



Brand Performance Check

Hess Natur-Textilien GmbH & Co. KG

Publication date: October 2023

This report covers the evaluation period 01-08-2022 to 31-07-2023

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: 172

Possible score: 204

Benchmarking Score: 84

Performance Benchmarking Category: Leader



Foundational system's criteria

100%



Sourcing strategy

76%



Identifying continuous human rights risks

87%



Responsible purchasing practices

85%



Quality and coherence of prevention and remediation system

80%



Improvement and prevention

90%



Communication, transparency and evaluation

82%

Summary:

Hessnatur has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 84, the member is placed in Leader category.

Hessnatur has included sourcing and business model risks in its risk scoping. On the country level, the member has yet to include the prevalence of risks for countries where Fair Wear is not active. The country risk scoping and supplier risk assessment influence how Hessnatur monitors the location and informs the follow-up plan. Hessnatur ensures that worker input is included in its monitoring tools.

Hessnatur shows it takes its commitment to living wages seriously and, in its costing, calculates with the highest available living wage benchmarks. Its production planning is tweaked to support reasonable working hours. While the member brand has recently updated its supplier contracts, these need to be improved to ensure they support human rights due diligence.

In the financial year under review, Hessnatur focused in its preventive actions on Freedom of Association (FoA) and improving internal grievance mechanisms. The member brand initiated a pilot project in Tunisia to foster social dialogue. This included training for workers on problem-solving techniques to improve the worker committees. Hessnatur knows which production locations have CBAs or elected worker representatives and encourages factories to train worker representatives so they can carry out their roles.

Hessnatur has done a lot of work to ensure its practices align with the OECD guidelines on Human Rights Due Diligence (HRDD) and seems well-placed to improve its practices and work on the further implementation of mitigative and preventive measures in the coming years.

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 Hess Natur-Textilien GmbH & Co. KG

Member company information

Member since: [1 Jan 2005](#)

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

Percentage of CMT production versus support processes [95%](#)

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

Percentage of FOB purchased directly [62%](#)

Percentage of FOB purchased through agents or intermediaries [54%](#)

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

Are vertically integrated suppliers part of the supply chain? [Yes](#)

FLA Member [No](#)

Member of other MSI's [Partnership for Sustainable Textiles, Grüner Knopf,](#)

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
Lithuania	10	18
Germany	19	14
China	10	8

Portugal	19	8
North Macedonia	5	7
Türkiye	4	7
Ukraine	1	6
Hungary	6	6
Romania	4	5
Poland	2	4
Bulgaria	4	3
Thailand	3	2
Croatia	3	2
Bosnia and Herzegovina	2	2
Italy	4	2
Peru	5	2
Tunisia	3	1
Greece	3	1
Czechia	1	1
Austria	2	0
Slovakia	1	0
Spain	4	0
Mongolia	1	0
India	1	0

Nepal	2	0
Viet Nam	1	0

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

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: Hessnatur discloses 67% of production locations internally through Fair Wear's information management system. Fair Wear does not disclose Chinese factories on its website yet and therefore is lenient when members do not disclose Chinese factories.

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

Comment: Hessnatur discloses 67% of production locations externally on Fair Wear's transparency portal. Fair Wear does not disclose Chinese factories on its website yet, and therefore is lenient when members do not disclose Chinese factories.

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: 90

Earned Points: 74

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.	Advanced	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.	6	6	0

Comment: Hessnatur has a sourcing strategy addressing influencing labour conditions. Hessnatur's sourcing strategy explicitly focuses on increasing influence by ambitiously consolidating its tail end and cooperation with other clients. The member company decided that from now on, when onboarding new suppliers, Hessnatur is required to select production locations that already supply to Fair Wear members to ensure it can cooperate with other customers.

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: Hessnatur has a sourcing strategy that includes a focus on long-term relationships. 72% of the member's total FOB volume comes from suppliers with whom Hessnatur has had a business relationship for at least five years. As the member is starting a consolidation strategy and will exit some long-term suppliers where it places a small volume, this percentage may change in the next years. Though the member places Never Out of Stock (NOS) and carry-over styles which show a long-term commitment, the member does not commit to long-term contracts yet.

Recommendation: Fair Wear recommends Hessnatur to commit to long-term contracts.

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.	Intermediate	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.	4	6	-2

Comment: Hessnatur conducts risk scoping on country level and on business model, sourcing model and product level. Hessnatur has identified the major risks for its sourcing countries. While in its risk scoping for countries where Fair Wear is active, the member has assessed the impact and prevalence of the risks correctly; the brand has not added risks for each Code of Labour Practices.

Hessnatur could show that it knows the highest risks of each of its production countries. For risk scoping of countries where Fair Wear is not active, it consulted different resources such as CSR risk checker, ITUC and gender indexes. Hessnatur identified forced labour as a risk for Nepal, and discrimination of migrant workers in Thailand and Peru. The member has yet to determine the likelihood of the risks for these countries, which would help prioritise follow-up. While the member company has identified gender risks for some countries, it has not included a gender lens per labour standard.

Based on the country risk scoping, Hessnatur has decided to exit some countries where its order volume is very low while the country risks are very high.

Looking at sourcing model risks, the member identified unauthorised subcontracting as a risk when using intermediaries or agents. Another risk Hessnatur identified is that agents may experience a conflict of interest between maintaining good relationships with the production locations and monitoring human rights implementation. Risks associated with its business model are difficult forecasting and a large tail end due to changing assortment and high product variety, respectively. It is part of Hessnatur's strategy to have the raw materials processed and sewn in the country of origin, but the member is aware that this can lead to less transparency.

Recommendation: Fair Wear strongly recommends Hessnatur to assess the prevalence and impact of risks for the countries where Fair Wear is not active, as this should inform prioritisation of follow-up. Hessnatur is further recommended to include a comprehensive gender lens in its country 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: Hessnatur has an extensive onboarding process before deciding to onboard a prospective factory. It is the standard process for Hessnatur to inform new suppliers about Fair Wear membership, scheduling a call early on with each new prospective supplier. Hessnatur explains in depth how it works with Fair Wear and what is required from the production location and sends the Worker Information Sheet and Code of Labour Practices (CoLP). The brand also discusses open costing and its living wage ambitions to check if the supplier can work with labour minutes and is equally committed to living wage.

In the past financial year, Hessnatur added eight new production locations suppliers in Bulgaria, China, Hungary, India, Peru, and Spain. Hessnatur usually visits its new suppliers and has done so for seven recently added production locations. During the pandemic, when the member could not visit suppliers, Hessnatur started doing virtual tours. The brand has now made virtual tours part of its onboarding when suppliers cannot be visited immediately.

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.	Advanced	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.	6	6	0

Comment: Hessnatur collects human rights information of potential new suppliers by collecting detailed self-assessments that include questions about wage levels, existing grievance mechanisms, worker representation, gender composition of the workforce, and the presence of minorities. The member collects existing audit reports and, if these do not include worker interviews, sends a partner organisation to conduct worker interviews or schedules a Fair Wear audit. Before the production location is onboarded, the member company requires the facility to work on the Corrective Action Plan (CAP). This gives a good sense of the supplier's commitment to work together on human rights due diligence.

In the past financial year, Hessnatur visited some factories in Türkiye and Tunisia and decided not to onboard some of these locations based on the collected information and the perceived attitude about human rights. The start of a new collaboration and order placement can only take place after the CSR department has approved the new partner.

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.	Intermediate	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.	4	6	0

Comment: Hessnatur has added eight new production locations and shared information about Fair Wear’s CoLP and the complaints helpline with all of them. The Worker Information Sheet has been posted, and any Hessnatur staff visiting production locations will check this.

Hessnatur has organised onboarding sessions for three new production locations to raise awareness about the Fair Wear CoLP and the complaints helpline. The member has talked about worker representation with each of them; asking factory management open-ended questions to get them thinking about how social dialogue can be improved. Hessnatur has yet to organise introductory training on social dialogue.

Recommendation: Hessnatur is recommended to organise training on social dialogue within the first year of doing business.

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.	Intermediate	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.	4	6	0

Comment: Hessnatur systematically identifies human rights risks in its supply chain and has assessed them for all its production locations. This assessment is based on the country risk scoping, and the information from audits, complaints and visits. Where the member assesses that a country-level risk would be less likely to appear at a certain supplier, it has not included that risk. This is the case Hessnatur assessed the risk of forced labour or discrimination very unlikely. However, when this is not regularly monitored, it may become a higher risk without Hessnatur’s awareness.

Based on the risk assessment, Hessnatur decides on the appropriate monitoring tool. Of the 28 production locations in Fair Wear countries, 19 have been audited by Fair Wear recently. If an external audit report does not identify non-compliances with risks that are very prevalent in the country, Hessnatur will add other monitoring tools, ranging from document inspection to full audits. If existing audio reports do not use worker interviews as a source of information, Hessnatur organises an audit or hires a third party organisation to conduct interviews.

Recommendation: Fair Wear recommends Hessnatur to include all country-level risks in the supplier risk assessment, and adjust the likelihood when it deems it unlikely for that production location. In that way, it still appears as a risk that needs to be monitored.

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).	Advanced	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.	6	6	0

Comment: Hessnatur has mapped the risks to Freedom of Association (FoA) in all its sourcing countries and can explain the main risks per country, including the risks to women workers. In several Eastern European countries, worker representatives may be elected, but the worker representatives are not functioning. Hessnatur finds there can be discrimination against union members and union busting in Greece, Thailand and Hungary. In Tunisia and Türkiye, women are underrepresented in worker representation and unions. The member company discusses the identified risks with the production locations and tries to understand the root causes per facility to ensure it can take the appropriate steps.

The member has an overview of which suppliers have Collective Bargaining Agreements (CBAs) and work with elected worker representatives or trade unions. Hessnatur has supplier-level monitoring in place to assess if there are changes to the identified risks and whether improvements have been implemented. As mentioned under indicator 2.3, based upon the country risk scoping, Hessnatur has decided to phase out some production countries, especially because of the high risks to freedom of association.

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.	Intermediate	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.	4	6	0

Comment: Hessnatur could show it understands the basic gender risks for its sourcing countries but, as described under indicator 2.3, has yet to include a gender lens for each Code of Labour Practices and production locations. For its gender data collection per production location, Hessnatur started with the facilities in Türkiye, Tunisia and India, as these countries have a high prevalence of psychological and physical violence against women workers. Hessnatur works with the BSR Gender Data and Impact Tool and has collected so-called level one data, including gender-disaggregated information on workforce, turnover, and absenteeism. The member company plans to collect level two and three data as well. For these data levels, worker interviews would be needed as it is about worker perceptions. The member has yet to analyse the collected gender-disaggregated data at the factory and country levels.

Recommendation: Fair Wear recommends the member to collect country-level gender risks for each Code of Labour Practices. Hessnatur is recommended to collect gender data related to every Code of Labour Practices per factory.

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.	Advanced	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.	4	4	0

Comment: Hessnatur has a robust and systematic evaluation system for assessing suppliers' human rights performance. Production locations are evaluated twice a year. Various departments, such as purchasing, financial accounting, and Corporate Responsibility (CR), participate in the evaluation. CSR indicators include transparency, the response to complaints, and commitment to solving CAP issues. The different departments decide on an equal-weighted basis whether collaboration with a supplier should be expanded, kept the same or decreased.

The supplier evaluation clearly shows the lowest-performing suppliers, who have shown too little transparency and commitment to remediate issues over time. Hessnatur decided to phase these out gradually.

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: Hessnatur 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. Hessnatur verifies subcontracting through production visits, exchange of information with other customers and audits.

During production planning, the member company checks if the supplier can complete the order based on the capacity and available machinery. For instance, sourcing checks if the required machinery is present when a product requires printing or embroidery. If not, this is flagged with the CSR department, and together, they decide whether it is worth to onboard a subcontractor or if the print is skipped. Sometimes, the order will be placed at a production location that can do in-house printing or embroidery.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Advanced	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.	4	4	0

Comment: Hessnatur has identified whether homework is prevalent in its sourcing countries. Where there is a higher risk of homeworking due to a higher risk in the sourcing country or because the product requires more manual labour, Hessnatur will require an audit. As included under indicator 2.11, the thorough check of the supplier's capabilities during the production planning also works as a preventive measure. During the pandemic, a few workers in Romania took items home to finish them. After a discussion with the factory, this practice has stopped.

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.	Insufficient	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.	0	4	0

Comment: Hessnatur 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.

Even though it is rarely used, a clause in the contract stipulates that in case of delivery delays, Hessnatur has the right to get a discount, while proof of fault by the supplier is not needed. In case of exceptional delays (ten weeks), Hessnatur has the right to end the relationship. The member company has included these clauses after it found that, in the past, suppliers squeezed in other orders and, hereby, delayed production for Hessnatur.

The contract mentions that payment terms are within 60 days of delivery. Hessnatur has the right to prepone the payment, which would lead up to a 4% discount if the member company pays within ten days upon receipt. Even though this is customary amongst German brands, it shows a power disbalance between buyer and supplier. Next to that, in case Hessnatur deems an inspection of the quality of the order is needed, the supplier is required to pay for the costs, also in case there were no actual defects.

Regarding product damages, the contract does include proof of fault, and only when it is within the supplier's sphere of control will the supplier be held liable.

Requirement: Hessnatur should evaluate its contracts to ensure that it does not place an unequal burden on its suppliers or include terms that limit the possibility of implementing the Code of Conduct.

Recommendation: Hessnatur is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP). The member could also consult the Supplier Model Contract Clauses of the Responsible Contracting Project. Fair Wear strongly recommends that Hessnatur remove penalties for late delivery from its contracts or at least ensure there is 'proof of fault by the supplier' as it does in practice. Since the member works with living wage costing, it could include in contracts that labour costs and supplier's margin cannot be negotiated.

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.	Advanced	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.	6	6	0

Comment: There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member includes responsible business practices in job role competencies.

The company works with responsible purchasing targets for sourcing. For instance, Hessnatur's Head of Supply Chain has as one of the main targets to increase its influence on production partners to improve quality, social and ecological standards. Additionally, KPIs focus on an increased share of NOS styles and consolidation of the supply chain. The purchasing department has a clearly defined responsibility that its prices allow for its share of payment of living wages. Hessnatur takes this very seriously, so much so that the predecessor of the current Head of Supply Chain was dismissed when the member company found out that target prices were negotiated that were not based on living wage costing.

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

Around 4% of Hessnatur products are considered Never Out of Stock (NOS). That should already have increased to 20% in the current financial year. Hessnatur gives NOS suppliers a quantified purchase commitment for a certain design and colour for one to two years. Hessnatur has two seasons per year; the exact amount is communicated to the suppliers for every season. Suppliers are then asked to maintain minimum and maximum stock quantities of these products but are free to plan production times within these parameters independently. This allows them to level out production and avoid peaks that could result in excessive overtime.

The seasonal products are designed twice a year, and production is coordinated with the suppliers involved in the design process. Forecasts are shared with the supplier early on. Once catalogue pre-orders have been received, Hessnatur places 70% of the bulk order. Re-orders later in the season might fluctuate. Hessnatur aims to maintain order volumes comparable to previous years and as forecasted. In case of significant changes, the brand looks for solutions with the supplier.

Due to this early planning, suppliers can schedule production in advance, and their feedback on lead times is accommodated. Regular status updates during production are used to monitor progress. Hessnatur is aware of the production capacity based on an 8-hour day of most suppliers and takes this into account for its planning. Hessnatur also supports suppliers with weaker internal production planning to improve. Since the natural fabrics that Hessnatur uses are not always readily available, the company uses nominated fabric suppliers. It calculates the time needed to obtain a specific material in the production planning. Some fabrics are therefore pre-ordered by Hessnatur.

During the pandemic, Hessnatur moved up the material orders and pre-financed more material. Hessnatur is still keeping to these earlier placed timelines. Before Hessnatur starts placing orders for the new season, it evaluates with suppliers how the previous production planning went.

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.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages - and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts, cost sheets including labour minutes.	6	6	0

Comment: As a standard policy, Hessnatur does not negotiate on price. Hessnatur implemented labour minute costing for its products several years ago. Every style from a high risk country is analysed for two seasons to check whether Hessnatur's prices are sufficient to pay legal minimum wage rates and living wage estimates. The company uses the highest living wage benchmark available. Based on the analysis, Hessnatur concludes 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 price 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.

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: Hessnatur works with local agents in Portugal, Türkiye and Thailand. The member has informed its sourcing intermediaries of Fair Wear requirements and could show they informed production locations. Orders and payments to production locations are made directly, not through the agents.

All sourcing intermediaries 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 are 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, such as filling in questionnaires and providing wage documentation.

The member has asked its intermediaries about the payment terms and found they pay within 30 days and when needed, support facilities with prefinancing.

Layer 3 Remediation and impact

Possible Points: 92

Earned Points: 80

Indicators on Quality and coherence of 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.	Intermediate	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.	4	6	0

Comment: While Hessnatur has not created follow-up plans, the member company uses CAPs and its annual work plan to plan what kind of follow-up is required based on risk identification. During the performance check a random sample of production locations was selected. Hessnatur could show for each of them that it prioritises actions that match the highest identified risks, including training on awareness of rights and targeted action on social dialogue (see indicator 3.3). However, the member company has yet to document these action plans per supplier and include more details such as timeline and budget.

Recommendation: Fair Wear strongly recommends the member to further improve its follow-up plans but creating documents including timelines and budget.

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: When Hessnatur receives an audit report and works on CAP findings, it uses a gender lens to see how a finding may impact men and women differently. The company launched a gender data project for the Partnership of Sustainable Textiles. The project is being carried out in cooperation with a gender organisation, the Hessnatur Foundation, GOTS and another non-Fair Wear buyer. Four of its five Tunisian locations are involved. Hessnatur wrote the project proposal in the past financial year and gathered gender data. The member company has yet to plan training focusing on gender for its production locations where it sees the highest risks for gender.

Recommendation: For its locations in countries that according to Hessnatur have the highest gender risks, Fair Wear advises to organise training on gender.

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: Hessnatur differentiates its production locations into different categories: those where there are no elected worker representatives, those that elected worker representatives but workers do not know them, and those where elected worker representatives are ineffective. During conversations with suppliers, Hessnatur encourages them to take concrete improvement steps. As a result of the conversations with Hessnatur, one of the Chinese suppliers has held elections. Hessnatur stays informed to check if the elected worker representatives are involved in meaningful discussions. The member company plans to organise skills training for worker representatives in one of its North Macedonian locations to help them carry out their role.

The member embarked on a social dialogue project with three production locations in Tunisia, which aims to provide a forum for workers and management to discuss topics such as living wage. Part of this project was training on social dialogue and communication skills. During the training, workers expressed that the Company Consultative Committees (worker representative committees) were ineffective. Therefore, the training was extended to also cover different problem-solving methods. The factory reported a positive impact on communication between management and workers.

Recommendation: Fair Wear recommends Hessnatur to continue to roll out the skills training for worker representatives.

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 and are monitored frequently. Hessnatur uses audits to check if the internal grievance mechanism is working. Next to that, during visits, Hessnatur staff asks to see the complaint log, and will ask if worker representatives are involved in the follow-up of filed complaints. The member has a good idea of where the internal grievance mechanism is functioning and where it needs further improvement. For the latter locations, Hessnatur encourages management to organise worker representative elections or supports with organising training for worker representatives.

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: Hessnatur cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. Hessnatur has also collaborated with customers who are not Fair Wear members. Next to that, the member also cooperates in taking more preventive measures, such as organising training and joint living wage work.

Indicators on 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.	63%	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.	4	6	-2

Comment: In the past financial year, Hessnatur has received five audit reports. During the performance check, the member could demonstrate with a sample that up to two-thirds of the CAP issues requiring improvement actions have been followed up. Issues that have been resolved range from grievance mechanisms, late payments and working hours to safety findings.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Intermediate 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.	4	6	-2

Comment: Hessnatur has identified and discussed many root causes of CAP issues with its suppliers, which were checked via a random sample of suppliers. It finds that double bookkeeping is prevalent in Türkiye and Bulgaria to avoid tax issues. When workers are paid more, they fall into a higher tax bracket and end up with less money than before the wage increase. To avoid that, some factories have double bookkeeping. Hessnatur recognises the problem and wants the factories to work towards increasing the wages steadily so that workers end up with more money.

Reduced orders from other buyers during the pandemic were at the heart of the legal minimum wage violations at its Thai supplier. The member company covered the gap between the paid wages and legal minimum wage with its emergency fund. Low awareness of labour rights can be due to language problems. Therefore, the member company checks if all communication is made available in the Burmese language, as the Thai factories employ Burmese workers. Hessnatur also discussed the root cause of the legal minimum wage violations with its Mongolian production location. This facility produces seasonal products and, therefore, employs daily workers as it cannot guarantee work throughout the year. After a discussion with Hessnatur, the factory reduced the number of daily workers and ensured the remaining workforce received all required benefits.

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.	Advanced	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.	6	6	0

Comment: Hessnatur has 21 suppliers in Germany and Austria, where improvement or prevention steps are unnecessary. These cover 14% of the member's total FOB. Hessnatur regularly communicates with them about labour rights and visited six locations to discuss wage levels and general working conditions with workers and worker representatives.

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, four audit reports of a total of five Fair Wear audits mentioned excessive overtime. Findings range from excessive overtime hours per week and working more than seven days consecutively to non-transparency regarding working hours. One of these audits was conducted for a new supplier that, at the time, was not yet producing for Hessnatur. Two other audits were conducted at production locations that Hessnatur was considering to phase out. The audits show that transparency around working hours and wages remains an issue, and Hessnatur will gradually reduce its order volumes. Still, the member company discussed the findings and found that one of the factories uses a production planning based on overtime hours. The factory is moving to a different location, and after that, Hessnatur will check if the production planning is adapted.

In general, when discussing working hours with suppliers, Hessnatur finds that an important reason is that suppliers have faced reduced orders since the pandemic and have taken up more domestic and American clients who use tighter delivery deadlines. Therefore, Hessnatur has now made it mandatory for sourcing to only onboard production locations that are already producing for other Fair Wear members. Hessnatur could not yet show that its efforts resulted in reduced excessive overtime at these suppliers.

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, all five Fair Wear audits included findings on minimum wage, from failure to provide the correct wage data (see also indicator 3.10) to incorrect overtime premiums and unpaid statutory leaves. Hessnatur could show it followed up diligently in all cases. The audit at the newly added Chinese supplier showed that no proper calculation system was set up to ensure piece rate workers earned legal minimum wage. Hessnatur supports the supplier by setting up an appropriate system and has already checked that workers are now paid during public holidays.

At the other Chinese supplier, where overtime premiums were incorrect, Hessnatur discovered this was due to a miscalculation of overtime hours. During a later visit, Hessnatur checked that the factory now uses the correct calculation method. Another finding at this factory was that workers were not paid during statutory leave, and during the visit, the factory could show evidence this finding was resolved as well.

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.	Advanced	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	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.	6	6	0

Comment: Half of Hessnatur's production is in 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. However, many production locations do not 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 cost for living wages. Another reason is that suppliers still need to gain knowledge of living wages and open costing. Next to that, during the pandemic, many suppliers were faced with reduced orders, and some have been unable to get more orders since. This is the case for a few factories in Bulgaria and North Macedonia, where, as a result, Hessnatur's leverage suddenly jumped to 80%. The company planned to work with a living wage expert to address the gap between paid wages and living wages in these factories. The work includes empowering worker representatives to enable them to negotiate for higher wages while at the same time involving them in discussions on how to increase efficiency.

To address the root causes it identified, Hessnatur made it a requirement in its sourcing strategy to check whether potential new factories have knowledge of living wage and have other customers supporting this.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Advanced	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.	6	6	0

Comment: Hessnatur considers the highest available living wage benchmark for a region or country and adjusts this benchmark twice per year for inflation. The company plans to look into more detailed living wage estimates, as many of its factories are located in very rural areas, and most living wage estimates are based on the cost of living in cities.

The member ensures that the labour component of a minute price calculation allows for paying this living 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. The living wage costing is reflected in the consumer prices, but Hessnatur is aware it has reached the limit of how much it can ask for its products.

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.	100%	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: Hessnatur uses fact-based costing to ensure its prices cover its share of the living wage estimate at all of its suppliers. This does not immediately translate into workers receiving wages that are above those benchmarks, as Hessnatur is not the only buyer. Hessnatur has an overview showing that 33 production locations pay, on average, a wage that is above the living wage estimate.

Recommendation: Fair Wear recommends Hessnatur to look at the mode wages instead of the average wage when defining the gap towards the living wage estimate. The average wage may be disproportionately impacted by a few higher wages.

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: Hessnatur 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.	Intermediate	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.	4	6	0

Comment: Hessnatur uses its supplier risk assessment to decide which suppliers need to be enrolled in training. In the past three years, it has enrolled three suppliers into Fair Wear's WEP Basic module. It planned training for two other suppliers, but these could only be carried out in the current financial year. The member company also enrolled a Bosnian location in a training that covers the same topics as Fair Wear's WEP Basic module. Hessnatur also facilitated training for worker representatives; see indicator 3.3 for more information. Not all suppliers where CAPs show a need for training, for instance because of low awareness about labour rights, have been enrolled in training yet.

Recommendation: Hessnatur is recommended to implement training for all factories where it is identified as a need, either in CAPs or in its own risk assessment.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Advanced	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.	6	6	0

Comment: Hessnatur schedules a call with suppliers after the training to discuss the outcome. One training report noted that workers were unhappy about the wages and working hours, and Hessnatur encouraged management to have a dialogue with workers. Another training showed that workers were not satisfied with how management handles grievances. Hessnatur discussed with the factory how workers can be involved in the grievance process to ensure they are happy with the outcome. The member uses the training results as additional input for its human rights risk monitoring.

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: Hessnatur's human rights risk monitoring includes a responsible exit strategy that follows that of Fair Wear. In the past financial year, the member stopped with 28 suppliers. The production locations where Hessnatur had the highest leverage stopped with the brand instead of vice versa.

When Hessnatur decides to exit, they agree with the production location about the exit strategy, reducing orders gradually over time and using up the remaining fabric. Hessnatur exited one Lithuanian supplier where it had 13% leverage. This supplier was onboarded as an emergency partner and told from the start that Hessnatur would not continue production if they did not get GOTS certified. There were no further issues with exiting in the past financial year, as Hessnatur had very little leverage in the rest of the exited locations.

The responsible exit strategy is part of Hessnatur's RBC policy, which was shared with all suppliers.

Recommendation: Hessnatur could include the responsible exit strategy in its suppliers' contract.

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.	Basic	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.	2	6	0

Comment: Hessnatur undertakes activities related to human rights that go beyond Fair Wear's scope, focused on its materials. It has done a country risk scoping for its cotton supply chain and cooperates with its Chinese suppliers to know where its cotton comes from. Hessnatur's materials come from GOTS-certified suppliers that are audited yearly. Working with organic materials reduces the health risks of farmers and workers involved in material processing.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 22

Earned Points: 18

Indicators on Communication, transparency and evaluation

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: Hessnatur communicates accurately about Fair Wear membership on its website, though we advise staying away from descriptions like 'excellent quality' next to the Fair Wear logo. The member also uses other channels to inform customers and stakeholders about Fair Wear membership, mostly via social media platforms like Facebook, Instagram and LinkedIn.

Recommendation: Far Wear strongly recommends Hessnatur not to place the text 'excellent quality' next to the Fair Wear logo and refrain from referring to leader status as an award.

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).	Intermediate	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.	2	4	0

Comment: Hessnatur sells one external brand. It will stop cooperation with this brand but it now selling remaining stock. The member has collected information about the human rights due diligence of this brand, via the questionnaire. While the brand is Fairtrade & GOTS certified, it is not a member of FLA or Fair Wear.

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: Hessnatur has submitted its social report, which Fair Wear approved. Hessnatur has also published the report on its website.

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: Hessnatur published its social report, which includes some factory-level data and remediation results, on its website. Hessnatur has yet to disclose its full factory list and its time-bound improvement plans per factory.

Recommendation: Hessnatur is recommended to include more factory-level data in its reporting and 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.	Advanced	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.	6	6	0

Comment: Hessnatur tracks progress and checks if implemented measures have effectively prevented and remediated human rights violations. For instance, Hessnatur continuously checks with the help of audits whether its prices that cover their share of living wage results in higher pricing. It also evaluates the impact of training. As Hessnatur's Head of Sustainability is part of the management team, top management is automatically included.

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.: Yes

Comments: Together with other members, Hessnatur co-signed an opinion piece on human rights due diligence which was published on the business and human rights portal.

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Yes

Comments: Hessnatur actively participated in Fair Wear awareness campaigns such as Fashion Revolution and Fair Pay. The member also spoke during two events on Fashion Revolution Day and movie nights about sustainability.

Recommendations to Fair Wear

Fair Wear is recommended to link members to accredited trainers, specifically for countries where it is not active itself. Hessnatur urges Fair Wear to improve its audit and training planning, which is now very unreliable. Especially related to Fair Wear higher membership fees, the member expects that Fair Wear resolves these problems. The quality of the training reports needs to be improved. Hessnatur further recommend Fair Wear to provide more clear guidance and active support in regards to HRDD requirements would be very helpful. Fair Wear needs to ensure the organisation and its audit system are accredited in regard to upcoming legislation.

Brand Performance Check details

Date of Brand Performance Check: **25-09-2023**

Conducted by: **Niki Janssen**

Interviews with: **Kristin Heckmann - Chief Sustainability Impact Officer**

Nils Todter - Project manager CSR

Agnes Preiss - Head of Supply Chain