment of wages, which was highest in China due to more restrictions there. When suppliers indicated any serious difficulties due to COVID-19, such as problems with wage payment or factory closures, Hessnatur followed up on this immediately.

Hessnatur has developed a comprehensive risk assessment to identify risks such as energy, COVID-19, order insecurity, and material delays. The company also continued using digital channels, and further increasing collaboration and alignment between different departments allowed suppliers to flag issues at an early stage.

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 (2)	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.	Yes, and leads to production decisions (2)	Yes, and leads to production decisions (2)	Yes, and leads to production decisions (2)

Comment: Hessnatur has a systematic supplier evaluation that links social performance to sourcing decisions. Individual suppliers are evaluated twice a year during the main seasons. Various departments such as purchasing, technology, financial accounting and Corporate Responsibility (CR) participate in the evaluation. Together they decide on an equal-weighted basis whether collaboration with a supplier should be expanded, kept the same or decreased.

During the second half of the pandemic, Hessnatur continued to assess what measures suppliers were taking to protect workers, ensure wage payments and manage the production (where possible). Hessnatur continued to check whether other clients had cancelled orders and what support suppliers needed. Depending on the situation, Hessnatur found solutions in collaboration with its suppliers. For example, pre-paying invoices for material, helping with border logistics to ensure trucks could cross, allowing partial shipment of completed orders, and paying immediately for this order portion. In particular, Hessnatur focused on suppliers that did not receive any or minimal government support. Hessnatur did not cancel orders or relocate production from one supplier to another. When the factory management indicated it could not miss Hessnatur's orders yet, because of COVID-19, the brand stayed at this factory to support them with orders.

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. (4)	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	Strong, integrated systems in place. (4)	Strong, integrated systems in place. (4)	Strong, integrated systems in place. (4)

Comment: Hessnatur has a robust production planning system that supports reasonable working hours. This system has been described in detail in previous performance check reports. Key pillars are a close collaboration with suppliers, including material suppliers and giving suppliers flexibility within agreed parameters, early forecasts, aiming at predictable order volumes, looking to share the burden if forecasts diverge considerably and placing never-out-of-stock items to manage production peaks.

In its continuous risk assessment carried out through the pandemic, the brand found many delays occurred in the supply chain before tier 1. In response to this, Hessnatur started informing suppliers earlier than it was already traditionally doing. It also moved up the material orders. Very early planning helped ensure material as well as capacity for the production locations. Buyers addressed the supply chain disruptions caused by the pandemic by ordering materials early in advance, shipping in batches, accepting delivery delays or changing to airfreight. The exact approach was tailored to the individual situation of each production location, which differed a lot. For example, when materials were delivered sooner than expected, the product deliveries would be earlier, and Hessnatur accepted this. The individual situation was discussed with each partner.

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 (3)	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.	Intermediate efforts (3)	Intermediate efforts (3)	Intermediate efforts (3)

Comment: While Hessnatur has a strong production planning system to facilitate reasonable working hours, excessive overtime remains an issue in its supply chain that is frequently documented in audits. Hessnatur always discusses excessive overtime findings with suppliers, looks for root causes on both brand and supplier levels, and then agrees on a plan together with the supplier. This may include supporting the factory to change its production set-up or training workers to perform multiple tasks, which allow for more flexibility. Buyers are informed to ensure their actions support improvements.

To monitor progress, Hessnatur asks suppliers to submit production records regularly. Hessnatur verifies those documents by applying thorough plausibility checks. For suppliers with less sophisticated systems that do not allow for meaningful verification, Hessnatur engages in detailed discussions with the supplier to understand how production is currently structured and how it affects working hours. Fair Wear audits confirmed some improvements related to reducing excessive overtime to working hours within legal limits, while some factories did not improve or new issues were documented.

In the previous financial year, two audits in Turkey and Tunisia showed excessive overtime. In comparison, two other audits in North Macedonia and Vietnam showed time recording systems were not operative during the pandemic. In the first two cases, root causes were discussed, appropriate steps were taken, and verification was planned. The matters about the non-functioning time recording systems have been discussed but require verification.

This performance check also looks at audit reports that came in just before the past financial year and were not included in the previous performance check. The member could show that excessive overtime has been remediated for some of these suppliers. In other cases, it was identified that late material delivery was a root cause, while Hessnatur ensured material was ordered early on and lead times extended where needed. The supplier informed Hessnatur it would quote longer lead times to its other buyers to curtail excessive overtime.

Recommendation: Hessnatur is recommended to verify improvements in working hours and continue supporting its suppliers to reduce excessive overtime, even if root cause analysis shows the member is not responsible for it.

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 (4)	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.	Advanced (4)	Advanced (4)	Advanced (4)

Comment: As a basic policy, Hessnatur does not negotiate on price. Hessnatur implemented labour minute costing for their products several years ago. Every style originating from a high risk country was analysed for two seasons to check whether Hessnatur's prices were sufficient to pay legal minimum wage rates and living wage estimates. The company used the highest living wage benchmark available. Based on the analysis, Hessnatur concluded that its prices are sufficient to pay a living wage for its production minutes. Calculations are updated annually.

For suppliers that are not yet willing to commit to open costing, Hessnatur's CR team develops a calculation based on estimates. It cross-checks these calculations with the supplier if there is an indication that prices might not support payment of a living wage. Buyers are trained and informed about current benchmarks. They know how many minutes are needed to make a particular product and cross-check on invoices if the amount paid allows for the payment of minimum wage and a living wage. Hessnatur also monitors increases in legal minimum wage rates and, in principle accepts price increases in such cases. If a supplier does not raise its price after a legal minimum wage increase, Hessnatur questions how the costs have been absorbed. It should be noted, however, that as Hessnatur's prices are costed based on living wage estimates, they are usually not directly correlating to minimum wage increases. The estimated CMT costs include higher wage levels than minimum wage, and minimum wage increases might only, in individual cases, indirectly lead to the rise of living wage estimates and, therefore, Hessnatur's prices.

Hessnatur's policy is to accept price increases if the supplier can plausibly argue that its operating costs have increased. In the context of COVID-19, the CR department upfront indicated to the buying department that price increases were to be expected. If a decrease in efficiency related to the pandemic led to higher prices, this was accepted. Costs related to health and safety measures were also accepted as reasons for price increases. In the year under review, COVID-19-associated costs slowly lost relevance and increased material, energy and transportation costs gained importance. Hessnatur also covered these increased costs.

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.	Yes (o)	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.	Yes (o)	Yes (o)	Yes (o)

Comment: During the pandemic, Hessnatur assessed non-payment of legal minimum wages as the highest risk in its supply chain. Therefore, it has actively monitored whether legal minimum wages were paid during lockdowns in its production facilities. The brand did so by keeping track of the local situation (see indicator 1.4) and combining this with feedback from its suppliers, which it tracked continuously. In case a supplier indicated it was having difficulties paying wages, or Hessnatur had reason to believe this might be the case based on its risk assessment (for example, when Hessnatur knew no government support was available), it actively followed up on this.

At one supplier in China, workers could not come to work in April. The member could intervene before the wage payment of that month and ensure workers received at least minimum wages, which was later verified with wage records. One audit report from a Vietnamese supplier received just before the closing of the financial year included the finding that the piece rate can fall under the legal minimum wage. While this is corrected for the future, the member is still discussing the back payment of the wage gap for workers in the months when the legal minimum wage was not met and plans verification.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No (o)	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.	No (o)	No (o)	No (o)

Comment: Hessnatur did not cancel orders or negotiate discounts. Payments were made on time or earlier.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Advanced (6)	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	Advanced (6)	Advanced (6)	Advanced (6)

Comment: Half of Hessnatur's production is placed in low-risk countries where minimum wage levels are very close to or above living wage levels. The member's suppliers pay above minimum wage levels in these countries. According to Hessnatur's analysis, the average lowest wage paid by its suppliers in low-risk countries is 80% of the living wage.

Fair Wear audits in other sourcing countries confirmed wages close to or at living wage benchmarks, such as the Anker benchmark. However, not all production locations do yet pay a living wage. Hessnatur maintains an overview of discussions with suppliers on increasing wage levels and what root causes have prevented higher wage levels to date. Several suppliers have attended Fair Wear living wage seminars.

As Hessnatur is usually not the only brand sourcing in a factory, it has found that one crucial root cause is that other customers do not have the ambition to have their factories pay living wages. Hessnatur, therefore, made it a requirement in its sourcing strategy to check whether the factory supports activities on the topic of a living wage and whether factories have other customers who may not support such activities. Hessnatur has continued discussing the issue with its suppliers in the past financial year and started collaborating with several other Fair Wear members at some suppliers where they source together. Nevertheless, the brand finds that due to COVID-19, in the past financial year, the focus was on meeting legal minimum wages rather than on living wages.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	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.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Advanced (6)	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.	Advanced (6)	Advanced (6)	Advanced (6)

Comment: Hessnatur considers the highest available living wage benchmark for a region or country as its target wage. The member ensures that the labour component of a minute price calculation allows for the payment of this wage for the production minutes. In some cases, factories negotiated high-quality collective bargaining agreements with trade unions. This negotiated wage was then used as a basis for calculation. The financing of higher wages in its supply chain is company policy for Hessnatur. Using its insight into the labour component of its products, Hessnatur buyers are not allowed to pay prices which do not cover the brand's share of living wages.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	100%	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: Hessnatur could demonstrate that its share of a living wage, based on the highest available benchmark, is factored into its prices. This does not directly translate into workers receiving wages that are above those benchmarks.

Recommendation: Fair Wear recommends the member to conduct a root cause analysis to check how it is possible that the paid wages are not above a living wage benchmark while the brand calculates with this benchmark in its pricing and has high leverage.

Purchasing Practices

Possible Points: 52

Earned Points: 43

1. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	43%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	51%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	94%	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 (2)	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.	Yes (2)	Yes (2)	Yes (2)

Comment: Two staff members are involved in follow-up on Corrective Action Plans (CAPs) and complaints. The CR manager is the main person responsible, working closely together with the Head of Sustainability.

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 (N/A)	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.	Member makes use of FWF audits and/or external audits only (N/A)	Member makes use of FWF audits and/or external audits only (N/A)	Member makes use of FWF audits and/or external audits only (N/A)

Comment: In countries where Fair Wear is not active, Hessnatur seeks to hire credible auditors. The company also formulated a policy for monitoring of low risk and tail-end production locations.

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)	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.	Yes (2)	Yes (2)	Yes (2)

Comment: Hessnatur keeps track of follow-up in the CAP excels and email contact. Hessnatur asks the factories to share the CAP with worker representation and, where possible, tries to involve them in CAP follow-up.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate (6)	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.	Intermediate (6)	Intermediate (6)	Intermediate (6)

Comment: Hessnatur has a robust monitoring system in place to identify and remediate problems. Besides on-site visits and meetings at the Hessnatur office or trade fairs, emails and Skype calls are used to discuss remediation. During the pandemic, digital channels were used extensively instead of visits. Both CR staff members in charge of CAP follow-up are trained SA8000 auditors and always request documents or other evidence to validate improvements.

Other departments, such as purchasing, are updated about progress and involved when needed. This includes checking improvements during visits. Agents in Turkey and Thailand also support remediation efforts. Hessnatur uses its network and shares knowledge to help the factory in remediation. Collaboration with factory management leads to solutions beyond the remediation of a single issue, e.g. conducting awareness training or strengthening worker representation. Hessnatur ensures to assess root causes on the brand and supplier level.

During the Brand Performance Check, Hessnatur could demonstrate meaningful progress on corrective actions, including more complex findings such as employment contracts and anti-discrimination policies and procedures. Workers were involved when possible, especially in more practical findings such as the absence of ergonomic mats and poor COVID-19 protection in factories. The member frequently uses training to follow up on CAPs and prevent similar issues from coming back.

Generally, Hessnatur includes any COVID-19-related issues to the outstanding CAPs. Hessnatur also maintains one overview of all active CAPs. Although it has an advanced system, systemic problems that require industry-wide action remain challenging. Worker representation has been strengthened, and almost all factories have elected worker representatives.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable. Still, Hessnatur managed to visit production locations that, in total, produce 19% of the member's FOB.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented (3)	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.	Yes, quality assessed and corrective actions implemented (3)	Yes, quality assessed and corrective actions implemented (3)	Yes, quality assessed and corrective actions implemented (3)

Comment: Hessnatur collects existing audit reports from (new) production locations and uses the information to formulate CAPs or follow up on them whenever possible. In many cases, Hessnatur finds the quality of audits from other sources insufficient and therefore commissions audits by Fair Wear or other trusted providers. To avoid duplication, Hessnatur often asks to focus the audit on areas where information is missing, such as wage levels.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain (N/A)			Policies are not relevant to the company's supply chain (N/A)	Policies are not relevant to the company's supply chain (N/A)	Policies are not relevant to the company's supply chain (N/A)
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain (N/A)			Policies are not relevant to the company's supply chain (N/A)	Policies are not relevant to the company's supply chain (N/A)	Policies are not relevant to the company's supply chain (N/A)
Compliance with FWF guidance on abrasive blasting	Advanced (6)			Advanced (6)	Advanced (6)	Advanced (6)
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate (3)			Intermediate (3)	Intermediate (3)	Intermediate (3)
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced (6)			Advanced (6)	Advanced (6)	Advanced (6)

Comment: Turkey:

Hessnatur has enrolled all its Turkish suppliers in Fair Wear audits, and one of them has participated in a WEP Communication module. The member shared Fair Wear's questionnaire on Syrian refugees with all Turkish suppliers and checked whether they have a policy for registering Syrian refugee employees. One production site is employing a small number of Syrian refugees. Hessnatur could verify that they are employed legally and are not subjected to wage discrimination. The agency visits suppliers frequently (which has been possible to a limited extent during the crisis) and has been trained on the issue. Unauthorised subcontracting is not a high risk for Hessnatur at this point.

Other risks:

China:

In addressing the risk of bonded labour, Hessnatur includes raw material production. The member has participated in research on bonded labour, carried out by a third party. This research identified four tier 2 suppliers with increased risk, and therefore Hessnatur decided to stop using them. The brand usually has a policy to source raw materials as close to the CMT location as possible, but because of the risk of forced labour on cotton plants in China, it has let go of this policy there.

Ukraine:

Hessnatur has one supplier in Ukraine and, after the start of the invasion, followed up closely through its mother company in Lithuania. All workers were paid independently whether they came to work or not. All workers were offered to receive a position in Lithuania, but most workers decided to stay. Since then, the factory has continued its operation. Ukrainian workers mostly wish to stay and continue working at the factory.

North Macedonia:

In North Macedonia, Hessnatur identified as a risk that worker representatives are usually not capable of fulfilling a meaningful role. While in the past, Hessnatur has ensured worker representatives are democratically elected at its suppliers, the member now focuses on training the worker representatives and enabling them to do their work.

COVID-19:

Hessnatur continued to assess and mitigate risks related to the pandemic. Moving into 2021, regional or local closures became more likely; therefore, Hessnatur closely monitored specific situations at its suppliers. The buying and CR departments regularly exchange information on the COVID-19 situation at suppliers. Hessnatur supported factories in ensuring the necessary Occupational Health and Safety (OHS) measures were taken, but also preventing discrimination against workers not getting vaccinated. The member followed Fair Wear's Guidance on Loss of Jobs and Wages to ensure legal minimum wages were met during factory closures, also if local governments allowed payment below the legal minimum. For suppliers in countries where Fair Wear is not active, the member identified cancelled or reduced orders as one of the most significant risks. Hessnatur kept itself informed about the situation, checked wage records and when needed, made regular advance payments to enable suppliers to continue payment of wages.

Recommendation: The member is encouraged to organise more training for its suppliers to mitigate country-specific risks. Fair Wear recommends Hessnatur to create a zero-tolerance policy for forced labour, including a prohibition to use cotton from Xingjiang.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation (2)	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.	Active cooperation (2)	Active cooperation (2)	Active cooperation (2)

Comment: Before engaging in remediation, Hessnatur investigates which Fair Wear members or other brands interested in social standards are also sourcing from the factory. When the other brand(s) is/(are) interested in joint action, roles and responsibilities are discussed in line with the existing relationship and estimated leverage at the factory, and/or staff availability. During its last financial year, Hessnatur often took the lead in remediation processes.

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.	98%	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.: Yes (1)

Comment: Most factories that produce for Hessnatur in low risk countries are GOTS certified and therefore subjected to regular audits. The member encourages non-certified facilities to become certified. In cases where Hessnatur identifies an additional risk, it requests an audit. The brand did this for a Lithuanian supplier in 2019.

When no external audit is available, Hessnatur will visit the production location at least once every five years. This has been implemented for all factories, except a small number of sites accounting for less than 2% of Hessnatur's production volume in low-risk countries. The Worker Information Sheet is posted in all locations, and questionnaires, including the Fair Wear Code of Labour Practices, are signed by all factories.

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).	Yes (2)	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.	Yes (2)	Yes (2)	Yes (2)

Comment: Hessnatur has monitored 94% of its supply chain, including full audits at several tail-end production locations. As Hessnatur has a large tail end, it does not consider these suppliers differently and includes them in all regular monitoring.

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 (2)	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.	Yes, and member has collected necessary information (2)	Yes, and member has collected necessary information (2)	Yes, and member has collected necessary information (2)

Comment: Hessnatur resells one external brand with strict CSR policies in place.

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%	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.	0	3	0

Comment: Besides having its own Code of Conduct, the resold brand is a member of the International Association of Natural Textile Industry (IVN). Its production location is GOTS certified.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees (N/A)	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.	No licensees (N/A)	No licensees (N/A)	No licensees (N/A)

Monitoring and Remediation

Possible Points: 31

Earned Points: 27

2. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	3	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	5	
Number of worker complaints resolved since last check.	2	

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes (1)	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.	Yes (1)	Yes (1)	Yes (1)

Comment: The CR manager is dedicated to follow-up on audits and complaints in collaboration with the Head of Sustainability.

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 (2)	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.	Yes (2)	Yes (2)	Yes (2)

Comment: Each factory is required to post the Fair Wear CoLP and the number of the complaints hotline before orders can be placed. Hessnatur requires the suppliers to send a photo as proof and regularly checks the posting during virtual and physical tours.

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 travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable. Despite the pandemic's challenges, the member managed to enrol suppliers in training in the past three years, which together are good for 12% of its production volume placed in high-risk countries.

Recommendation: Since most travel restrictions have been lifted, Fair Wear recommends Hessnatur to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Besides making use of Fair Wear training, the member encourages its suppliers to regularly organise internal training to remind workers of their rights.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes + Preventive steps taken (6)	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.	Yes + Preventive steps taken (6)	Yes + Preventive steps taken (6)	Yes + Preventive steps taken (6)

Comment: During its last financial year, Hessnatur received two new complaints in Turkey and one in Romania. The complaint in Romania raised concerns regarding forced overtime, verbal harassment, and arbitrary change of workstations. The factory immediately addressed the complaint, explaining that overtime is always voluntary and that there is written confirmation needed for attending overtime. To address the complaint, worker representatives and management jointly signed policies regarding rotation policy, overtime hours, and quotas. If quotas are not met, all workers are updated to receive at least 100% of the legal minimum wage, and if exceeding, they receive additional pay. The verbal harassment was non-systemic and appeared between one supervisor and one worker. The following Fair Wear audit and the complainant concluded that the complaint had been remediated. The factory was highly appreciative of the complaint process.

Two complaints came from the same production facility in Turkey. The complainants reported that the factory required workers to take leave in the low season. The factory initiated discussions with worker representatives, and Hessnatur visited to discuss the complaint. Neither the member nor a Fair Wear audit later in 2022 found evidence that verified the complaint; therefore, it was closed.

A complaint from another Turkish facility was filed about compulsory overtime. The factory management informed workers that overtime should always be voluntary and started investigating why overtime was perceived as mandatory. The member plans to enrol the supplier in training.

Recommendation: Even though its leverage is low at the Turkish supplier with overtime complaints, Fair Wear recommends the member to discuss how excessive overtime can be prevented in the future. Therefore, the member can make use of Fair Working Hours Guide, to identify root causes and possible solutions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation (2)	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.	Active cooperation (2)	Active cooperation (2)	Active cooperation (2)

Comment: Hessnatur is always willing to cooperate on complaints and has cooperated with two other members on the follow-up of complaints in Romania and Turkey in the past financial year.

Complaints Handling

Possible Points: 11

Earned Points: 11

3. 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 (1)	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.	Yes (1)	Yes (1)	Yes (1)

Comment: As part of its onboarding process, Hessnatur holds a CSR introduction twice a year for new colleagues.

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 (2)	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.	Yes (2)	Yes (2)	Yes (2)

Comment: CSR regularly informs other departments about its own and Fair Wear's requirements, holds regular workshops and discusses specific topics. CSR meets monthly with the buying department, discussing relevant issues for both departments. Next to that, there are monthly meetings with the Chief Product Officer and Head of Supply Chain to discuss strategic topics. All colleagues are regularly updated.

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 (2)	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.	Yes + actively support COLP (2)	Yes + actively support COLP (2)	Yes + actively support COLP (2)

Comment: In the past financial year, the member added two Portuguese locations monitored by an agent. Hessnatur also works with agents in Turkey and Thailand. All agents have been trained on Fair Wear and social standards, participated in Fair Wear audits and training at production locations, and are involved in monitoring and remediation. The agents receive the same information as sourcing colleagues/buyers regarding COVID-19 and the action Hessnatur wants to take. They were actively involved in ensuring the payment of legal minimum wages and follow-up on complaints.

In other countries, one production site is often an intermediary for other facilities. Support for the CoLP is included in the contract of these intermediaries. They are required to support Hessnatur in improving labour conditions through CAPs and in the remediation of complaints.

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 of conducting training, this indicator is not applicable. However, despite the pandemic's challenges, seven suppliers were enrolled in training supporting transformative processes in the past three years. Together, these locations account for 20 % of Hessnatur's production volume (excluding volume placed in low risk countries).

Recommendation: Fair Wear recommends Hessnatur to continue to implement training programmes that support factory-level transformation, such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	Active follow-up (2)	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.	Active follow-up (2)	Active follow-up (2)	Active follow-up (2)

Comment: Hessnatur continuously engages with its production locations on the points addressed in the training programmes and follows up on them as part of its standard monitoring.

Training and Capacity Building

Possible Points: 7

Earned Points: 7

4. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced (6)	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.	Advanced (6)	Advanced (6)	Advanced (6)

Comment: Hessnatur does not allow subcontracting of production unless the supplier reports it and Hessnatur checks the location before production. Suppliers are also not allowed to switch production locations without informing the company. This is included in the contract with suppliers. Hessnatur verified this through production visits, exchange of information with other customers and audits. Since Hessnatur uses natural fibres that are often certified, the company dives deeper into the supply chain. The company uses nominated fabric suppliers and knows many of its yarn and raw material suppliers. Fair Wear audits found one subcontractor in China in the past year who was not aware of the Code of Labour Practices. Hessnatur followed up on this, and the subcontractor was informed of the Global Services Code of Labour Practices and posted the Worker Information Sheet.

During the pandemic, local staff in Thailand and Turkey could still visit production locations and assess risks regarding unauthorised subcontracting. Overall, most suppliers indicated that they had difficulties filling their in-house capacity due to cancellations; hence the risk of subcontracting was seen as limited by Hessnatur. Where production increased rapidly, Hessnatur has added several production locations to its supplier list to minimise the risk of subcontracting.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes (1)	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.	Yes (1)	Yes (1)	Yes (1)

Comment: In Hessnatur's regular system, purchasing/sourcing decisions always involve CR staff. When purchasers visit a supplier, the staff member meets with a CR colleague before and after the visit. CR and purchasing have regular meetings to update each other on working and senior management level. Also, twice a year, all departments discuss supplier performance during the evaluation meeting. The information exchange includes supplier performance in each category, e.g. quality, labour conditions, and communication. The importance of working conditions is an integral part of the company, and Hessnatur continuously works to further embed this in all aspects of the company strategy. During the COVID-19 crisis, the collaboration between CR and purchasing has intensified further.

Information Management

Possible Points: 7

Earned Points: 7

5. 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 (2)	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.	Minimum communications requirements are met AND no significant problems found (2)	Minimum communications requirements are met AND no significant problems found (2)	Minimum communications requirements are met AND no significant problems found (2)

Comment: The communications department is familiar with the Fair Wear communication guidelines and all communication complies with Fair Wear's policy.

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. (2)	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.	Supplier list is disclosed to the public. (2)	Supplier list is disclosed to the public. (2)	Supplier list is disclosed to the public. (2)

Comment: Hessnatur includes an overview of CAP statuses in its social report and discloses over 57% of its suppliers on the Fair Wear website. The company's website shows all production countries, the number and type of factories sourced from those countries and relates individual stories from factories and workers.

Recommendation: Fair Wear recommends member brand to disclose 100% of production locations to other Fair Wear members in its internal system 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. (2)	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.	Complete and accurate report submitted to FWF AND published on member's website. (2)	Complete and accurate report submitted to FWF AND published on member's website. (2)	Complete and accurate report submitted to FWF AND published on member's website. (2)

Comment: A complete and accurate report was submitted to Fair Wear and published on the member's website.

Transparency

Possible Points: 6

Earned Points: 6

6. 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 (2)	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.	Yes (2)	Yes (2)	Yes (2)

Comment: Social and environmental sustainability are at the heart of Hessnatur's brand identity. Fair Wear membership is Hessnatur's chosen way of improving social and labour conditions in its garment factories. The Head of CR was recently appointed Chief Sustainability Impact Officer and reports directly to Hessnatur's CEO and regularly discussed the value of Fair Wear membership with the management team.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

- 1.) Turkish suppliers report a lot of concerns regarding the relationship with the Turkish audit team. The main concerns are that the audit procedures is not explained in depth (e.g. offsite interviews and their purpose) and that factories feel distrusted, even though they try to be transparent. Factories hope for more objective and fair treatment.
- 2.) Audits in the past financial year in North Macedonia/East Europe showed results which were proved not to be proved after re-checking. Audit quality needs to be ensured.
- 3.) Hessnatur hopes Fair Wear always keeps in line with legal requirements as well as aligns with other initiatives (OECD, Textilbündnis, Due Diligence Laws).
- 4.) We hope for more practical support in implementing real and practical change in our supply chains.
- 5.) The self assessment pilot feels very time-consuming and we feel it does not save time. A lot of things are more easily explained during a one-day visit/call.
- 6.) Worker representatives in Eastern Europe are not capable to fully execute their function. It would be great if Fair Wear could organise a worker representatives round table.

Scoring Overview

Category	Earned	Possible
Totals:	103	116

Benchmarking Score (earned points divided by possible points)
89

Performance Benchmarking Category
Leader

Brand Performance Check details

Date of Brand Performance Check:

06-12-2022

Conducted by:

Self Assessment verified by Niki Janssen

Interviews with:

Nils Toedter