Brand Performance Check

HAVEP

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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: 156
Possible score: 202
Benchmarking Score: 77
Performance Benchmarking Category: Leader



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%	88%	73%	85%	73%	70%	82%

Summary:

HAVEP has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 77, the member is placed in Leader category. HAVEP is part of the investment group VP Capital, the same as the member brands Van Heurck and Hydrowear. All three member brands cooperate closely together to increase their influence. In 2023, HAVEP could still feel the symptoms of some unrestful years, with several staff changes in top management and financial challenges. However, the member brand could show progress in many fields related to the implementation of human rights due diligence.

HAVEP has a sourcing strategy addressing influencing labour conditions. The sourcing strategy is included in the member brand's Responsible Business Conduct (RBC) policy. HAVEP owns one factory in North Macedonia, which produces 16% of the total FOB. The sourcing strategy focuses on maintaining long-term relationships. The member commits to long-term contracts with all of its suppliers.

HAVEP has a risk analysis in line with the OECD requirements. The risk scoping includes a gender lens for all labour standards and all countries. Input from workers, factories, and stakeholders is included in the risk scoping by contacting local stakeholders in production countries, collecting information from websites of non-governmental organisations (NGOs) and information from factory visits. The member adjusts its sourcing strategy based on the risk scoping, as outcomes of the scoping are included in decision-making processes. In 2023, HAVEP stopped sourcing from Bangladesh, as the production volume was very low, compared to the heightened due diligence requirements. Additionally, HAVEP's sourcing strategy privileges countries where workers can freely form or join a trade union and/or bargain collectively. HAVEP continues focusing on production in Europe and Tunisia. With around 7% FOB, the company sources in India and Türkiye. For the production facilities in North Macedonia and Tunisia, the local team conducts visits on a regular basis. Sometimes, these visits also include worker interviews. Additionally, HAVEP onboarded a local team in India in 2023.

HAVEP started collecting data on gender and Freedom of Association (FoA) at the country level and in some factories. The collected data shows the division per job role, especially for the supervisor role in the factory. HAVEP included some steps related to gender as well as FoA and effective social dialogue in its improvement or prevention actions. Fair Wear recommends extending these actions to all of its suppliers.

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

Performance Category Overview

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

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

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

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

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

Company Profile HAVEP

Member company information

Member since: 1 Jan 2004
Product types: Workwear
Percentage of turnover of external brands resold 0%
Member of other MSI's/Organisations International Accord - Bangladesh
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

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

Production Country	Number of production locations	Percentage of production volume
North Macedonia	4	54.25%
Tunisia	7	39.1%
India	1	5.24%
Türkiye	1	1.42%

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: HAVEP has a solid Responsible Business Conduct Policy (RBC) in place. The RBC policy holistically integrates the due diligence process in business practices and is engrained in the brands' sourcing strategy. The RBC policy is publically available.

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: HAVEP 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: HAVEP 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: 74

Indicators on Sourcing strategy

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

Comment: HAVEP has a sourcing strategy addressing influencing labour conditions. The sourcing strategy is included in the member brand's Responsible Business Conduct (RBC) policy. The member has 13 active suppliers. 87% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 4% of the production volume comes from suppliers where HAVEP buys less than 2% of its total FOB. For 60% of the member brands' production volume, HAVEP has a significant leverage of 85-100% at its suppliers. This is comparable to the previous year. 93% of its production turnover comes from North Macedonia and Tunisia by using cut-make-Trim (CMT) suppliers. HAVEP owns one factory in North Macedonia, which produces 16% of the total FOB. In addition, the member brand also buys ready-made-garment (RMG) articles from one supplier in Türkiye and India.

HAVEP's RBC Policy links to the Common Framework for Responsible Purchasing Practices (CFRPP). The RBC Policy explicitly focuses on increasing influence through active cooperation with other clients. Furthermore, HAVEP is part of the investment group VP Capital, the same as the member brands Van Heurck and Hydrowear. All three member brands cooperate closely together to increase their influence. HAVEP can demonstrate consolidation by having a small supply chain.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Advanced	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.	6	6	0

Comment: HAVEP has a sourcing strategy that focuses on maintaining long-term relationships. 65% of the member's total FOB volume comes from suppliers with whom HAVEP has a business relationship for at least five years. The member commits to long-term contracts with all of its suppliers. These usually range to five years.

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

Comment: HAVEP has a risk analysis in line with the OECD requirements. This was done in cooperation with the other two member brands, Hydrowear and Van Heurck. HAVEP conducts risk scoping and includes all eight labour standards. HAVEP uses Fair Wear country studies and other external sources to identify country risks and the likelihood and severity of the risks and then classifies the risks into a risk level and a risk matrix. HAVEP also started scoping risks on product level, by using the so called True Price Method. The member brand has yet to include business model and sourcing model in its risk scoping. The risk scoping includes a gender lens for all labour standards and all countries. Input from workers, factories, and stakeholders is included in the risk scoping by contacting local stakeholders in production countries, collecting information from websites of non-governmental organisations (NGOs) and information from factory visits.

In its country risk scoping, HAVEP has assessed the impact and prevalence of all risks correctly. For instance, HAVEP identified risks such as FoA and living wages for North Macedonia and Tunisia, and discrimination, child labour, living wages, excessive overtime and gender-based violence in India. In Türkiye, the member brand identifies FoA and gender-based violence and harassment as high risks. In addition, HAVEP identified a risk related to migrant workers.

The member adjusts its sourcing strategy based on the risk scoping, as outcomes of the scoping are included in decision-making processes. In 2023, HAVEP stopped sourcing from Bangladesh, as the production volume was very low, compared to the heightened due diligence requirements. Additionally, HAVEP's sourcing strategy privileges countries where workers can freely form or join a trade union and/or bargain collectively. HAVEP continues focusing on production in Europe and Tunisia. The main production countries are North Macedonia and Tunisia, with a total FOB of 97%. With around 7% FOB, the company sources in India and Türkiye.

Recommendation: Fair Wear recommends HAVEP to include all risk factors in its risk scoping.

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

Comment: It is the standard process for HAVEP to inform new suppliers about Fair Wear membership. HAVEP defined an onboarding process for new suppliers in its sourcing strategy, which is part of the RBC policy. The process applies before placing the first order. First, HAVEP sends out information about Fair Wear membership, as well as the Fair Wear Code of Labour Practices (CoLP) and the Worker Information Sheet (WIS). Additionally, the member brand requests further information from the potential supplier in a questionnaire to collect more detailed data about other audit results or subcontracting partners. HAVEP works with local teams in its main sourcing countries, Tunisia, North Macedonia and onboarded a new team in India. The local teams are strongly connected to HAVEP and fully integrated into the headquarters team. The local team visit potential suppliers as well. The onboarding process has been followed for one supplier in Tunisia. In 2023, HAVEP started producing in a factory in Tunisia, which is owned by another Fair Wear brand and company of VP Capital.

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

Comment: HAVEP collects human rights information of potential new suppliers by collecting Fair Wear's supplier questionnaire, collecting existing audit reports and visiting them before production starts. In addition, HAVEP asks new suppliers to fill in its questionnaire to collect more detailed information about subcontracting partners before finalising the first purchasing order. The onboarding of a new supplier is a joint decision of the product development and quality, supply chain and sustainability departments, together with the local country managers in Tunisia, North Macedonia and India. HAVEP followed this process for its new supplier in Tunisia. As one of VP Capital's companies owns this factory, and being a Fair Wear member brand, HAVEP collects information from workers and stakeholders from a Fair Wear factory assessment, in order to inform the sourcing decision. Moreover, HAVEP's sourcing strategy privileges suppliers where workers are free to form a trade union and/or bargain collectively.

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.	Advanced	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.	6	6	0

Comment: In the previous financial year, HAVEP has added one supplier. HAVEP has shared information about Fair Wear's CoLP and the grievance mechanism within the first year of doing business. The Worker Information Sheet has been/ has not been posted. In cooperation with the other Fair Wear member brand, HAVEP organised onboarding sessions for workers and the management of new suppliers.The onboarding sessions included discussions to raise awareness about social dialogue. Workers discussed how they would like to provide feedback and report grievances to management about workplace issues.

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.	Advanced	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	6	6	0

Comment: HAVEP has a systematic approach to assessing human rights risks in its supply chain and has assessed the risks for each production location. It has identified the right tool and frequency per country. For conducting its risk assessment on supplier level, HAVEP uses mainly Fair Wear factory assessments and Corrective Action Plan (CAP) findings, which include worker and stakeholder input and other third-party audits in its monitoring. Additionally, the risk assessment on the factory level includes information from the member brand's supplier survey and complaints. The member brand has also identified the need for training or regular on-site visits to address specific issues.

For the production facilities in North Macedonia and Tunisia, the local team conducts visits on a regular basis. Sometimes, these visits also include worker interviews. Additionally, HAVEP onboarded a local team in India in 2023. The staff from the purchasing department visit the suppliers on a regular basis and provides feedback through visit checklists. The risk assessment does include an assessment of the likelihood and severity and a risk matrix. The highest risks were identified for suppliers in Türkiye and India about FoA, excessive overtime and living wage.

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: HAVEP has mapped the risks to FoA in all its sourcing countries and can explain the main risks per country, including the risks to women workers. To identify the risks, HAVEP mainly uses Fair Wear country studies and information from the International Trade Union Congress (ITUC) Rights Index. HAVEP identified the following production countries in its supply chain that show the highest risk: India, Türkiye and Tunisia. HAVEP can explain what the main risks of violations to FoA are at all its suppliers, including the risks specific to women workers. HAVEP uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers on this topic. The member brand has a questionnaire for factories in Tunisia and conducted a survey with workers in North Macedonia.

The annual supplier questionnaires include questions on FoA, unionisation, and worker representation. Additionally, the member brand conducts worker interviews. This also includes questions about how often the representatives meet and how often they are elected. The member brand knows that women are often disproportionately represented in unions. In general, the most common issue is that workers are not aware of their representatives.

The member knows which suppliers have trade unions and collective bargaining agreements (CBAs) in place.

Recommendation: The member is recommended to 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. Fair Wear highly recommends deepening its understanding of the effectiveness of worker representatives in each factory.

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.	Basic	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	2	6	0

Comment: HAVEP has included gender in its risk scoping. The member could show it understands gender risks for its sourcing countries and, for instance, identified sexual harassment, gender-based violence, gender equality and discrimination as significant risks prevalent in India and Türkiye. The risk scoping includes a gender lens by analysing the risks of all eight labour standards.

Additionally, HAVEP started collecting gender data for factories in Tunisia, North Macedonia and India. Here, the member brand focused on collecting data on gender division per job role, demographics and whether there is an active anti-harassment committee. HAVEP collected data from assessment findings and annual questionnaire results and included that information in its risk assessment. HAVEP has not specifically looked into how its business practices affect gender at its suppliers.

Recommendation: HAVEP is recommended to collect gender data per factory related to every Code of Labour Practices for all factories.

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

Comment: HAVEP has a strong and systematic evaluation system for assessing suppliers' human rights performance. HAVEP evaluates its suppliers based on a balanced scorecard principle, where factories are assessed on Corporate Social Responsibility (CSR), including wage levels, social dialogue possibilities and CAP findings. Other criteria are quality, product development and supply chain efficiency criteria. In comparison to other criteria, CSR accounts for 50% of the overall rating. The results of the supplier evaluation are discussed with the suppliers for improvement discussions. HAVEP does not share the outcome of the evaluation with its suppliers yet.

The outcome of this evaluation influences purchasing decisions. For instance, suppliers that perform well, are considered as strategic partners. If a supplier scores in a lower category, the CSR staff and purchasing department will be in close contact with the supplier and have many discussions, as well as onsite visits, which will follow.

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.	Intermediate	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.	2	4	0

Comment: HAVEP takes measures to prevent unauthorised subcontracting or unknown locations. HAVEP has written contracts with its suppliers. The contracts include that unauthorised subcontracting is not allowed. HAVEP has local staff in Tunisia, North Macedonia and India, who visit the production locations almost daily. The database does not show any evidence of missing first-tier locations.

In 2022, one Fair Wear audit took place at the factory in Türkiye and identified a list of several subcontracting partners of that factory. In the previous Brand Performance Check, HAVEP could not show a follow-up on this finding, and the score for this indicator was demoted. In 2023, HAVEP identified, that the list of subcontracting partners is not relevant for HAVEP's production. This has not been validated yet.

Recommendation: HAVEP is recommended to use the outcomes of its human rights monitoring to prevent unauthorised subcontracting, especially for its suppliers in Türkiye.

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: HAVEP has identified whether homework is prevalent in its sourcing countries. The member brand does not allow the use of homeworkers. This is mentioned in the brand's RBC policy. HAVEP assessed which products are at risk for using homeworkers. According to the member, there is a very low risk of homeworkers being used by its suppliers because the brand has been checking with the help of the annual questionnaire if homeworkers are used. So far, no supplier reported the use of homeworkers. The member brand has detailed insights into production processes through the local staff in Tunisia, North Macedonia and India. Here, the member can validate the suppliers' statements that no homeworkers are used. For its supplier in Türkiye, HAVEP relies on audit findings.

Indicators on Responsible purchasing practices

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

Comment: HAVEP uses long-term contracts for all of its suppliers. These usually range for five years. The member brand has different contracts for CMT suppliers (Tunisia and North Macedonia) and RMG suppliers (India and Türkiye), especially when it comes to price and payment. In 2023, the contract clauses were updated. Following the recommendation from the previous Brand Performance Check, HAVEP updated the payment terms based on the Common Framework of Responsible Purchasing Practices (CFRPP). The member brand included proof of fault by the supplier in case of penalties for non-compliance with the confirmed delivery date and for liability cases for defective products. These updates support an equal power balance between the brand and the supplier. The payment terms are different for CMT and FOB suppliers. The payment terms are different for CMT and FOB suppliers. CMT suppliers have regular payment terms of two weeks. HAVEP pays all orders of ready-made-garment (RMG) suppliers upon receiving the bill of lading. In case suppliers ask for it, HAVEP prepaid parts of orders to pre-finance the costs for the fabrics. This was verified during the performance check. This was verified during the performance check. These contracts do not yet mention the shared responsibilities of CoLP implementation.

Recommendation: Fair Wear strongly recommends HAVEP to include the shared responsibility of CoLP implementation in its contracts.

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.	Intermediate	Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company.	Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information.	4	6	0

Comment: There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The VP Capital Group works with specific KPIs on a governance level. Nevertheless, the member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with Key Performance Indicators (KPIs), supporting good sourcing and pricing strategies.

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

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: HAVEP has a strong and long-term production planning in place. The member brand has a production forecast system and knows the production minutes needed per style and the capacity per supplier. For 93% of its total production volume, the brand delivers CMT orders and also supplies the fabric and trimmings to the factories on a weekly basis. The CMT orders are distributed according to the agreed capacity and supplier's experience with each article. HAVEP produces RMG articles in India and Türkiye. Most of the products are never-out-of-stock articles (NOS). Therefore, HAVEP does not have seasonal production. Because of this, it is also possible for HAVEP to build up a stock of more than four to five months in order to be able to respond to short-term demand.

There is a fixed lead time for each supplier, normally between eight to ten weeks for orders from North Macedonia and Tunisia and around 25 weeks for orders from India. These lead times already include some marge in case of late deliveries. Besides a full annual plan, the planning system provides monthly detailed production updates to the suppliers. Suppliers can make adjustments and send feedback based on real capacity availability. In case an issue is found, the system can replan immediately. In weekly meetings, the supply chain manager, planning department, sustainability and country managers discuss the order situation; the supplier's feedback is included in these discussions. In case of overbooking or high capacity, HAVEP has the possibility to switch production to its own factory in North Macedonia.

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

Comment: HAVEP knows the production minutes per style to determine prices. The indicators for setting prices include production minutes, factory efficiency and labour costs. The labour costs are integrated into the member brands' production planning system; hence all buyers are aware of the labour costs per style. The production costs are agreed upon by signing the contracts. This practice is used for all CMT suppliers (93%). HAVEP has started to use this knowledge to implement the method at its RMG suppliers in India and Türkiye.

HAVEP collects data on the production efficiency of the North Macedonian and Tunisian suppliers, the working minutes per style, overhead costs, wages being paid, legal minimum wages, CBA wages, national average wages, industry wages and living wages according to Fair Wear's wage ladder. The evaluation of these data indicates the link of the buying prices to the wages, and in addition, reveals the wage gap.

The member includes changes in legal minimum wage or inflation in its buying prices. HAVEP verifies if wages are increased and requests samples of wage slips to compare old and new wages after price increases.

Recommendation: Fair Wear encourages HAVEP to provide its RMG supplier in India and Türkiye with 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 countries.

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.	Advanced	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	4	4	0

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

Layer 3 Prevention, mitigation and remediation

Possible Points: 90
Earned Points: 64

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.	Intermediate	Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes.	Overview of supplier base with accompanying risk profile and follow-up programmes.	4	6	0

Comment: HAVEP has prioritised risks and created action plans per supplier, counting for 100% of the total FOB. HAVEP has identified prevention and mitigation measures per country, this influences actions per factory. Currently, the company manages its factory risk prioritisation and general risk identification separately, and has not created an explicit connection between the two. The member brand heavily relies on CAPs. The action plans do not yet include a budget or timeline.

Recommendation: Fair Wear recommends HAVEP to ensure the link between its general risk scoping and the specific factory assessments.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's action plans include a gender lens.	Intermediate	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.	4	6	0

Comment: HAVEP collected data on gender at the country level and started collecting data for two factories in Tunisia. The collected data shows the division per job role, especially for the supervisor role in the factory. The member brand analysed whether there are anti-harassment committees in the factories. This information was fed into the improvement or prevention steps. HAVEP focuses on (potential) harms related to living wages, discrimination and sexual harassment as a high risk to women, especially in Tunisia and India.

In Tunisia, HAVEP, in cooperation with Van Heurck requested external training at one of its factories. The first session, conducted in 2023, involved interviewing workers to identify the risks for this specific factory. The training consists of four sessions for workers and factory management. This program is designed to understand the causes and effects of harassment and develop strategies to prevent it. The training was verified by Fair Wear. Additionally, HAVEP and Hydrowear enrolled the new supplier in India in training, which was conducted by a local organisation. The training focussed on awareness raising and implementing preventive measures of sexual harassment. As an outcome of the programme, an anti-harassment committee was built. The training programme was verified by Fair Wear, too.

Recommendation: HAVEP 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.	Intermediate	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.	4	6	0

Comment: HAVEP included steps to encourage FoA and effective social dialogue in some of its follow-up actions. These steps involve collecting more information regarding FoA in production locations and investigating possibilities to support social dialogue. In 2023, the member brand focused on actions for its new supplier in India. Here, the member brand supported the factory by developing a worker committee. HAVEP and Hydrowear organised a training programme in cooperation with an external organisation. Workers were informed about the election procedure and internal grievance channels. The training programme was verified by Fair Wear.

HAVEP stays informed to check if the elected worker representatives in North Macedonia and Tunisia are involved in meaningful discussions. The local staff in Tunisia and North Macedonia is in constant dialogue with the worker representatives. In Tunisia, the garment workforce's key trade union is the Tunisian General Union of Workers (UGTT). The UGTT represents the interests of garment workers and has played a strong role in the negotiation of working conditions and collective bargaining agreements (CBA) in the garment industry in Tunisia. All suppliers in Tunisia, where HAVEP is producing, follow CBA remuneration.

In 2022, one production location in Tunisia joined the Social Dialogue Pilot Project, organised by Fair Wear. The pilot training was organised for factory management, supervisors and worker representatives and focused on a well-functioning social dialogue in the factory.

HAVEP did not yet include steps to encourage FoA and effective social dialogue in its improvement and prevention programmes for its supplier in Türkiye.

Recommendation: HAVEP is strongly encouraged to ensure worker representatives are involved in the steps that the member takes to promote freedom of association and effective social dialogue.

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: HAVEP actively supports and monitors the effectiveness of internal grievance mechanisms. The member brand collected information on internal grievance mechanisms and their effectiveness from questionnaires, worker surveys and factory assessments. HAVEP's local staff in Tunisia, North Macedonia and India check on a regular basis if the internal grievance mechanism is working and ask if worker representatives are involved in the follow-up of the filed complaints. In some cases, HAVEP's local staff is also involved in solving the complaints. For all suppliers in North Macedonia, HAVEP developed a written grievance procedure that is shared with the factory management and worker representatives. For its Indian supplier, HAVEP and Hydrowear conducted a training programme with a local organisation on worker committees and internal grievance channels.

For its supplier in Türkiye, HAVEP monitors the effectiveness of internal grievance mechanisms via audits and asks follow-up questions in the CAP in case of findings. However, the member has yet to actively support internal grievance mechanisms at these suppliers.

Recommendation: Fair Wear recommends HAVEP to respond when factory-level grievance mechanisms are not functioning. It is recommended to roll out the training programme from India to other factories as well.

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

Comment: HAVEP and two Fair Wear member brands are part of an investment company (VP Capital) and actively cooperate together. HAVEP has not yet cooperated with customers that are not Fair Wear members.

Recommendation: Even though HAVEP 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.	53%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	4	6	-2

Comment: In the past financial year, HAVEP has received three Fair Wear audit reports from Tunisia and India. During the performance check, the member could demonstrate with a sample that more than half of the CAP issues requiring improvement actions have been followed up. Some of the actions are verified, but not yet validated by a third party. These issues include more complex and structural topics such as setting up a worker committee and informing workers about social dialogue and FoA, working towards a living wage and supporting the supplier by implementing an internal grievance mechanism. Improvement actions were also related to health and safety findings.

Recommendation: Fair Wear strongly recommends HAVEP to close all actions within its timeframe.

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: HAVEP has identified some root causes of the CAP issues, especially related to health and safety findings or lack of effective internal grievance mechanisms and discussed these with its suppliers. In 2023, HAVEP mainly focussed on developing preventive steps at one of its suppliers in India, conducting a training programme with a local organisation, as well as hiring a new person for Human Resources, and setting up a Health & Safety committee at the factory in India.

Recommendation: Fair Wear recommends HAVEP 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: HAVEP has no suppliers where improvement or prevention steps are not needed.

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

Comment: In the previous financial year, HAVEP has received three Fair Wear factory assessment reports. One Fair Wear assessment report from its supplier in India mentions excessive overtime. It shows that the working hour record does not reflect the hours actually worked. In 2023, HAVEP onboarded a local team in India. In 2023/2024, HAVEP's buying team, the supplier and HAVEP's local team in India worked on a procedure to improve production planning, focussing on improving the productivity and efficiency in the factory. Additionally, a new person for Human Resources (HR) in the factory was hired to ensure better documentation and transparency in the recording of working hours. HAVEP could not yet validate if the efforts resulted in reduced excessive overtime. This has to be validated in another factory assessment. The same applies to the situation of excessive overtime at the Turkish supplier, which was shown in a Fair Wear factory assessment from 2022. HAVEP has small leverage in that factory and identified that excessive overtime is mostly related to other buyers in the factory. However, the buying team of HAVEP visited the supplier in 2023 to further discuss how overtime hours could be reduced.

Recommendation: Fair recommends HAVEP to verify and validate if excessive overtime could be reduced. Fair Wear also recommends cooperating with other customers at the factory to increase leverage when mitigating excessive overtime.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.	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 financial year, HAVEP received three Fair Wear factory assessment reports. One Fair Wear assessment report from its supplier in India mentions that not all workers are paid the legal minimum wage, especially related to piece rate workers and trainees. Additionally, the Fair Wear factory assessment shows inconsistencies observed in time records. Due to that wages could not be verified. The member brand onboarded this supplier in 2022/2023. Additionally, HAVEP received a complaint from its supplier in India. According to the complainant, contractual workers were hired and did not receive the legal minimum wage payment. HAVEP closely followed up on these findings and analysed the root causes. It identified a lack of knowledge and missing HR responsibilities. A new HR person was hired, and a policy for trainees was implemented. Together with a local organisation and HAVEP's local team onsite, the member brand is working on preventive measures. The findings were not remediated retroactively.

At one of its suppliers in Tunisia, the statutory leaves are not paid to workers as legally required. The member brand could show evidence that these findings have been remediated.

Recommendation: Fair Wear strongly recommends HAVEP to ensure problems of payments below legal minimum wages are not just prevented going forward but also remediated retroactively.

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: HAVEP has detailed knowledge about the labour prices and wage gaps at all of its suppliers. HAVEP has an overview of the wage levels at its suppliers in Tunisia, North Macedonia, India and Türkiye and knows the gap towards different living wage estimates. HAVEP refers to different living wage estimates. It focuses on CBA wages where applicable, national average wages, living wage recommendations from the Fair Wear Living Wage policy. As a target wage, it counts half of Fair Wear's living wage estimate recommendation, or applicable CBA wage, depending on the country and region.

Especially for Tunisia, North Macedonia and Türkiye, HAVEP identified the root causes of wages lower than living wages because of the high inflation, and in North Macedonia because of missing holiday payments. For India, HAVEP identified higher labour minute prices because of small order quantities and higher labour costs. HAVEP is constantly exploring possibilities for ensuring and supporting living wages and has taken several steps, including conversations with its suppliers on implementing living wages, especially in North Macedonia and Tunisia, followed by price increases and Fair Wear recommendations. For its suppliers in India and Türkiye, HAVEP is still in dialogue on how to proceed with wage increases.

Recommendation: Fair Wear encourages HAVEP to discuss with suppliers in Türkiye and India about different strategies to work towards higher wages and develop a systemic and time-bound approach as well.

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

Comment: In North Macedonia, the target wage is set as the number of actual living costs estimated in the country by the Trade Unions (TU), based on two earners per family. The Fair Wear audits at the member brand's own factory confirms the payment of target wages, and some workers are earning even more. Due to increased costs of living because of the inflation, HAVEP also increased its prices. Additionally, HAVEP decided to increase wages with additional holiday payments.

For Tunisia, all HAVEP production locations follow CBA remuneration schedules, which is confirmed in Fair Wear audits. The target wages are agreed upon with the suppliers; however, no agreement is fixed in written form yet.

For its supplier in India, HAVEP worked on fact-based costing in order to raise the wages through the FOB prices, as well as through making production more efficient in order to reduce labour minutes and labour costs. For increasing FOB prices, HAVEP identified a target wage and started calculating new FOB prices already. There is no written agreement on this yet.

As HAVEP's leverage at the Turkish supplier is very low and the inflation in Türkiye is very high, the member brand has not yet focussed on increasing wages in this particular factory.

Recommendation: Fair Wear strongly recommends agreeing on target wages in a written agreement with all suppliers, including the RMG supplier in India and Türkiye. Fair Wear encourages HAVEP to continue its efforts to support the payment of higher wages, especially in Tunisia, by defining the next target wages that go beyond the CBA agreements. This could be realised by a step-by-step implementation plan agreed upon with the trade unions, worker representatives and suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	48%	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.	4	6	0

Comment: Fair Wear audits conducted at the brand's own factory in North Macedonia show that the average wage level in the factory is according to the target wage, which is 10-15% higher than the legal minimum wage. More than 90% of the workers earn more than the industrial average wage. However, the lowest wage level in the factory is lower than the target wage. Five suppliers in Tunisia show wage levels that are according to the CBA wage level (Tunisia). These production locations represent 48% of HAVEP's total production volume.

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: HAVEP received five new complaints in the financial year 2023. Two were from its factory in India about a living wage and legally binding employment relationship. One complaint indicated an unfair dismissal process and sexual harassment at the workplace. Furthermore, the complainant mentioned that there was no internal grievance mechanism or worker committee in place. From the same factory, another complainant mentioned that contractual workers do not receive any kind of contract and are not paid the legal minimum wage. HAVEP onboarded a local team in India in 2023, working closely with the factory on complex and structural issues, implementing policies and better recording systems (see also indicator 3.4). Additionally, a new HR person was hired.

Additionally, HAVEP received one respective complaint from its factory in Türkiye about safe and healthy working conditions and one complaint from a factory in Tunisia about legally binding employment relationships. In Tunisia, a trade union raised a complaint about a factory not following the agreement to grant tenure to a number of workers each year. HAVEP's local team in Tunisia and Fair Wear closely followed up on the complaint to negotiate a new agreement. One complaint from a factory in North Macedonia is about a legally binding employment relationship, a dismissal process.

All complaints are closed or resolved. The member brand did not yet include the outcome of these complaints to decide on further preventive actions in its supply chain.

Recommendation: It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories.

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: In the past year, one suppliers from North Macedonia enrolled in Fair Wear's WEP Basic module. The decision to provide training to its suppliers depends on the improvement and remediation plans based on audit results. The member has not yet enrolled all of its suppliers with findings on 'no awareness about CoLP' or 'communication between workers and factory management should be strengthened'.

Recommendation: HAVEP is recommended to implement training for all factories where this is part of its improvement and/or prevention programme.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Advanced	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	6	6	0

Comment: HAVEP uses training reports as part of its continuous monitoring of production locations. The training results are used as input for its human rights due diligence, reassessing the likelihood of specific potential harms at the factory or country level.

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.	Advanced	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	4	4	0

Comment: HAVEP's human rights risk monitoring includes a responsible exit strategy. When HAVEP decides to exit, they agree with the production location about the exit strategy. In the responsible exit strategy, it is highlighted that HAVEP informs the supplier as soon as the decision has been made, at least one season ahead, to allow the factory management to find new customers and orders to fill their capacities. The responsible exit strategy is part of HAVEP's RBC policy, which was shared with all suppliers.

In the past financial year, the member stopped business with its one supplier in Bangladesh. The member brands' leverage in that factory was 2%. The last order was placed in 2022 already, and the supplier was informed a long time ahead, as HAVEP only placed specific orders for one customer for a certain period.

In 2023, HAVEP started communicating the exit of one of its factories in North Macedonia, which 100% produced for HAVEP. The factory was informed ca. six months beforehand. According to the member brand, a lot of conversations took place in advance. It was not possible to find other customers for this factory. All workers were informed beforehand but on short notice. As the final exit of that factory happened in 2024, this case will be evaluated in the next brand performance check.

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: HAVEP undertakes activities related to human rights that go beyond Fair Wear's scope. HAVEP started implementing the 'True Price' methodology in its supply chain, also for deeper tier suppliers. 'True Price' is a calculation model to identify external costs, like social costs throughout the supply chain to get a better understanding of the impact of its buying and selling prices. As HAVEP just started implementing this calculation method, the outcome is not yet linked to the an extended risk assessment nor included in further preventive actions in the deeper supply chain

Recommendation: Fair Wear encourages members to go beyond Fair Wear policy or scope requirements.

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.	Advanced	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	4	4	0

Comment: HAVEP 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 using social media channels and customer brochures, HAVEP actively spreads the Fair Wear message.

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

Comment: HAVEP 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: HAVEP has submitted its social report, which Fair Wear approved. HAVEP has 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: HAVEP published its supplier list, the Brand Performance Check report and the Social report on its website. This information includes the name and address of the supplier as well as audit results. It does include the time-bound improvement plans it has for each supplier.

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

Comment: HAVEP has a system to track progress and check if implemented measures have effectively prevented and remediated human rights violations. The internal evaluation system involves top management. In its evaluation system, the member brand does not yet include triangulated information from external sources.

Recommendation: The member is advised to include feedback from workers and suppliers in its evaluation system.

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 one requirement of indicator 2.13: HAVEP 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.

In 2023, the contract clauses were updated. Following the recommendation from the previous Brand Performance Check, HAVEP updated the payment terms based on the Common Framework of Responsible Purchasing Practices (CFRPP). It includes proof of fault by the supplier in case of penalties for non-compliance with the confirmed delivery date and for liability cases for defective products. The contracts do not yet mention the shared responsibilities of CoLP implementation. In that case, the requirement was partly 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.: Not applicable

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

Recommendations to Fair Wear

In general, HAVEP mentioned that it needs better guidance on more complex topics like excessive overtime, gender or living wages. The member brand's feedback is that it needs more support from the brand liaison in this regard. HAVEP also wishes more support from Fair Wear in general about implementing HRDD in deeper tiers. Additionally, HAVEP mentions that the information provided by Fair Wear training reports is very informative, offering valuable insights; however, it remains quite general and not specifically tailored to any particular factory. While there is concrete advice regarding training within factories in India, the content doesn't delve deeply into the specific needs of the factory setting.

Related to the new way of working with online CAPs in the Fair Wear data system, the number of actions seems overwhelming for suppliers and is not fully functional yet.

Brand Performance Check details

Date of Brand Performance Check: **10-12-2024**
Conducted by: **Victoria Lauer**
Interviews with: Carl Schulze (CEO)
Ilse Pijnenburg (CSR Manager)
Els de Ridder (CSR Manager)
Amanda van Brakel (Head of Purchasing)
Machiel Keet (Financial department)
Moes Motia (Country Manager Tunisia)
Dragana Jakimovska-Uzunovska (Country manager Macedonia)
Peter Delporte (Operations Manager)
Machiel Keet (CFO)
Peter Delporte & Yatindra (Country manager India)