



## BRAND PERFORMANCE CHECK

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HempAge AG

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

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# BRAND PERFORMANCE CHECK OVERVIEW

HempAge AG

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

MEMBER COMPANY INFORMATION	
Headquarters:	Adelsdorf, Germany
Member since:	01-10-2009
Product types:	Fashion
Production in countries where FWF is active:	China
Production in other countries:	Albania, Germany, Hungary, Lithuania
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	92%
Benchmarking score	89
Category	Leader

## Summary:

HempAge has shown advance results on performance indicators and has made exceptional progress. With 92% of its own production under monitoring by FWF audits HempAge exceeds the monitoring threshold required for members beyond their third year of membership. HempAge's overall performance amounts to a benchmarking score of 89 points, resulting in the maintaining of Leader status.

HempAge has stable, long-term relationships with both its main suppliers in China. Despite low leverage, HempAge has invested in building a long-term working relationship with these factories. Both suppliers have hence demonstrated willingness to cooperate and work on improvements suggested in the Corrective Action Plans (CAPs). While continuous efforts are still needed, the company continues strong discussions around reducing and preventing excessive overtime where possible. All main suppliers have participated in FWF's Workplace Education Programme.

HempAge expanded production to Lithuania in 2017, where they thoroughly conducted human rights due diligence. Before production began, HempAge visited the production location and emphasised the importance it places on social compliance and FWF. Unfortunately, due to quality issues with the production and poor transparency from the factory about production difficulties, HempAge began phasing out their production for the end of 2017.

Working towards increasing transparency within factories to obtain the labour cost of garments and to further assess the impact of its prices on living wages remains challenging and FWF encourages HempAge to talk with other FWF members at shared suppliers about the possibilities to jointly work towards higher wage benchmarks for their workers.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	2%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	1	4	0

Comment: HempAge buys approximately 7% of their main supplier's production capacity. However, despite their limited leverage they have managed to build and maintain cooperative relationships with their suppliers which allows them to improve working conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	2%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: HempAge works with two main suppliers based in China at which they buy 90% of their total FOB. In 2017, HempAge's remaining percentage of total FOB was divided between four other low-risk suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	75%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: HempAge focuses on long-term business relationships and rarely adds new suppliers. 75% of their production is purchased from production locations where a business relationship has existed for at least five years. HempAge has a steady and long-term working relationship of more than 15 years with their main supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: HempAge started production in Lithuania in 2017. This new supplier was informed about the FWF Code of Labour Practice and HempAge could show the signed questionnaire.

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

Comment: HempAge has defined a procedure for starting to work with new suppliers which includes quality checks as well as risk assessments regarding working conditions. HempAge uses FWF's health and safety checklist during their initial visit to the factory. A supplier visit report is created after every visit, including discussions over potential risks and areas for improvement at the factories. HempAge collected existing audit reports and made use of the FWF audit quality assessment tool to further review the working conditions within the factory.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

**Comment:** HempAge visits their main suppliers bi-annual where they review and evaluate their compliance with the Code of Labour Practices. HempAge is in continuous contact with its suppliers about both production progress but also labour standards and working conditions.

Compliance and transparency is an important basis for a business relationship with suppliers, especially because HempAge works with a high-end, high-skill based production thus the ability to fulfil all their quality and social compliance highly influence their production decisions.

HempAge phased out production at two of their suppliers in 2017 due to poor quality in their end product as well as a lack of transparency when communicating with the factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** Because the production of HempAge's products contains hemp, it requires specific technical skills and techniques that differ from other products. As an innovative company with the aim to include hemp in the products in the best possible way, HempAge is involved in the process with an open attitude towards the factories in case there are barriers in the production process. Therefore, the production planning is always done along with factory management where lead times, production timelines and deadlines are discussed and set with factories.



HempAge differentiates two kinds of products: recurring products that are never out of stock. With such articles HempAge and its suppliers have many years of experience in production and are able to plan accordingly to be able to spread production and estimate times. With the newer products with different styles, HempAge allows for more planning time and discusses timelines during designer visits to factory.

In 2017 HempAge was able to identify working hour distribution per production stage (e.g. cutting, sewing or ironing) for one of their main Chinese suppliers. HempAge was able to advance discussions about the points of increases in overtime and ways of reducing or spreading the hours.

HempAge has a very close working relationship with its main suppliers in China, and therefore is able to monitor closely how the production flow is progressing.

**Recommendation:** FWF recommends gathering more information about the production minutes at all other suppliers and use these discussions to further support reasonable working hours at locations.

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

**Comment:** Due to the strong long-term relationship between HempAge and its suppliers, they are in constant discussions with factory management on issues within the factory including excessive overtime and its causes.

In 2017, HempAge was able to record the points where there was an increase in working hours, which lead to further discussions with management on ways in which overtime could be reduced. HempAge uses their more flexible never-out-of-stock articles, to be able to spread production more evenly over several months and out of the peak periods.

Whilst HempAge has identified periods of excessive overtime and is in discussions on how best to reduce it, they still have not been able to find local experts to analyse and pose solutions for root cause of excessive overtime. HempAge is now communicating with other FWF brands sourcing at the shared location on how to address this issue.

**Recommendation:** FWF encourages HempAge to continue its efforts and collaborations with FWF members at one of their main suppliers. FWF also encourages to spread these efforts to other factories that HempAge is sourcing from.

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

**Comment:** Through experience working in China for over 15 years, audit reports and wage ladder assessments, HempAge is able to have a country-level pricing policy in place where they meet the legal minimum wage level in their production countries. In 2017, HempAge was able to take it one step further and obtain wages for workers from different production stages, however not yet at a style-level.

**Recommendation:** FWF encourages HempAge to have more discussions with factory management to be able to take the next step to calculate prices at a style-level.

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

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

Comment: None of the audits conducted by Fair Wear Foundation indicated evidence of late payments to suppliers by HempAge.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Comment: In 2017, HempAge continued to work at a factory-level approach to identify root causes for wages being lower than living wages at its main supplier. HempAge has an over view on the wages per department (cutting/sewing/ironing etc.) however not per individual product.

Recommendation: FWF recommends HempAge to conduct further research on the causes for wages lower than living wages. HempAge could start by using the costing sheets in order to try get more of an idea about the estimates for target wages. A joint approach with other FWF members at a shared supplier could also be helpful to discuss potential solutions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

## PURCHASING PRACTICES

Possible Points: 44

Earned Points: 34

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	90%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	2%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	92%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

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

Comment: HempAge has a new CSR person, who together with the CEO follows up on problems identified by monitoring system.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: HempAge has a longstanding relationship with their Chinese supplier where all CAP findings are discussed with management.

Improvement timelines and solutions are discussed in the presence of the worker representative during HempAge's visits to supplier. Other improvements throughout the year are shared via email correspondence and checked during following visit.

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

**Comment:** HempAge has managed to follow up and remediate all open CAPs as per the timelines set together with factory management. Whilst HempAge sits in on discussions on the best ways to follow up on any problems at factory, the main discussions are now between factory management and worker representation. HempAge receives translated minutes from the discussions held in their absence. In 2017, HempAge worked with a Chinese speaking intern, who was able to further verify the accuracy of translations and also able to speak to workers during their factory visits.

HempAge has now set more long-term plans to address the overtime issue with management and how best to increase wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	90%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

**Comment:** HempAge's high risk production locations are visited on average of twice a year by the CSR manager and Designer. Low risk areas are however less frequently visited due to a very low FOB percentage and majority being very small home-based factories in Germany or Hungary.

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

**Comment:** All existing audits are collected from factories during initial visits, the results of which are discussed both with the factory management as well as back at HempAge headquarters. HempAge uses the outcomes of the existing audit reports and the factory management's willingness to improve identified issues to determine whether to engage in a working relationship. The FWF audit quality assessment tool was used to assess the external audits collected.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	6	0
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: HempAge has been working in China for over 10 years; they are very aware of the risks of working in China, including problems with overtime. Knowledge of the conditions and risks in China are shared amongst new staff members who will be directly in contact with suppliers.

HempAge regularly discusses issues identified by the audits and continues to make serious efforts to remediate the issues related to working conditions. It is also able to share knowledge and experience between production locations. Social compliance and FWF are an important part of discussions with factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: HempAge communicates with other FWF members who source at the same Chinese suppliers. Information on CAPs and remediation plans are shared and discussed with other participating brands.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

**Comment:** HempAge fulfilled most of the monitoring requirements for production in low-risk countries, meaning that the FWF CoLP was signed by the supplier and posted at the factory. HempAge collected BSCI audits at some suppliers based in low-risk countries and used the FWF audit quality assessment tool to analyse the findings.

Three of the four suppliers were visited in 2017 by HempAge. HempAge did not visit one of their low-risk production sites due to lower production capacity below 1% of their total FOB. Furthermore since the production is based in Germany they are in regular contact with the supplier who also visits their headquarters.

**Recommendation:** FWF recommends HempAge to visit all their production locations, including the low-risk countries despite their small capacity.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	90%+	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	3	3	0

**Comment:** HempAge has monitored 92% of their supply chain.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

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

## MONITORING AND REMEDIATION

Possible Points: 32

Earned Points: 31

### 3. COMPLAINTS HANDLING

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

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

Comment: HempAge has a CSR manager responsible for addressing worker complaints as well as any other problems identified by monitoring system.

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

Comment: HempAge visits production locations twice a year and checks on the presence of the Worker Information Sheets. When other staff visits production locations they are asked to photograph the Worker Information Sheet as evidence.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	100%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	4	4	0

Comment: HempAge's major suppliers, who were audited, also participated in a WEP training in order to stimulate awareness about the existence and the functioning of FWF's worker hotline.

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

Comment: At HempAge's main supplier, a functioning worker representative group regularly discusses complaints with management. These complaints from workers have all been resolved internally after consultation between worker representatives and factory management.

At other supplier, HempAge works closely with the factory management with occasional involvement of the worker representative.

Recommendation: FWF recommends to facilitate the establishment of similar mechanisms at the rest of their suppliers.

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

## COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 13

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: Environmentally friendly and socially responsible production is part of HempAge's core values, therefore HempAge employees have high awareness of relevance of respecting worker's rights in factories. HempAge is a small company where information is easily shared among relevant staff therefore all staff are aware of FWF membership, additionally HempAge holds a bi-annual briefing and review of FWF membership progress presented by their CSR manager.

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

Comment: HempAge participated in the FWF member seminar in Amsterdam as well as the German stakeholder meeting in 2017. All information on the meetings was relayed back to the team at the office. This is also easily circulated as the HempAge team is relatively small and meets regularly.

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



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	100%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

Comment: 100% of HempAge's major suppliers participated in a Workplace Education Programme training, where WEPs are offered. This training helped increase awareness and enhance understanding of the relevant labour standards as well as grievance mechanisms amongst workers. The training also highlights the importance of a good mechanism for communication between employers and workers in the workplace.

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

## TRAINING AND CAPACITY BUILDING

Possible Points: 9

**Earned Points: 9**

## 5. INFORMATION MANAGEMENT

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

Comment: HempAge has a consolidated supply chain with few suppliers, thus they are well informed about all the production locations. Due to the nature of their product, size of production and ease of quality assessments, HempAge has not found any issues with subcontracting.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: Social and ecological standards are HempAge's biggest priorities and therefore being informed about working conditions at production sites is important and shared by the CSR manager or other staff member who visits production location. This is internally shared every six month.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: HempAge communicates about FWF on its website. All their 2017 communication adheres to FWF's communication policy. As a leader, HempAge also communicates FWF membership accordingly on their products.

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

Comment: HempAge published the FWF Brand Performance Check on its website.

Recommendation: FWF recommends for HempAge to publish the supplier information.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: HempAge submitted and published an elaborate annual social report for 2017 on its website.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5

## 7. EVALUATION

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

Comment: HempAge holds bi-annual meetings where the outcomes of the FWF brand performance checks are discussed with the entire organisation as well as overall discussions over the company's FWF membership.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

HempAge recommends FWF to consider creating different approaches or different categories of evaluate for members, in order to be able to account for the potential recurring issues faced by smaller versus bigger brands. Furthermore, HempAge recommends FWF to develop more new Worker Education Programs (WEPs), as their suppliers have followed several WEPs and would like some more variety. HempAge also recommends for FWF to increase their presence at different trade fairs and sustainable fashion shows where more people can be more aware of FWF verification standards.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	34	44
Monitoring and Remediation	31	32
Complaints Handling	13	13
Training and Capacity Building	9	9
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	101	113

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

89

### PERFORMANCE BENCHMARKING CATEGORY

Leader



## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

15-06-2018

Conducted by:

Sandra Gonza; Mariette van Amstel

Interviews with:

Robert Hertel, Director

Thorsten Keil, CSR and Marketing

Jan Röhler, Sales Manager