



Brand Performance Check

Hempage AG

Publication date: August 2020

This report covers the evaluation period 01-01-2019 to 31-12-2019

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.

Brand Performance Check Overview

Hempage AG

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Adelsdorf , Germany
Member since:	2009-10-01
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	China, Tunisia
Production in other countries:	Hungary
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	100%
Benchmarking score	81
Category	Leader

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

Summary:

HempAge has shown good progress on Fair Wear's performance indicators. With a monitoring percentage of 100% and a benchmark score of 81, the brand retains its 'Leader' status.

HempAge continues its stable, long-term relationship with its main supplier in China, responsible for 67% of the total brand's production volume in 2019. The brand has optimised and consolidated its suppliers base to one supplier only per product group. This consolidation enables the brand to focus on transparency and monitoring for the Code of Labour Practices (CoLP) despite a lack of significant production leverage as a niche brand. As a result, most of the major findings in CAP(s) have been remediated. Also, HempAge has created a consolidated matrix overview in order to track monitoring and implementation progress of the CoLP at its suppliers. Furthermore, the brand has collected the labour minute costing sheets from its suppliers and looked into the living wage benchmarks and factory level wages.

Fair Wear encourages HempAge to connect with other Fair Wear members at shared suppliers and discuss the possibility to jointly work towards higher wage benchmarks for its 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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

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

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

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

1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	3%	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: In 2019, around 3% of HempAge's production volume came from factories where the company buys at least 10% of production capacity. This is a decrease in comparison to the previous financial year and it is related to the specific needs of the raw material and product niche technology. Since the brand has already consolidated its supply chain to one supplier per product group (total 4), there is no space for any further consolidation and therefore no recommendation is given for this indicator.

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.	0%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	4	4	0

Comment: HempAge sourced 0% of its products from production locations where it buys less than 2% of its total production volume. This is a slight improvement in comparison to the previous financial year.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	70%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: In 2019, 70% of its production is sourced from production locations where a business relationship has existed for at least five years. The company focuses on long-term business relationships as part of brand's sourcing strategy.

In 2018, one of the brand's long-term suppliers has stopped production due to bankruptcy and the brand has been forced to look for a new 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: In 2019, HempAge added one new production location in Tunisia to produce jeans. This production is sourced through an intermediary. The brand has received the signed questionnaire from its new production location.

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 an on-boarding factory procedure for new suppliers and conducts due diligence before starting to work with new suppliers. This procedure includes onsite factory visits by the brand's CEO and risk assessments regarding working conditions and quality checks. 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 and the pictures are taken of the productions site. Furthermore, HempAge collects existing 3rd party audit reports from its suppliers to further review the working conditions at the factories. The company works together with the factory management (and other FWF member were applicable) on implementation of the Corrective Action Plan's (CAP). As part of the on-boarding procedure, HempAge is checking the factory management commitment on working on remediation. A decision whether a new factory fits to requirements of the brand are made by CEO with a support of the CSR manager.

For the already existing suppliers, the brand uses existed FWF audit reports and the country studies to assess the country risks. The monitoring of the country risk is through the audit reports, country studies and other parties. HempaAge has one supplier only for each product category. This is based on long-term business partnerships strategy and trust.

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: Although HempAge has only four suppliers, the brand has created a supplier evaluation matrix in 2019. All suppliers are tracked and evaluated in a systematic manner and their progress on CAP(s) is rated by points 1-10 (highest). The brand continues to visit and has more frequent connection with its suppliers. During the visits, factory's compliance with the Code of Labour Practices is reviewed and evaluated. The results are yet to be shared with their suppliers. Throughout the year, HempAge is in continuous contact with its suppliers discussing both production status and the progress on CAP's implementation.

Compliance and transparency are key for a business relationship with suppliers. HempAge works with a high-end, high-skill based production thus the ability to fulfill the quality and social compliance highly influence brand's production decisions.

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: HempAge maintains a forecasting and production planning system that enables good planning at the production level to avoid the effects of peaks in demand. 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.

HempAge keeps successful styles for many years and changes only colours and details for a few items in each collection. Depending on the season, there are between 18 to 25 new styles and 3 to 5 new colours in each collection. The brand provides estimates on fabrics to its supplier as far in advance as possible. Also by giving incentives to its customers to pre-order articles, the brand can give a good estimation of the production quantities to its suppliers in advance.

The brand asks the supplier to set the lead times and will adjust its own operations to this given timelines. The orders are placed according to these deadlines. Furthermore, the brand will always respect and place the minimum quantities required by the supplier.

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: In 2018 (no audit conducted in 2019), excessive overtime issue was found during audit at the brand's main supplier in China. HempAge conducted the root cause analysis and discussed the results together with another FWF member and the factory management. This main supplier is a vertically integrated company producing fabrics and ready-made garments. HempAge was able to record the points where there was an increase in working hours, which lead to further discussions with management on how the overtime could be reduced. As a result, the brand is placing its more flexible NOS (Never Out of Stock) articles in low production periods and adheres to lead times as given by the supplier. In addition, the brand takes into account all national holidays in China (e.g. Chinese New Year).

HempAge has identified periods of excessive overtime and discussed the possibilities on how best to reduce it. The factory hired an external expert to work on the labour minute costing as the production process of hemp's garments differs from the usual textile garment production. This research did not provide any useful insights for reducing the overtime. Since the brand's production leverage at its supplier is not that high, there is a certain limitation to what the brand can do in regards to overtime.

Recommendation: HempAge can share Fair Wear's guidance on excessive overtime with it's supplier and discuss what solutions the factory may further be able to implement.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: HempAge has over 16 years of experience in working with its suppliers in China, nevertheless, the production technology process remains a challenge to optimize. The production process differs from a normal garment process and it is difficult to establish the labour minutes cost per style. The brand's main supplier has hired an expert to assess the labour minute cost per style, but no useful insights were provided yet by this expert. HempAge collected the FWF labour minute costing tool from three of its suppliers, but analyzing this data and linking it to brand's buying prices is the next step to be taken.

Recommendation: Fair Wear recommends HempAge to expand their knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

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

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

Comment: In 2018, the brand has done the root cause analysis and as a result, an external expert was hired by their main supplier to help with the labour minute cost. This has led to some useful insights on wages. In 2019, the brand continued working on living wages by collecting the labour minutes costing tool and analyzing the trend in wage levels since 2016.

Since the brand is paying the prices asked by the supplier and if a lower price is needed, the brand looks into its own cost operations and would adjust the product style to reduce the cost. Because of the specific high-end production, there are no other optional suppliers with this kind of technology. Having a small production leverage gives the brand no space for price negotiations. The brand has insights into the factory wages and pays the sourcing prices requested by the suppliers.

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

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 a member company's score.	Supplier information provided by member company.	N/A	2	0

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

Comment: In 2018 HempAge started to work with a new supplier in China. Based on the commitment of factory management and HempAge, it was determined by both parties to pay higher wages in comparison to other factories. According to the last audit report result, one worker (machine operator) is paid above the Asia Floor Wage (AFW) for the regular working hours. The average monthly wage for the rest of the workers is around 70% of the AFW and well above the Anker wage for almost all workers.

In China, HempAge is sourcing from high-end factories with skilled workers. Therefore, the wages are higher in comparison to the average factory. HempAge has done the wage analysis and looked for the appropriate benchmarks for specific regions. The brand concluded that Anker wage benchmark is relevant as target wage and also largely achieved at both factories.

From a supplier located in Tunisia, the brand collected a product costing sheet, and the target wage is still to be defined. Since other two Fair Wear members are sourcing from this supplier, this could be a joint effort.

Recommendation: In case Fair Wear members are interested to develop a joint approach to improve wages at a shared supplier, Fair Wear can give advice on measures that need to be taken by HempAge to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	81%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	6	6	0

Comment: Both suppliers in China have achieved paying most of their workers the Anker wage benchmark (estimate of ¥3,534.00). This benchmark is well above the Industry average wage. Both suppliers count for 81% of the brand's total production volume.

Recommendation: We encourage HempAge to show that discussions and plans for wage increases have resulted in the payment of a target wage and to continue working with these suppliers to gradually increase wages so that also the lowest paid workers receive the Anker benchmark wage.

Purchasing Practices

Possible Points: 52

Earned Points: 40

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	0%	
% of production volume where Fair Wear audits took place.	97%	
% of production volume where an audit took place.	97%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	3%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	100%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: CSR manager and CEO follow up on problems identified by the 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: Fair Wear audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: Although there was no FWF audit conducted in 2019, the brand continued working on CAPs received in 2018. In general, the brand follows the process, FWF audit reports and Corrective Action Plan (CAP) findings are shared on time with factory management and followed up on skype calls, by e-mails or visits. The audit reports and CAP's were not yet shared with worker representation.

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	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	8	8	-2

Comment: In 2019, HempAge continued working on two CAP(s) of the audits conducted at its suppliers in China in 2018. The brand's staff is following up with both factories on CAP remediation's. Besides on-site visits and meetings, the communication on remediation is by emails and online meetings. Most of the major issues have been closed as per timelines set up together with the factory. HempAge continues to work on its long-term plans to address the overtime issue with management and how to increase wages. HempAge established a workers' representative committee in each factory that they work with in China. All workers' complaints are directly addressed to this committee. HempAge receives the reports from the meetings of the committees from its suppliers.

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.	97%	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 has visited its 3 suppliers in the past three years, which accounts for the 97% of the brand's production volume in 2019.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

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

Comment: China

Approximately 81% of HempAge's production volume in 2018 comes from China. The production volume remains relatively high also due to the country's ability to produce garment containing hemp. The CEO and the purchasing company representative are visiting their suppliers and are aware of the country specific risks. . The company is aware of country-specific risks; only one governmental trade union, difficulties within the freedom of association and collective bargaining. HempAge established a workers' representative committee at both of its suppliers in China. On its own initiative, one of the brand's supplier in China conducted internal training (LEAN production) for its workers.

Tunisia

Almost 16% of the brand's production volume comes from a factory located in Tunisia. This factory is producing jeans (soft wash) for HempAge through an intermediary . The brand has chosen this factory as another two FWF members are already sourcing from this factory. A FWF Basic training has been conducted in 2018. The CEO is aware of the country specific risks and personally visited this factory in 2019 together with two other FWF members.

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 and cooperates with other FWF members who source at the same suppliers in China and in Tunisia. Information on CAP(s) and remediation plans are shared and discussed with other sourcing 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.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
Member undertakes additional activities to monitor suppliers.	No			0	1	0

Comment: HempAge sources only from one long-term supplier located in Hungary. It is a one-man workshop producing socks. This supplier has been visited in 2013 and the next visit is to be scheduled.

Since this supplier has no other employees and the production is fully done by machinery, it is considered a workshop. No sewing production process is involved and the supplier has signed the FWF questionnaire.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	N/A	2	0

Comment: HempAge has no tail-end suppliers.

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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	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	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	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	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 27

Earned Points: 26

3. Complaints Handling

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The CSR manager is responsible for addressing worker complaints as well as any other problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: HempAge aims to visit its production locations once a year and checks on the presence of the Worker Information Sheets. When other staff visits production locations they are asked to take a picture of the Worker Information Sheet as evidence.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	16%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: In 2018, one WEP Basic training was conducted at the supplier in Tunisia. HempAge sourced 16% of its total production volume.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

Complaints Handling

Possible Points: 9

Earned Points: 7

4. Training and Capacity Building

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: In 2019, HempAge participated in the FWF member seminar on Living Wages in Tunisia and China. All information from the seminars passed to the team at the office. This is also easily circulated as the HempAge team is relatively small and the staff meets regularly. The CSR manager holds a presentation about FWF with the values for the customers during the fairs.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	1	2	0

Comment: HempAge sources through an intermediary/agent from one factory in Tunisia. This agent has been informed about FWF's Code of Labour Practices.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: In 2019, no training programmes were conducted and according to the brand such a training is not needed as its main suppliers are already well developed companies.

Recommendation: Fair Wear recommends HempAge to implement training programmes that support factory-level transformation such as improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioral and structural change to improve working conditions. To this end, HempAge can make use of advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

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

Training and Capacity Building

Possible Points: 11

Earned Points: 4

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 having only a few suppliers, thus they are able to monitor and to be well informed about all its production locations. HempAge does not allow subcontracting, and has a policy on this with its suppliers.

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: The social and ecological standards are the brand's biggest priorities. Therefore being informed about working conditions at production sites is important and shared by the CEO, CSR manager or other staff members who visit production location. This is internally shared on a regular basis.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: HempAge communicates about FWF on its website. All their 2019 communication adheres to FWF's communication policy. As a leader, HempAge also communicates FWF membership accordingly following our on-garments labeling policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

Comment: The brand's suppliers are disclosed to the public.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: HempAge submitted and published its annual social report for 2019 on its website.

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The company CEO holds the meetings where the outcomes of the FWF brand performance check are discussed with the entire organisation.

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.	75%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: HempAge has followed on the previous year requirements (1.11 and 1.14) related to living wage indicators. The brand has connected with its suppliers and actively worked on root causes assessment of wages lower than living wage. The Anker wage has been identified as a target wage.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

HempAge would like to recommend (communicated by the CSR manager in a closing meeting) as follows: Another set of Fair Wear performance check for smaller brands depending on the company/brand size. The indicators should be changed accordingly, some of those indicators are 1.1a and 1.2. Also, the current indicators on a living wage are too heavy for small brands and there is not a lot that the brand with small factory leverage can do in increasing the wages. The last discussed points are indicators related to WEP(s), which are also very demanding in financing the training.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	40	52
Monitoring and Remediation	26	27
Complaints Handling	7	9
Training and Capacity Building	4	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	96	118

Benchmarking Score (earned points divided by possible points)

81

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

16-06-2020

Conducted by:

Terezia Haselhoff

Interviews with:

Robert Hertel - CEO

Thorsten Keil - CSR and Marketing Manager

Bernd Hartner - Ecology & In-House Process