Brand Performance Check

Filippa K AB

Publication date: May 2024

This report covers the evaluation period 01-01-2023 to 31-12-2023

About the Brand Performance Check

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

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

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

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

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

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

Scoring overview

Total score: 122
Possible score: 196
Benchmarking Score: 62
Performance Benchmarking Category: Good



Foundational system's criteria	Sourcing strategy	Identifying continuous human rights risks	Responsible purchasing practices	Quality and coherence of prevention and remediation system	Improvement and prevention	Communication, transparency and evaluation
100%	71%	73%	62%	47%	52%	82%

Summary:

Filippa K has shown progress and met most of Fair Wears' performance requirements. With a total benchmarking score of 62, the member is placed in Good category.

This Brand Performance Check assessed Filippa K's efforts to responsibly implement Human Rights Due Diligence (HRDD) in its supply chain for the financial years 2022 and 2023.

Filippa K set up a strong foundation for its HRDD efforts by merging Product and Sustainability into one department, creating different policies such as Human Rights Due Diligence policy, sourcing strategy, gender equality policy and others. Moreover, the brand started working with integrated sustainability, where five groups of employees from different departments regularly discuss the brand priority areas from different angles.

Filippa K's sourcing strategy shows the brand's commitment to long-term relationships and includes supplier consolidation, an ambitious living wage project, and active cooperation with other customers. The sourcing strategy outlines a roadmap supported by Key Performance Indicators and detailed responsibilities, which are outlined in the staff's job role descriptions.

Filippa K conducted risk scoping on all risk levels in line with the OECD requirements. Based on the analysed risks, Filippa K adjusted its sourcing decisions by limiting the number of design collaborations and aiming not to expand its supplier base further in China and Türkiye. The brand actively shares the country's specific risks and the supplier's risk assessment and evaluation with its suppliers. The brand has created action plans to follow up on identified risks.

Filippa K included a gender lens in its human rights risk identification and started to collect gender-disaggregated data. Besides that, the brand started discussions with some of its suppliers about FoA and the importance of social dialogue, including worker representatives in CAP follow-up and meetings when visiting suppliers.

Filippa K's contracts with its suppliers are in the form of a production agreement stipulating different terms and Fair Wear's Code of Labour Practices. However, the contract does not support the implementation of human rights due diligence and does not yet mention the shared responsibilities of CoLP implementation.

Filippa K improved its practices to ensure they align with the OECD guidelines on HRDD and seems well-placed to strengthen its practices further in the coming year.
Fair Wear encourages Filippa K to start its living wage project.

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

Performance Category Overview

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

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

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

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

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

Company Profile Filippa K AB

Member company information

Member since: 1 Jan 2008
Product types: Garments, clothing, fashion apparel, Bags, Accessories and Footwear
Percentage of turnover of external brands resold 0%
FLA Member No
Member of other MSI's/Organisations GOTS, RDS (responsible down standard), RWS (responsible wool standard), All other Textile Exchange standards; RMS, RAS, GRS, RCS & OCS.
Other Initiatives All other Textile Exchange standards; RMS, RAS, GRS, RCS & OCS.
Number of complaints received last financial year 5

Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes
Work Plan and projected production location data have been submitted for the current financial year? Yes
Membership fee has been paid? Yes

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

Production Country	Number of production locations	Percentage of production volume
Portugal	23	49.61%
China	5	15.52%
Romania	4	13.11%
Türkiye	4	11.23%
Italy	7	4.41%
Viet Nam	2	2.42%
Lithuania	13	1.99%
Bulgaria	2	1.49%
India	1	0.27%

Layer 1 Foundational system's criteria

Possible Points: 8
Earned Points: 8

1.1 Member company has a publicly shared Human Rights Due Diligence policy that has been adopted by top management.: Yes

Comment: Filippa K has a Human Rights Due Diligence policy, but some elements, such as Fair Wear's eight Code of Labour Practices, active cooperation with other brands, an inclusive approach to organising social dialogue and a gender lens throughout the due diligence process, need improvement. Filippa K has yet to publish its Human Rights Due Diligence policy.

Requirement: Filippa K needs to improve its Human Rights Due Diligence policy, to ensure better alignment with the OECD guidelines. The member needs to publish its Human Rights Due Diligence Policy.

1.2 All member company staff are made aware of Fair Wear's membership requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: Yes

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

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

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

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

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

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

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

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

Possible Points: 90
Earned Points: 62

Indicators on Sourcing strategy

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

Comment: Filippa K has a sourcing strategy addressing influencing labour conditions. The member has 61 active suppliers. 43% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 17% of the production volume comes from suppliers, where Filippa K buys less than 2% of its total FOB. In the past two years, Filippa K developed a strategy to consolidate its supplier base and to limit its tail-end suppliers and integrated Key Performance Indicators (KPIs) to measure the progress. Filippa K's sourcing strategy explicitly focuses on increasing influence through consolidation and active cooperation with other clients.

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

Comment: Filippa K has a sourcing strategy that focuses on maintaining long-term relationships. 68% of the member's total FOB volume comes from suppliers with whom Filippa K has a business relationship for at least five years. Filippa K's sourcing strategy includes a KPI to increase long-lasting supplier partnerships. The member has not committed to long-term contracts in a range of 3 to 5 years yet.

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

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

Comment: Filippa K conducts risk scoping and includes risk factors for sector, business, sourcing, country, and product levels. The country risk scoping is based on Fair Wear country studies, sources from NGOs, CSR risk filters, and information from factory assessments and visits and includes the severity and likelihood. In its risk scoping, the member has assessed the impact and prevalence of the risks correctly. The risk scoping includes a gender lens, and input from workers, suppliers, and stakeholders is taken into account.

For its main production country, Portugal, Filippa K identified risks such as corruption, the use of migrant workers, and low wages. According to the brand's assessment, the major risks in China are low wages, excessive overtime, lack of social insurance, forced labour and restricted freedom of association. For Türkiye, the brand assessed migrant workers and lack of freedom of association and the right of collective bargaining as main risks. In Vietnam, the main issues are excessive overtime, low wages and gender-based discrimination. For its sourcing country, Romania, the brand assessed that corruption and low wages are a risk. Filippa K rates all its sourcing countries as high-risk countries except Lithuania and Portugal. Still, for these two countries, the brand sees a need to follow up on identified risks and to include this in its action plan.

In 2021, Filippa K conducted risk scoping of forced labour in its supply chain. Two yarn factories in China were identified as at high risk of forced labour, and the brand exited these suppliers. CSR staff continuously conduct risk scoping by informing themselves of public reports on this violation. The brand uses cotton from India and Türkiye. In 2023, the brand started planning its participation in a three-year research project about forced labour in its supply chain. The project has not started yet.

Filippa K's business model risk assessment includes its cooperation with its partners for design collaborations. As this business model has been identified as a risk, the brand limited its design collaborations to a maximum of one collection per year, focused on Swedish brands with the same mission and vision regarding sustainability and human rights due diligence. It requires its partners to sign a questionnaire about the production locations and hand in factory assessment reports. Furthermore, the production locations must be approved by Filippa K.

Filippa K adjusted its sourcing strategy based on the risk scoping, such as reducing the number of production locations in Türkiye and China or not starting to source in the Ukraine.

To date, Filippa Ks sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively.

Recommendation: Fair Wear strongly recommends Filippa K to privilege countries where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

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

Comment: It is the standard process for Filippa K to inform new suppliers about its HRDD policy and Fair Wear membership by sending information, including Fair Wear's Code of Labour questionnaire, the Worker Information Sheet, and the transparency pledge. Next, the CSR team organise a digital meeting with the potential new supplier to explain Fair Wear and its requirements. A follow-up meeting focuses on the country-specific risks and the risk assessment of the particular factory. This process has been followed for all suppliers added in 2022 and 2023.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.	Intermediate	Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders.	Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers.	4	6	0

Comment: Filippa K collects human rights information of potential new suppliers by collecting Fair Wear's questionnaire, Filippa K's supplier agreement, including code of conduct and social policies, possible existing factory assessment reports and Corrective Action Plans (CAPs) and factory visits. Additionally, Filippa K developed a detailed onboarding HRDD questionnaire to learn more about the supplier's policies, wage calculations, grievance mechanisms, Freedom of Association (FoA) and social dialogue. If the collection of human rights information identifies high risks, the production and sustainability department is mandated to stop the onboarding process. In case the new suppliers are subcontractors, the intermediary or the main factories must inform them about Filippa K's core values and sustainability goals. Filippa K followed this process for the suppliers added in 2022 and 2023.

The member brand has started to collect human rights information for suppliers of its partners in design collaborations. Due to the brand's risk assessment, the request for detailed information has been intensified since the end of 2023. See also indicator 2.3.

Filippa K does not collect information from workers or stakeholders to inform the sourcing decision. The brand's sourcing strategy does not mention a preference for suppliers where workers are free to form or join a trade union and/or bargain collectively.

Recommendation: Fair Wear encourages the member to collect worker and stakeholder input before placing the first order. Fair Wear strongly recommends Filippa K to privilege suppliers where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the grievance mechanism, and social dialogue mechanisms within the first year of starting business.	Basic	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	2	6	0

Comment: In 2022 and 2023, Filippa K has added 24 new suppliers. Filippa K shared information about Fair Wear's CoLP and the grievance mechanism within the first year of business. The Worker Information Sheet has been posted.

For one Romanian supplier, onboarded in 2022 and exited in 2023, the brand could not show a signed CoLP questionnaire and posted Worker Information Sheet. The documents were sent by the former CSR manager and received back; however, they were not properly filed on the brand's file server. The CSR team is still trying to follow up on this issue; however, the supplier has not yet been very responsive due to the termination of the cooperation.

Filippa K has not yet organised onboarding sessions for its new suppliers to raise awareness about the Fair Wear CoLP, the grievance mechanism, or the importance of social dialogue.

Recommendation: Filippa K is recommended to organise onboarding sessions specifically focusing on the CoLP and the grievance mechanism within the first year of doing business.

Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously assess human rights risks in its production locations.	Intermediate	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	4	6	0

Comment: Filippa K systematically assesses human rights risks in its supply chain and has assessed the risks for each production location based on Fair Wear's country studies, the brand's country risk scoping, research, factory assessment reports and factory visits. The risk scoping includes the severity and likelihood. However, not all suppliers in Italy, Lithuania, and Portugal have had recent factory assessments. Therefore, the brand used its country risk assessment as a base for its supplier risk assessment and rated all risks as high risk until up-to-date documents prove different.

Monitoring tools include factory assessments, training reports, factory visits, meetings with worker representatives, digital meetings with suppliers and questionnaires. For suppliers in China, Türkiye and Romania, the brand aims to conduct Fair Wear factory assessments every three years. For other sourcing countries, the brand collects external factory assessment reports and crosschecks the audit findings of Fair Wear country study and other sources.

Based on the supplier risk assessment, the brand identified the need to collect more detailed information about the working conditions in the factories for those suppliers where up-to-date assessments are not available. Furthermore, the brand plans to visit its suppliers more often, specifically in China and Türkiye, underlined by a KPI.

Recommendation: Fair Wear strongly recommends Filippa K to include all suppliers in its monitoring to ensure that the risk assessment is not based on country risks but on the situation in the respective factory.
Fair Wear recommends that Filippa K not depend on full assessments alone and expands its tools to assess risks.

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

Comment: Filippa K has mapped the risks to FoA in all its sourcing countries and can explain the main risks per country. The brand identified FoA in Türkiye, China and Vietnam as high risk, and as a result, it will not expand its supplier base in these countries. However, this has not yet been added to the brand's HRDD policy and sourcing strategy. Filippa K identified that FoA and collective bargaining in China, Türkiye, and Vietnam is restricted or impossible. The restrictions on workers' ability to form unions or engage in collective bargaining can limit their ability to advocate for fair wages and improved working conditions.

Filippa K uses this information to understand the risks at its suppliers and inform itself how to engage with its suppliers on this topic. All new suppliers received an onboarding questionnaire to learn about the supplier's policies regarding FoA, suppliers' cooperation with trade unions, procedures regarding the election of worker representatives and how they are involved in improving the working conditions. Besides this, Filippa K started discussions with some of its suppliers about FoA and the importance of social dialogue, including worker representatives in CAP follow-up and meetings when visiting suppliers. Minutes of meetings between worker representatives and factory management have been requested and evaluated. Based on this information, factory assessments and complaints, the brand evaluated that suppliers often have policies and documentation in place. Still, implementation is lacking, social dialogue is not functional, or workers are unaware or not interested. Filippa K has started to map which suppliers have a Trade Union, worker representatives and Collective Bargaining Agreements (CBAs) in place. The evaluation will form the baseline for further actions and KPIs to support the implementation of FoA at its suppliers.

Filippa K does not conduct a supplier-level monitoring of the risk of violations to FoA for all its suppliers and has not yet included the risks to women workers in its assessment.

Recommendation: Filippa K should include risks specific to women workers in its risk assessment regarding FoA at its suppliers. The member is recommended to further assess the status of FoA at the supplier level, understanding the risk at each of its suppliers - for example, through the Supplier Questionnaire (tool 2 in Fair Wear's FoA Guide), modular assessments on Social Dialogue, in-depth discussions with suppliers, or a full or modular assessment.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout its human rights risk identification, to foster a better understanding of gendered implications.	Intermediate	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	4	6	0

Comment: Filippa K has included gender in its human rights risk identification. The member identified risks such as discrimination against pregnant workers (Portugal), gender-based pay gap and low-level position employment of female workers (Italy), gender-based pay gap in Romania, sexual harassment and discrimination, specifically of LGBT people (Vietnam), gender discrimination in Türkiye and India, with a high risk of sexual harassment of women in India. By incorporating a gender lens, the brand better understands and can address the challenges and vulnerabilities faced by different genders in the workforce, to promote more inclusive and equitable labour practices. Therefore, as a first step, Filippa K developed a gender-equality policy applicable to its business and to all suppliers, as it is part of the contract documents. The brand requires its suppliers to ensure gender-balanced workplace committees and legislative compliance, provide childcare facilities, and ensure safety precautions for women workers in case of overtime at night. The policy has been sent to all suppliers, and in the next step, Filippa K plans to assess the conditions related to this policy per supplier.

Filippa K started to map the workforce composition, management composition, and composition of worker representatives for some suppliers and will enhance this for its entire supplier base in the future.

The member has yet to analyse the collected gender-disaggregated data at the factory and country levels.

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

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.10 Member company considers a production location's human rights performance in its purchasing decisions.	Intermediate	Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making.	Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy.	2	4	0

Comment: Suppliers' human rights performance is evaluated systematically every year. The evaluation includes categories such as quality, product development, technical support, sourcing, price level and finance, open costing, capacity and MOQ (minimum order quantities), lead-time, packaging, deliveries, communication and sustainability. For each category, the supplier gets a rate of 1 - 5, and all categories weigh equally. However, the brand realised the need to define more categories related to sustainability and, therefore, improved its supplier evaluation, which will come into force in the next supplier evaluation.

In case a supplier is not performing well, the brand discusses this with the related supplier and an action plan is set up. The supplier will be closely monitored to ensure short-term improvements. If a supplier is unwilling to improve and intensive collaboration and support do not lead to improvements, Filippa K's exit procedure comes into place. The brand does not have a system to reward top-level suppliers with extra orders, as this does not fit its sourcing strategy.

Filippa K shared the outcome of the evaluation and the country and supplier risk assessment with its suppliers. However, it has not yet shared the evaluation with the worker representatives.

The member started collecting information about the human rights performance of the production locations used by its design collaboration partners but did not include this in the supplier evaluation.

Recommendation: Fair Wear recommends Filippa K to share and discuss the outcome of the supplier evaluation with all its suppliers and their worker representatives.
Fair Wear recommends the member to ensure that the evaluation of human rights performance of its suppliers is systematically considered in purchasing decisions.
Filippa K is strongly recommended to evaluate the human rights performance of suppliers used by its partners in design collaborations.

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

Comment: Filippa K uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database. Filippa K has a policy stipulating that subcontracting and using homeworkers is only allowed with prior approval by the member brand. Additionally, the member actively prevents unauthorised subcontracting by annually following up with all suppliers and discussing the brand's policy, visiting factories (during production), knowing the supplier's capacities and closely monitoring the production. Moreover, Filippa K merged design, production planning and CSR into one team, and the CSR staff has a design and production background. Therefore, the production steps are well known, preventing unauthorised subcontracting for unknown production steps. Filippa K addresses subcontracting in its licensing agreements/design collaborations by requiring all information regarding the supplier and third-party manufacturers' names and locations.

Filippa K has mapped 99% of its tier 2 suppliers of main materials.

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

Comment: No factory assessment revealed the use of homeworkers. Filippa K has identified whether homework is prevalent in its sourcing countries. According to the member, there is a very low risk of homeworkers being used by its suppliers because its products either cannot be produced at home or do not require hand labour, such as, for example, embroidery, which is done in-house at the production site. In addition, the brand's policy regarding unauthorised subcontracting and homeworkers must be signed by all suppliers and is annually followed up by the member brand and in regular discussions. Supplier capacities are well-known.

However, for one article, the brand assessed a potential risk for homeworkers and followed up and double-checked with its suppliers to assess if there was a risk of exploitation. The supplier confirmed that the entire production was done in the factory.

Indicators on Responsible purchasing practices

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

Comment: Filippa K has a production agreement that stipulates terms of delivery, payment, liability, force majeur and other terms. The production agreement is accompanied by Filippa K's production guidelines and Code of Conduct, including Fair Wear's eight Code of Labour Practices (CoLP), policies and other appendixes.

According to the standard agreement, payment terms are up to 60 days, based on the invoice date. The invoice cannot be sent more than five days before delivery. This places an unequal burden on the supplier as the supplier has to wait for payment for the entire production process, including shipping time. However, the member brand negotiates the payment terms with each supplier and is flexible. Therefore, most suppliers have payment terms of 30 days, and some suppliers have up to 60 days after shipping. In addition, on request, the brand supports its supplier by prepaying materials. Furthermore, the contract stipulates that in case of delivery delays and liability, Filippa K has the right to charge the supplier a discount without proof of fault taken into account. An unequal burden is placed upon suppliers by holding them financially responsible for defects without proof of fault.

Although the agreement includes the Code of Labour Practices, the contract itself does not support the implementation of human rights due diligence and does not yet mention the shared responsibilities of CoLP implementation.

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

Recommendation: Fair Wear strongly recommends Filippa K to include the shared responsibility of CoLP implementation in its contracts, including fair payment terms.
Fair Wear strongly recommends Filippa K to reduce payment terms to 60 days upon goods being loaded on the vessel and include agreements on the provision of materials in the contract.
Fair Wear strongly recommends that Filippa K remove penalties for late delivery from its contracts or at least ensure there is 'proof of fault by the supplier'.
Filippa K is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

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

Comment: There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices.

The member includes responsible business practices in job role competencies. For instance, the following responsibilities are included in the job description of Team Lead Product Development: ensuring HRDD in all steps of production and onboarding strategy, open costing and price transparency, mitigation of risks by monitoring suppliers, adhering to the exit policy, support responsible purchasing practices, equal partnership with suppliers including a collaborative production. The job description of the Sourcing and Production Director includes responsibilities such as open costing, fair living wages and production planning without excessive overtime.

Sourcing and purchasing staff work with Key Performance Indicators such as consolidation of suppliers and long-lasting relationships, supplier monitoring, and the implementation of living wages.

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

Comment: Filippa K has a strong planning system based on a forecast shared with the suppliers about seven months before production. The forecast is based on data from the previous year. The member compares forecasts with actual orders to identify significant differences, but an accurate forecast is very difficult at these times due to volatile sales markets. Lead times are agreed upon with the suppliers, and the brand involves its suppliers in production planning. Filippa K has insight into production capacity for each style, knowing the costs of CMTP (Cut Make Trim and Packing), but not at the level of standard minutes per part of a style and the total minute capacity of the production location. Filippa K trusts its suppliers to make realistic plans based on regular working hours. The buyers of Filippa K inform each other with the aim of splitting orders evenly across various suppliers. Or, in case a supplier is unable to manage a large quantity, orders will be moved to different suppliers. Filippa K checks the production process on a weekly basis during production and is in daily contact with the suppliers. Late design changes can happen, but only in cooperation with the suppliers. In case a late design leads to a delivery delay, partial shipments are allowed, or delivery dates are adjusted. As suppliers are included in the production planning, an ongoing evaluation takes place, specifically in case of problems. Currently, the brand evaluates Fair Wear's factory assessment reports on its own purchasing practices to see if improvements are needed. Filippa K will use the Purchasing Practices (Self) Assessment (PPA/PPSA) in the future.

Filippa K is flexible with delivery dates to reduce the risk of excessive overtime and uses airfreight at its own expense for urgently needed products. The brand's production planning has incorporated an extra time of 1-2 weeks for delays for suppliers, plus extra delivery time to its vendors. The Sourcing and Production Director is responsible for ensuring order planning without excessive overtime, which is included in the job description.

Recommendation: Fair Wear recommends the member to explore planning production in minutes instead of pieces to assess better its suppliers' production capacity (and wage levels).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations.	Basic	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages - and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts, cost sheets including labour minutes.	2	6	0

Comment: Filippa K's suppliers share an open cost calculation, which sums up the costs for material, accessories, CMPT (cut-made packaging trim) and other costs. The brand has insight into the number of minutes needed for a specific style produced at its main supplier in Portugal (15% FOB). Fillipa K does not yet have insight into the production minutes for the remaining styles produced at other suppliers but has included this as a next step in its living wage strategy. Filippa K does not know the exact minute costs. Complex designs, which require more manufacturing time, influence the price. Filippa K has mapped the legal minimum wage and living wage of its sourcing countries and informs itself about the wage levels at some of its suppliers by using Fair Wear audits or collecting wage records in case of findings. Therefore, Filippa K has not yet had a full overview of the wage levels at all suppliers. On request, Filippa K includes changes in legal minimum wage or inflation in its buying prices.

Recommendation: Filippa K is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown, for example using the Fair Price app.
Filippa K could provide suppliers who do not work with fact-based costing, training on product costing and how to quote prices including (direct and indirect) labour costs. Fair Price product owners are available to conduct such training in all Fair Wear production countries.
Filippa K is recommended to investigate wage levels at all suppliers. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding HRDD and Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.	Intermediate	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	2	4	0

Comment: Filippa K makes use of intermediaries and closely collaborates with six agents. Filippa K has informed its sourcing intermediaries of Fair Wear requirements. The brand has direct contact with some factories and for the other production sites, the agent is responsible for monitoring and CAP follow-up. Due to the close collaboration and discussions with its agents about the importance of Human Rights Due Diligence, the brand sees a need to intensify education to raise awareness and, therefore, has been in contact with Fair Wear and other organisations to arrange training.

The member is yet to require from its intermediaries that they uphold the purchasing practices as mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP)

Recommendation: The member is recommended to check if the intermediary's purchasing practices are fair and if the intermediary has adequate systems to ensure payments are made on time.
Filippa K could require its intermediaries to uphold the purchasing practices mentioned in the CFRPP framework.

Layer 3 Prevention, mitigation and remediation

Possible Points: 84
Earned Points: 42

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

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

Comment: Based on the risk identification described in chapter two, Filippa K has created action plans to follow up on identified risks. The action plan does not yet include prioritisations, timelines or budget. For some suppliers, Filippa K assessed the risks based on country information. Therefore, the action plan does not yet include specific actions to mitigate risks on the supplier level. For the other suppliers, Filippa K includes follow-up actions such as factory assessments, policy checks (gender quality policy), follow-up on Freedom of Association (FoA), training modules, follow-up on grievance mechanism, document verification and implementation of the brand's living wage project. Filippa K's action plan also includes its intermediaries.

Recommendation: Fair Wear recommends Filippa K to ensure more factories have an action plan that matches their risk profile. Fair Wear recommends the member to further improve its action plans.

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

Comment: Filippa K hast partly included a gender lens in its improvement and prevention programmes. The brand created a gender equality policy requiring gender-balanced workplace committees, legislative compliance, childcare facilities, and precautions for female workers in case of overtime. All suppliers have to sign the policy, and the brand is in the process of investigating the implementation of the policy at its suppliers.

In the past year, Filippa K followed up on female workers getting home safely in cases of overtime, discussed the worker representative composition with suppliers in case the composition is male-dominated and checked if any factory assessment reports included findings on discrimination against female workers.

Recommendation: Filippa K is recommended to extend its gender lens to all action plans.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's action plans include steps to encourage freedom of association and effective social dialogue.	Basic	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	2	6	0

Comment: Filippa K included some steps to encourage FoA and effective social dialogue in its action plans. For example, for all (new) suppliers, the brand checks whether suppliers have policies in place which support FoA and collective bargaining. Furthermore, Filippa K regularly discusses the importance of social dialogue, FoA and collective bargaining with its suppliers. From last year on, Filippa K started to include worker representatives in meetings and CAP follow-ups and to evaluate the effectiveness of social dialogue by requesting meeting records. The brand aims to expand this to its entire supplier base.

Recommendation: Fair Wear recommends Filippa K to include steps encouraging FoA and effective SD in all action plans.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports a factory-level grievance mechanism.	Intermediate	Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers.	Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue.	4	6	0

Comment: Suppliers' factory-level grievance mechanisms are assessed at the start of the business relationship, and Filippa K started to monitor its (long-term) partners by checking if any system is in place. The brand requests information about the supplier's procedures regarding worker representatives, the election process and how the workers are involved in improving the work conditions. When visiting the suppliers, the brand checks whether workers are able to file a complaint anonymously and informs itself about filed complaints and the remediation process. Factory assessment reports are carefully evaluated regarding any findings indicating that the factories' grievance mechanism is not functioning. However, the monitoring does not yet include all suppliers and needs to be more systematic.

For two suppliers, Filippa K organised a Workplace Education Programme (WEP) Basic training to raise awareness about the worker's rights and grievance mechanisms.

In the past year, Filippa K started exploring how to support factory-level grievance mechanisms in non-Fair Wear countries and met with "Speak Up", a whistleblowing software company. However, a decision to start cooperation has not yet been made.

Recommendation: Fair Wear recommends Filippa K to support and monitor the internal grievance mechanisms of all suppliers.
Fair Wear recommends Filippa K to implement a systematic monitoring approach.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Intermediate	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	4	6	0

Comment: Filippa K cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. In addition, Filippa K discussed its Living Wage project with another Fair Wear member brand, which will be implemented at a shared supplier. Filippa K met with other Fair Wear member brands for peer-to-peer learning about risk scoping and HRDD-related routines.

Filippa K has not yet cooperated with customers that are not Fair Wear members.

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

Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of verified actions.	58%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	4	6	-2

Comment: During the performance check, the member could demonstrate with a sample that up to two third of the Corrective Action Plan (CAP) issues requiring improvement actions have been followed up. These actions are linked to full assessments conducted in the previous financial year. Examples of improvement actions that were taken include occupational health and safety, internal grievance mechanisms, missing wage components and inconsistent/incomplete wage and hour records. The CAP issues that require improvement actions and are still open are issues that are more complex or structural, and therefore need more time to be remediated.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Intermediate progress	Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe.	Update on prevention programmes.	4	6	-2

Comment: Filippa K has identified some root causes of the CAP issues and discussed these with its suppliers. The member has implemented some preventive steps. Examples of the discussed root causes are lack of awareness of labour rights, lack of responsibility, lack of policies and implementation, and lack of effective production planning. Filippa K implemented preventive steps such as discussing these root causes with its suppliers, ensuring that the ineffective production planning at one supplier improved by increasing the number of production lines to prevent excessive overtime, organised WEP basic training at two suppliers to raise awareness about worker's rights, following up on the implementation of policies at suppliers, improved its own production planning to prevent excessive overtime and created a living wage strategy to tackle the root causes of wages lower than a living wage.

Recommendation: Fair Wear recommends Filippa K to translate its root cause analysis into concrete preventive actions as part of the risk profiles.

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

Comment: Filippa K has no suppliers where action plans are not needed.

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

Comment: In the past two years, four factory assessment reports of a total of six assessments mention excessive overtime. In addition, one factory assessment report of December 2021 is also taken into account, as the follow-up started in 2022. Findings were that the total working hours per week exceeded 60 hours, inconsistent wage and hour records, and workers working seven days a week without a day off. Filippa K analysed the root causes of these findings. According to the member, peak season, poor production planning, and the layout of the production lines at one supplier did not contribute to effective production. Furthermore, a broken hour recording system led to inconsistent hour and wage records at another supplier. The brand analysed its own planning and improved it by sharing its forecast with its suppliers at an earlier stage.

Filippa K followed up on the findings. The production planning and the layout of the production lines were improved by adding new lines to prevent excessive overtime at the Türkish supplier. The hour record system was repaired, and additional staff was hired to reduce overtime for a security person at another Türkish factory. To tackle the findings of inconsistent wage and hour records at its Chinese supplier, Filippa K requested hour records to verify the actual hours worked. The verification was not done yet, as the member brand needs support from Fair Wear.

Filippa K could not yet show that its efforts resulted in reduced excessive overtime, but the brand requested several factory assessments for 2024 to check this.

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

Comment: In the previous year, two out of six factory assessment reports included findings regarding non-payment of legally required wage elements and inconsistent or incomplete records. In addition, one factory assessment report from December 2021 is also taken into account, as the follow-up started in 2022.

One finding of inconsistent or incomplete records was related to the broken time recording system of the brand's Türkish supplier. The system was repaired, and the brand requested the wage records to verify whether wages had been paid correctly. However, these records still needs to be verified. In addition, the brand followed up on the findings of legally required wage elements (statutory leave was not paid as required) at two Türkish suppliers. The suppliers have improved these findings, and the member brand verified proof of evidence. One factory assessment at the brand's Chinese supplier revealed inconsistent or incomplete records. The brand addressed the need for transparency in regular meetings with the factory's management, which was open to improvement. The brand requested proof of evidence, which needs to be verified by local experts. Therefore, Filippa K could not yet show that all due wages were compensated at its Chinese and Türkish suppliers.

Filippa K followed up the requirement given in the past Brand Performance Check by starting a country and supplier risk assessment, incorporating the risks related to non-payment of minimum wages, following up on whether Chinese factories were affected by COVID-19-related lockdowns and requesting proof of evidence in case of legal minimum wage issues.

Additionally, the brand followed up on the rampant inflation in its sourcing country Türkiye. Payments are made in Euro currency, which ensures extra liquidity to the suppliers. Furthermore, the brand increased its prices, followed up with its agents about the legal minimum increase at its suppliers, and checked factory assessments on findings related to non-payment of legal minimum wage. The brand has not yet reached out to worker representatives to check the income situation of workers and whether the legal minimum wage increases sufficiently incorporate rampant inflation.

In 2023, Filippa K had to decrease order quantities and followed up on whether the decrease had a negative impact on the suppliers and the workers, which was not confirmed.

Recommendation: Fair Wear strongly recommends Filippa K to always verify whether legal minimum wage issues have been resolved in case factory management claims so. Filippa K could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check remediation.

Fair Wear encourages Filippa K to strengthen its monitoring efforts on the rampant inflation at its Türkish suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	4	6	0

Comment: Filippa K created an overview of the wage levels (legal minimum wage and living wage) of its sourcing countries. The brand has not yet translated these data to the wage levels of all its suppliers to analyse the gap towards the estimated living wage. The brand knows some root causes for wages lower than living wages but needs to expand this knowledge. However, Filippa K sees a high responsibility to ensure living wages throughout its entire supply chain. For this, the brand set up an ambitious living wage strategy, underlined with Key Performance Indicators. The aim is to pay all tier 1 suppliers living wages by 2030. For 2024, three key suppliers will kick off the project. This will be followed by another three suppliers in 2025 and so on. The suppliers were chosen based on long-term cooperation, shared suppliers with other Fair Wear member brands, supplier evaluation and other indicators. The brand analysed the wage situation of the 2024 suppliers participating in this project. The living wage strategy defines steps such as internal education, implementing the Fair Price tool at the participating suppliers to gain understanding and linking the wage to own prices, followed by agreeing and implementing wage increase at the participating suppliers. Worker representatives will be included throughout the entire project.

Recommendation: Fair Wear recommends Filippa K to collect wage data on supplier level to analyse the wage gap for all suppliers.
In addition, Fair Wear encourages Filippa K to research the root causes of wages lower than living wages at all suppliers to incorporate the outcomes in its living wage strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Basic	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	2	6	0

Comment: Filippa K has an overview of wages paid for some production locations based on Fair Wear factory assessments. The member has discussed wage increases with its factories, which will participate in its living wage strategy. The brand's living wage strategy does not yet include a plan to finance wage increases at its suppliers. The brand is looking into options such as supply chain efficiencies and cost-saving projects, cooperation with other customers, lower margins at the brand level, possibly complemented by lower margins at the factory level, and increased customer prices.
Filippa K has not yet agreed on a specific living wage benchmark with its suppliers.

Recommendation: To support companies in analysing the wage gap, Fair Wear has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.
Fair Wear advises companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases it into their own systems, herewith committing to a long-term process that leads to sustainable implementation of living wages.
In case Fair Wear members are interested in developing a joint approach to improve wages at a shared supplier, Fair Wear can give advice on measures that need to be taken by Filippa K to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

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

Comment: Filippa K does not contribute to higher wages at any of its production locations.

Requirement: Filippa K is expected to begin setting a target wage for its production locations.

Recommendation: We encourage Filippa K to show that discussions and plans for wage increases have resulted in the payment of a target wage.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear's Access to Remedy Policy.	Intermediate	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	2	4	-2

Comment: In 2022, Filippa K received four complaints about a Romanian supplier and two complaints about a Chinese supplier. In 2023, Filippa K received four complaints about a Türkish supplier and one about another Türkish supplier. The complaints were about living wages, reasonable hours of work, employment is freely chosen, safe and healthy working conditions, legally binding employment relationship, and no discrimination. Four of the eleven complaints have been resolved, five have been closed, and two are still under remediation.

The member actively responded to these complaints as per Fair Wear's Complaints Procedure. To solve the issues in the factories, the brand included worker representation in the follow-up. One of the root causes for complaints at its Türkish suppliers is a lack of social dialogue and awareness of workers' rights, and policies are not being implemented. The brand included follow-up actions in its action plan to raise more awareness about workers' rights and social dialogue and to check the implementation of policies. The root causes of the complaints about the Romanian supplier were related to a lack of liquidity, which led to late wage payments. Besides that, the brand actively supported workers complaining about wage issues at a Chinese and a Türkish factory by negotiating with the factory management. As a result, these complaints have been satisfactorily resolved for the workers.

Filippa K has not yet systematically included the outcome of these complaints in preventive actions in its supply chain.

Recommendation: The member is recommended to take steps to prevent similar complaints from occurring at its supplier/ in its supply chain.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training to address the risks identified.	Basic	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	2	6	0

Comment: Filippa K has some CAP findings at three suppliers in China, Romania and Türkiye, where training is a recommended follow-up action. The member has enrolled one Türkish supplier with findings such as no awareness of the Code of Labour Practices, responsibilities and compliance requirements in a Workplace Education Programme (WEP) Basic training. The recommended training at the Romanian and Chinese suppliers has not yet been conducted. Even though it is not part of a CAP, Filippa K has implemented WEP Basic training at another Türkish supplier.

Recommendation: The member is recommended to implement training for all factories where this is part of its action plan.

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

Comment: Filippa K organised two Workplace Education Programme Basic training, where no follow-up is required.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights due diligence system includes a responsible exit strategy.	Intermediate	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	2	4	0

Comment: Filippa K's human rights due diligence system includes a responsible exit strategy. Due to the brand's effort to consolidate its supply chain, it ended its cooperation in 2022 with seven suppliers and in 2023 with eight suppliers. The brand's leverage at these suppliers was between 0,03% and 1,73% (2022) and 0,05% and 15% (2023). The member followed the steps of its responsible exit policy.

Two business relationships ended at the request of the brand's suppliers due to minimum order quantities (MOQs). The supplier, where Filippa K had 15% leverage, was informed several years before the exit process started. Due to the brand's consolidation ambitions and the fact that the products produced at this supplier became less relevant for its customers, the brand encouraged its supplier to search for new customers continuously. Filippa K supported this by providing a recommendation letter for potential new brands. Both parties agreed on a systematic decrease of order quantities until the final exit. The brand followed up on the impact on workers and involved worker representatives in the meetings. So far, no worker has been laid off, but it will be double-checked with the brand once more. All other exited suppliers were informed about the exit on time, and worker representatives were included in the meetings. Furthermore, the brand assessed the impact on workers.

Filippa K did not discuss the responsible exit strategy with all its suppliers.

Recommendation: Filippa K could discuss the responsible exit strategy with its suppliers, for instance as part of its supplier evaluation. Filippa K could include the responsible exit strategy as part of its suppliers' agreement or contract.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Basic	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	2	6	0

Comment: Filippa K has mapped 99% of its tier 2 suppliers of main materials. The brand is certified according to GOTS and all Textile Exchange standards, which includes social sustainability in its certifying process. Although the brand does not yet collect systematically HRDD information on these tier 2 suppliers, it started its monitoring activities by visiting its tier 2 and tier 3 suppliers in Italy and having regular digital meetings with its tier 2 suppliers. Besides that, the brand reduced the number of tier 2 suppliers.

Furthermore, Filippa K started exploring how to support factory-level grievance mechanisms for its tier 2 suppliers and met with "Speak Up", a whistleblowing software company. However, a decision to start cooperation has not been made yet.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 22
Earned Points: 18

Indicators related to communication

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership.	Intermediate	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	2	4	0

Comment: Filippa K communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership by mentioning its Fair Wear membership at suppliers and in audits for certified materials. However, Filippa K does not yet use social media or newsletters to actively spread the Fair Wear message.

Recommendation: Fair Wear recommends Filippa K to actively spread the Fair Wear message by using additional channels such as social media (Instagram, Facebook) or newsletters to customers.

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

Comment: Filippa K does not sell external brands.

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

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

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

Comment: Filippa K published its social report on its website, which includes factory-level data, time-bound prevention, remediation and mitigation actions.
Next to that, the member also publishes its full factory list on its website.

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

Comment: Filippa K has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. The internal evaluation system involves top management. In its evaluation system, the member includes triangulated information from external sources, such as suppliers and workers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	Intermediate	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: The previous performance check included requirements related to the supplier evaluation, indicator 2.10 (former indicator 1.5), follow-up on payment of legal minimum wages, indicator 3.10 (former indicator 1.9) and setting of target wages for production locations, and indicator 3.13 (former indicator 1.14). Additionally, the brand was required to visit all factories at least once every three years. Filippa K followed up on indicators 2.10 and 3.10 and started to systematically visit its suppliers. Filippa K has not yet addressed the indicator 3.13. Together, at least half of the requirements were addressed.

5 Appreciation chapter

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

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Yes

Comments: Together with other members, Filippa K co-signed an opinion piece about the Human Rights Due Diligence Directive, which was published in the magazine "The Parliament".

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

Recommendations to Fair Wear

Filippa K appreciates Fair Wear's member hub, which facilitates and supports the brand's risk scoping, action plan, and CAP follow-up. Fair Wear's member hub simplifies a lot of the admin workload when discussing improvements with suppliers and helps to keep track of status.
Filippa K recommends Fair Wear to include the suppliers in the member hub to create more efficiencies, specifically regarding CAP follow-up.
Fair Wear's Learning Management system is a very helpful and useful tool for onboarding new staff and internal learning.
Filippa K recommends Fair Wear to support brand peer-to-peer learning and brand-brand collaboration.

Brand Performance Check details

Date of Brand Performance Check: **10-04-2024**
Conducted by: **Annet Baldus**
Interviews with: Marie Forssenius - CEO
Anna Berne - Vice President Product & Sustainability
Martina Jall - Sourcing & Production Director
Elin Dahl-Sandren - Responsibility manager
Josephine Norris - Responsibility manager