



Brand Performance Check

Madness-The Nature Textile Company GmbH

Publication date: February 2024

This report covers the evaluation period 01-01-2022 to 31-12-2022

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.

Scoring overview

Total score: 130

Possible score: 176

Benchmarking Score: 74

Performance Benchmarking Category: Leader



Summary:

Madness has shown progress and met most of Fair Wears' performance requirements. With a total benchmarking score of 74, the member is placed in the Leader category.

Madness conducts risk scoping for its sourcing countries, covering all eight labour standards. The member brand systematically identifies human rights risks for each production location. Madness aims to enrol all its suppliers in full assessments. Based on the risk assessment, the member company has developed an action plan for its suppliers. Having identified risks regarding freedom of association and effective social dialogue for its suppliers in India, Madness has included this topic in its frequent monitoring visits to its supplier. As the member is active in a country where gender is considered a high risk, Madness has invested considerable effort in developing a women's empowerment programme in India to create more equal working conditions and job opportunities, including in leadership roles. However, the member has yet to include a gender lens in its follow-up plans for its supplier for all Code of Labour Practices (CoLP).

Madness demonstrates its commitment to living wages seriously and is continuously in dialogue with its main supplier, which covers 95% of the member's FOB. Although the brand encounters some difficulties with implementing tools like the Fair Price App, it does contribute its share towards a living wage at its main supplier.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because this is a transition year, Fair Wear lowered the scoring threshold for this year only.

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.

Company Profile Madness-The Nature Textile Company GmbH

Member company information

Member since: [1 Jan 2014](#)

Product types: [Garments, clothing, fashion apparel and Accessories](#)

Percentage of CMT production versus support processes [100%](#)

Percentage of FOB purchased through own or joint venture production [0%](#)

Percentage of FOB purchased directly [100%](#)

Percentage of FOB purchased through agents or intermediaries [0%](#)

Percentage of turnover of external brands resold [0%](#)

Are vertically integrated suppliers part of the supply chain? [No](#)

FLA Member [No](#)

Member of other MSI's/Organisations [GOTS, GOTS](#)

Other Initiatives [GOTS](#)

Number of complaints received last financial year [0](#)

Basic requirements

Definitive production location data has been submitted for the financial year under review? [Yes](#)

Work Plan and projected production location data have been submitted for the current financial year? [Yes](#)

Production countries, including number of production locations and total production volume.

Production Country	Number of production locations	Percentage of production volume
India	2	95.04%
Türkiye	1	4.96%

Layer 1 Foundational system's criteria

Possible Points: 8

Earned Points: 8

1.1 Member company has a Responsible Business Conduct policy adopted by top management.: Yes

Comment: Madness has a solid Responsible Business Conduct Policy in place.

1.2 All member company staff are made aware of Fair Wear's membership requirements.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.: Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: Yes

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

Comment: Madness discloses 100% of production locations internally through Fair Wear's information management system.

1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes

Comment: Madness discloses 100% of production locations externally on Fair Wear's transparency portal.

1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes

Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

Possible Points: 78

Earned Points: 46

Indicators on Sourcing strategy

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.	Insufficient	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	0	6	0

Comment: Madness does not have a formal sourcing strategy addressing influencing labour conditions. The member has two active suppliers. 95% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 0% of the production volume comes from suppliers where Madness buys less than 2% of its total FOB. In 2021, the member brand attempted to diversify its supplier base by increasing orders at its second supplier. However, this strategy was unsuccessful due to Madness' influence and leverage not increasing enough at this supplier. As a result, the brand's reliance on its main supplier increased again in 2022.

Requirement: Madness needs to create a more thorough sourcing strategy. This strategy should focus on addressing labour conditions.

Recommendation: Fair Wear recommends the member to include SMART goals in its sourcing strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Basic	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	2	6	0

Comment: Madness does not have a formal sourcing strategy that focuses on maintaining long-term relationships. However, the brand's actions do demonstrate the desire for long-term relationships. 95% of the member's total FOB volume comes from suppliers with whom Madness has a business relationship for almost 14 years.

Requirement: Madness needs to create a sourcing strategy, which should include a focus on long-term relationships.

Recommendation: Fair Wear recommends Madness to commit to long-term contracts. Madness is advised to embed long-term contracts in its sourcing strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy.	Basic	Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners.	HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations.	2	6	-2

Comment: Madness conducts risk scoping on sourcing country level, and the member has assessed the impact and prevalence of the risks correctly. The member company uses Fair Wear's country studies and other due diligence tools as a basis for country information. Input from workers, suppliers, and stakeholders is included in the risk scoping, as information also comes from Fair Wear's full assessments and an auditing organisation using Fair Wear's methodology, including worker interviews. The risk scoping includes a gender lens, though not yet for each labour standard. In its risk scoping, the member has assessed the impact and prevalence of the risks correctly. To date, Madness's sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union or bargain collectively.

Recommendation: Fair Wear strongly recommends Madness to privilege countries where workers can freely form or join a trade union and bargain collectively and make this explicit in its sourcing strategy. Madness is also recommended to add a gender lens for all labour standards.

Fair Wear also recommends Madness to include all risk factors (sourcing model, business model, etc) in its risk scoping.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order.	Advanced	Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward.	Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers' policies.	4	4	0

Comment: It is the standard process for Madness to familiarise new suppliers with its Fair Wear membership. The member does this by sending onboarding-related documents, which Madness keeps track of using a checklist. Before starting operations at a new production location, the member brand aims to establish direct contact with the management, excluding any involvement of third-party intermediaries.

The member brand provides the supplier with various documents, including questionnaires, guidelines for the minimum wage, a policy against using unknown producers, a statement condemning forced labour, a policy regarding the employment of foreign workers, a transparency policy, and the Fair Wear Code of Labour Practices. All of these documents need to be thoroughly understood by the supplier and signed off on.

Normally, the brand would personally visit new suppliers to discuss Fair Wear's requirements. However, no new suppliers have been added since last year's performance evaluation.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.	2nd+ year member and no new production locations selected.	Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders.	Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers.	N/A	6	0

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.	No production locations in the first year of business.	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	N/A	6	0

Comment: In the previous financial year, Madness has not added any new suppliers.

Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously monitor human rights risks in its supply chain.	Advanced	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	6	6	0

Comment: Madness systematically identifies human rights risks in its supply chain and has assessed the risks for each production location using its Country Risk Matrix. In its risk assessment, it may lower the likelihood of risks for which audits did not identify non-compliances. The member company aims to enrol its production locations in full assessments. It has done so for both suppliers. The member brand uses both Fair Wear assessments and GOTS assessments. Besides the assessments, the member brand's staff based out of Germany visits its main supplier at least four times per year. Madness' local staff visits its main supplier every month and scrutinises the factory three times per year with a health and safety check list and a general Code of Labour Practice follow-up. During these visits, the staff member also conducts worker interviews and keeps a record of these meetings.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA).	Intermediate	Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention.	Use of supplier questionnaire to inform decision-making, collected country information, and analyses.	4	6	0

Comment: Madness has mapped the risks to Freedom of Association (FoA) in both its sourcing countries and can explain the main risks per country. In Türkiye, for instance, the member has noted that less than 10% of the working population in the textile industry is a member of a union. The member has yet to acquaint itself with specific risks to women.

The member has supplier-level monitoring in place to assess and understand the risk at suppliers. It knows from each supplier if there are worker representatives and whether they have been freely elected. The member company also requests meeting minutes to understand the topics discussed. Madness always invites worker representatives to open and exit meetings of audits.

Recommendation: Madness should include risks specific to women workers in its risk assessment regarding FoA at its suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.	Basic	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	2	6	0

Comment: Madness could show it understands the basic gender risks for India and Türkiye, and for instance, identified women are paid structurally less than men in those countries. Its study also showed that in India in this specific region, the workforce mainly consists of men. Other issues found during the risk scoping exercise are physical and verbal violence against women, the underrepresentation of women in leadership positions, as well as their comparatively lower rate of unionisation compared to men. The member brand insisted its main supplier promoted women in leadership roles, which resulted in women being hired for a short period. Unfortunately, after a while, the women resigned. Madness also stated the lack of alignment between legislation regarding policies focused on gender equality and the practical reality. Madness has yet to start collecting gender-disaggregated data on factory level related to the eight labour standards

Recommendation: Madness is recommended to collect gender data per factory related to every Code of Labour Practices. Fair Wear recommends the member to start analysing the gender data collected at country and factory levels and connect them. Fair Wear's gender instruments can be helpful.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.10 Member company considers a production location's human rights performance in its purchasing decisions.	Insufficient	Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making.	Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy.	0	4	0

Comment: Madness does not evaluate its suppliers' human rights performance. While it does collect information on delivery times and other performance indicators, it does not include the performance on human rights.

Requirement: Madness needs to evaluate the human rights performance of its suppliers systematically.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting.	Advanced	Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks.	Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators.	4	4	0

Comment: Madness uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database. The member company has enrolled production locations that make up for 95% of the total FOB volume, in full assessments to verify there is no unauthorised subcontracting. Madness' local colleague in India visits production lines to check if all needed production processes take place in-house.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Intermediate	Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions.	Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers.	2	4	0

Comment: According to the member, there is a very low risk of homeworkers being used by its suppliers because homework is not prevalent for the kind of products Madness produces. Embroidery is done by machine and easily identified when made by hand. Audit findings did not show any evidence of homeworkers in Madness' supply chain. Madness focuses on monitoring its suppliers' production capacity through regular inspections, aiming to prevent any instances of unauthorised subcontracting or the use of homeworkers. Because of these reasons, Madness assumes that homeworkers are not used for its orders. The member has not had a conversation about this with its suppliers. The member has yet to include the topic in its risk assessment.

Recommendation: Fair Wear recommends Madness to conduct a capacity analysis looking into specific production processes to validate the suppliers' statements that no homeworkers are used.

Indicators on Responsible purchasing practices

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.	Intermediate	Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain.	Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals.	2	4	0

Comment: Madness uses contracts with its suppliers. Next to that, supplier guidelines are shared. In these guidelines, the brand explicitly refers to the Code of Labour Practices and the brand's core values in terms of sustainability. The member does not have agreements on liability and penalties. On its purchase orders, it does mention the payment terms and delivery conditions which are fair and reasonable. The member brand pays sums in advance to support the supplier financially. Madness evaluates late deliveries or issues with quality on a case-by-case basis, rarely holding the suppliers accountable. Despite this, the situation remains less favourable for suppliers, as they have no written agreement stating each party's rights and obligations.

Recommendation: In its contracts with suppliers, Madness could ringfence labour costs to prevent negotiations from negatively affecting wages. Madness is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in their decision-making processes.	Intermediate	Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company.	Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information.	4	6	0

Comment: There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with KPIs supporting good sourcing and pricing strategies. Nonetheless, there is a very close and a short line of communication with the CEO. CAPs and audit reports are shared internally, as well as the risk scoping and risk assessment.

Recommendation: Madness could adopt KPIs that support good sourcing and pricing strategies within its sourcing, purchasing and design departments. Madness could include responsible business practices in its job role competencies of sourcing and purchasing staff.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.15 Member company's purchasing practices support reasonable working hours.	Advanced	Members' purchasing practices can significantly impact the levels of excessive overtime at factories.	Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes.	6	6	0

Comment: Madness produces two collections annually: Spring/Summer and Autumn/Winter. This approach results in alternating busy and quiet periods at its manufacturing facility in India, which is responsible for about 95% of its total output. These fluctuations affect how the factory plans its capacity and, consequently, the working hours. In contrast, for Turkey, Madness schedules only one collection each season. Over recent years, Madness has implemented several strategies to ensure reasonable working hours. These include extending production timelines, improving understanding of the time needed per style, enhancing factory efficiency, and maintaining a stock of fabrics for frequently produced items. Orders for organic wool are placed eight months in advance.

The member brand maintains an open communication line with its suppliers to discuss workers' schedules. The brand avoids pressuring suppliers to meet deadlines, refrains from imposing penalties for delays and does not demand overtime. If suppliers require more time, Madness negotiates with its customers to accept later deliveries, which approximately 90% of retailers agree to. Despite efforts to follow Fair Wear's advice on creating always-available stock styles, the company found it unfeasible due to its operational model, which includes no direct-to-consumer sales, a limited collection range, no warehousing, and unsold inventory issues.

Recommendation: Fair Wear recommends the member to explore planning production in minutes instead of pieces to assess better its suppliers' production capacity (and wage levels). Furthermore, at suppliers where Madness is not a large customer, Fair Wear recommends the member to learn more about their production planning, for example, about peak season.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations.	Intermediate	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, cost sheets including labour minutes.	4	6	0

Comment: Madness has a basic understanding of the wage levels at its suppliers and connects this understanding to its own buying prices. Madness has very basic insight into the labour component of its prices. Madness does not know the labour minute value at its main supplier. The member brand has introduced the Fair Price App at its main supplier in India two years ago, but found it difficult to maintain. Madness has been in continuous contact with Fair Wear about this matter. Nonetheless, wages are continuously monitored and frequently discussed to ensure they remain fair and reasonable. Madness worked closely with its main supplier in India to ensure that the buying prices were set high enough to support the payment of proper wages. Through plausibility checks, it was confirmed that the buying prices were indeed sufficient, illustrating the direct correlation between the prices paid by Madness and the achievement of target wages at the manufacturing sites.

While the brand has already decreased orders for its Turkish supplier, in 2022 the member brand followed up with its supplier to ensure legal minimum wages were paid through a full Fair Wear assessment.

Madness includes changes in legal minimum wage or inflation in its buying prices.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.	Advanced	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	4	4	0

Comment: Madness's sourcing model purposely excludes the use of sourcing intermediaries.

Layer 3 Prevention, mitigation and remediation

Possible Points: 80

Earned Points: 70

Indicators on the quality and coherence of a members' prevention and remediation system

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.1 Member company integrates outcomes of human rights risk identification (layer 2) into prioritisation and follow-up programmes according to the risk profile.	Advanced	Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes.	Overview of supplier base with accompanying risk profile and follow-up programmes.	6	6	0

Comment: Based on the risk identification as described in chapter two, Madness has linked factory risks to appropriate follow-up for factories covering 95% of FOB. Madness could show that it prioritises actions that match the highest identified risks, including training on rights awareness and targeted action on social dialogue. In India where gender is one of the higher risks, Madness is carrying out and developing programmes to empower women and creating equal opportunities in employment. However, the actions are not always specific and can be made more SMART.

Recommendation: Fair Wear recommends the member to further improve its follow-up plans.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's improvement and prevention programmes include a gender lens.	Basic	The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender.	Proof of incorporation of the gender lens in follow up programmes, including stakeholder input.	2	6	0

Comment: Madness looks at its follow-up plans through a gender lens but has yet to include it in all its follow-up actions.

Recommendation: Madness is recommended to extend its gender lens to the implementation of all its prevention actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's improvement and prevention programmes include steps to encourage freedom of association and effective social dialogue.	Advanced	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	6	6	0

Comment: Madness included comprehensive steps to encourage Freedom of Association (FoA) and effective social dialogue (SD) in its improvement and prevention actions. FoA is actively monitored and promoted at its principal supplier in India. In 2022, training sessions were conducted by a local consultant from Madness, focusing on these aspects. Furthermore, Worker Committee Meetings are consistently followed up, ensuring that actions derived from the improvement and prevention programme are communicated and addressed. While workers' input through the Worker Committee is requested they have yet to contribute structural input for improvement or preventive actions. In Türkiye, where the brand only has 5% FOB, FoA and SD are only part of the CAP follow-up. Madness has yet to include a gender lens in its actions to improve FoA for female workers in Türkiye and India.

Recommendation: Fair Wear recommends Madness to apply a gender lens and ensure its steps to promote FoA and effective social dialogue address the specific risks for female workers. Madness is also recommended to include Türkiye in its follow-up plans.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports operational-level internal grievance mechanism.	Advanced	Fair Wear’s complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers.	Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue.	6	6	0

Comment: Suppliers’ internal grievance mechanisms are assessed at the start of the business relationship. They are monitored during visits by checking the accessibility of the complaint box and looking into complaint logs. Where Madness concludes the grievance mechanism is not effective, it suggests how factories can improve, which is later validated with full assessments. Next to that, Madness has organised training for its main supplier in India, which covers 95% of its FOB and includes information about the internal grievance mechanisms and Fair Wear’s grievance mechanism.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Advanced	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	6	6	0

Comment: Madness cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. Madness has not yet cooperated with customers that are not Fair Wear members.

Recommendation: Even though Madness already works together with other Fair Wear members, Fair Wear recommends to also collaborate with other customers.

Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of progress towards implementation of improvement programme per relevant factory.	100%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	6	6	-2

Comment: During the performance check, the member could demonstrate with a sample that more than two-thirds of the CAP issues requiring improvement actions have been followed up. These issues include more complex and structural topics such as setting up a wage comparison system, paying overtime premiums, and complying with requirements when dismissing workers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Advanced progress	Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe.	Update on prevention programmes.	6	6	-2

Comment: Madness has identified some root causes of the CAP issues and discussed these with its suppliers. The member has implemented some preventive steps, for instance, it started a living wage project with its main supplier by introducing them to the Fair Price App and is constantly working with them on female empowerment and the strengthening of the workers' voice through Worker Committee participation.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.8 Member company validates risk profile and maintains regular dialogue with factories where no improvement or prevention programme is needed.	No factories in the respective risk profile	When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses.	Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo.	N/A	6	0

Comment: Madness has no suppliers where improvement or prevention steps are not needed.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Intermediate	Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays.	This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc.	4	6	0

Comment: In the previous year, no audit reports have been conducted, but the brand still worked on the audits from the year before. The root causes have been analysed, and corrective actions have been implemented by Madness, in Türkiye as well as at its primary supplier in India. At Madness, purchasing practices have been reiterated to prevent overtime, with significant awareness raised among the buying and design team, including the CEO. This includes continuous analysis of overtime, its underlying causes, and the optimisation of processes to enhance efficiency. In Turkey, the approach is somewhat more passive due to the member brand's limited leverage. However, it still engages in collaborative efforts with other member brands sourcing from the same factory.

Recommendation: Fair Wear recommends cooperating with other customers at the factory to increase leverage when mitigating excessive overtime.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.	Advanced	Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved.	4	4	-2

Comment: In the previous year, no audit reports have been conducted, but the brand still worked on the audits from the year before. No findings of non-payment of legal wage requirements occurred in both factories based on the conducted audits in 2021. Madness is well aware of the wage levels in both factories.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages 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.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	4	6	0

Comment: Madness discusses the topic of wages with 95% of its suppliers.

Madness has done a thorough root-cause analysis to find out why wages at suppliers are below the living wage. The member has yet to develop a systemic and time-bound approach to get wages increased towards a living wage. Additionally, a Living Wage Survey carried out by Madness highlighted that families with young children are the most in need of additional support. It is widely acknowledged that education plays a crucial role in improving the future prospects and living standards of the next generation. In alignment with this understanding, Madness' principal supplier in India has taken a decisive step towards supporting the education of their workers' children. To date, the supplier has initiated sponsorship for the education of nine children and has plans to expand this support to encompass the educational needs of all the workers' children. Additionally, the Indian supplier has been actively implementing initiatives aimed at boosting worker motivation. These initiatives include providing essential groceries and other items to the workers during the festive season.

Recommendation: Fair Wear encourages Madness to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy with time-bound plans.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Intermediate	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	4	6	0

Comment: Madness' CEO is involved in all social topics, including the payment of a living wage. Madness has created a strategy to finance wage increases which includes increasing prices to its customers. This strategy is most effective at its main supplier in India, where the brand has a high leverage.

Recommendation: It is advised that the strategy for how to finance wage increases is rolled out to its other suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	95%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	6	6	0

Comment: Madness uses fact-based costing to ensure its prices support the payment of a living wage estimate at suppliers responsible for 95% of Madness's FOB.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear Complaints Procedure.	No complaints received	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	N/A	4	-2

Comment: Madness received no complaints in the past financial year.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training appropriate to the improvement or prevention programme.	Advanced	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	6	6	0

Comment: Madness has some CAP findings where training is a recommended follow-up action. At its primary supplier in India, a programme of continuous training is both scheduled and monitored by its Indian consultant. These training sessions are designed to address findings from corrective action plans, particularly focusing on freedom of association and fostering effective social dialogue. Additionally, when prompted by risk assessments or audit recommendations, the brand facilitates Fair Wear trainings. The most recent instance was in 2021, when a training focused on workplace harassment and discrimination was conducted. The outcomes of these training sessions are reviewed and discussed in regular meetings, with the Indian consultant.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Member company did not implement any training	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	N/A	6	0

Comment: Madness did not implement training at its suppliers (NA).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights risk monitoring system includes a responsible exit strategy.	Advanced	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	4	4	0

Comment: Madness's human rights risk monitoring includes a responsible exit strategy. In the past financial year, the member did not stop with any suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Member company's activities do not go beyond the indicators or scope.	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	N/A	6	0

Comment: Madness does not undertake activities related to human rights that go beyond Fair Wear's scope.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 18

Earned Points: 14

Indicators related to communication

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership and its human rights due diligence efforts.	Advanced	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	4	4	0

Comment: Madness communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. By showing its affiliation and commitment to Fair wear on trade shows and through its membership of Weltladen Dachverband, Madness actively spreads the Fair Wear message.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).	No reselling of external brands	Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information.	External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct.	N/A	4	0

Comment: Madness does not sell external brands.

Indicators related to brand and supply chain transparency

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Social report is submitted to Fair Wear and is published on the member company's website.	Advanced	The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan.	Social report.	4	4	0

Comment: Madness has submitted and published its social report, which Fair Wear approved.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.4 Member company engages in advanced reporting activities.	Intermediate	Good reporting by members helps ensure the transparency of Fair Wear's work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report.	Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge.	2	4	0

Comment: Madness published its social report, which includes factory-level data and remediation results, on its website. The member has yet to include time-bound plans for these outcomes.

Recommendation: Fair Wear recommends Madness to publish time-bound plans for its suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.5 Member company has a system to track implementation and validate results.	Intermediate	Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made.	Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback.	4	6	0

Comment: Madness has a system to track progress and check if implemented measures have effectively prevented and remediated human rights violations. If that is not the case, the member adapts its approach, for instance, by offering specific training. The information used for this evaluation comes from full assessments and monitoring visits that include worker and stakeholder input. Management is involved in the evaluation. However, triangulated information from external sources is missing in this process.

Recommendation: Madness is recommended to include triangulated information from external sources.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	No requirements were included in the previous Brand Performance 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 should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

Comment: In the previous performance check, no requirements were included.

5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Not applicable

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Not applicable

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Not applicable

Recommendations to Fair Wear

The member did not have any recommendation for Fair Wear.

Brand Performance Check details

Date of Brand Performance Check: **06-12-2023**

Conducted by: **Jason Mandels**

Interviews with: - **Matthias Warnke (CEO)**

- **Ina Berroth (Design, Product Development, Communication)**