



BRAND PERFORMANCE CHECK

Acne Studios

PUBLICATION DATE: DECEMBER 2014

this report covers the evaluation period 01-09-2013 to 31-08-2014

ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices.

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

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory 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 factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

BRAND PERFORMANCE CHECK OVERVIEW

Acne Studios

Evaluation Period: 01-09-2013 to 31-08-2014

AFFILIATE INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-08-2008
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, China, Italy, Lithuania, Poland, Portugal, Romania, Turkey
Production in other countries:	Albania, France, South Korea, Morocco, United Kingdom
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	91%
Benchmarking score	77
Category	Leader

Summary:

Acne Studios has implemented most of FWF's management system requirements and goes beyond some. A new sourcing policy has been implemented that includes a more detailed evaluation of suppliers as a crucial basis for sourcing decisions. The company is consolidating its supplier base; limiting itself to a selected number of nominated suppliers in China and Turkey and expanding production in Europe. 38% of the company's most recent fiscal purchasing volume is sourced from factories in countries that are classified as low-risk countries. Together with audits carried out by FWF local teams, the company has been able to bring its monitoring threshold to 91% which meets FWF requirements. Acne Studios has made significant progress in convincing suppliers to be open and transparent, showing the true wage and working hour records during audits. The company actively focused on obtaining better insight and control of subcontractors. Coordinated efforts between different departments support remediation efforts.

Steps can still be taken in the area of organizing trainings for workers and management and to make progress towards payment of a living wage.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

Good: It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—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 affiliates will receive a 'Good' rating.

Needs Improvement: Affiliates 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. Affiliates 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: Affiliates 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. Affiliates may remain in this category for one year maximum, after which termination proceedings will come into force.

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	68%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

Comment: In the past financial year Acne Studios bought 68% of its supplier volume from factories where the company has significant leverage (at least 10% of the factory production capacity). Acne Studios is in process of consolidating its supplier base: production in Europe is expanded and key suppliers in China and Turkey are selected for continuing business relationship.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	52%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
--	-----	--	---	---	---	---

Comment: Despite changes in the supplier base, Acne Studios maintains a business relationship of more than 5 years with half of its suppliers. The company aims to deepen cooperation with the remaining selected suppliers in Turkey and China in addition to expanding production in Europe.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
--	-----	---	---------------------------	---	---	---

Comment: Parallel to product sampling, the supplier is informed about FWF membership and given a questionnaire, the FWF Code of Labour Practices, the Restricted Chemical List and a business contract. The questionnaire needs to be fully completed (including information on subcontractors) before continuing the selection process.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
---	-----	---	---	---	---	---

Comment: Acne Studios has a written policy that describes the process of selecting new suppliers which includes criteria related to working conditions. The CSR manager receives information from colleagues in the sourcing department in case of a potential new supplier. The CSR manager then communicates with the factory and starts collecting information: among others existing audit reports, other clients in the factory and subcontractor information. Either the CSR manager or someone from the production department visits the factory to get a better knowledge of the facilities and the conditions. An FWF audit is scheduled as soon as possible.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
--	--	--	---	---	---	---

Recommendation: FWF continues to encourage Acne to further the develop a grading system/scoring card to evaluate suppliers. In the process of implementing the new sourcing policy, FWF suggests to systematically include social compliance as part of the criteria in the decision making process for either continuing or ending business relationships.

Comment: Acne Studios evaluates suppliers based on audit, complaints and feedback from the production departments. Findings on issues such as transparency or usage of unapproved subcontractors, failure to pay minimum wages and critical health and safety findings are example of issues that the supplier needs to show immediate improvements on. The company strives to have the possibility to decrease the order numbers if a supplier scores low on CSR performance.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
---	--------------------------------------	---	---	---	---	---

Comment: The production lead-times vary between just a few weeks up to half a year and are dependent on internal planning, the capacity of suppliers and fabric lead-times. For the large seasonal orders factories are informed about orders around five months before delivery. Before selling period, Acne Studios discusses orders with all suppliers, both fabric and manufacturing suppliers. Based on their input orders are placed accordingly. The company can trace the product back to order date, which is how they now know where to book early, taking the production of the supplier into account. Given the high diversity in collections, it is important to book capacity in an early stage and Acne Studios knows the exact time needed for fabric, stitching, finishing etc. For the Never Out of Stock items, Acne Studios plans production in low seasons of suppliers as much as possible. Moreover, the company has started to share fabric for many different styles and has made progress into starting the stitching part earlier.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
--	----------------------	--	---	---	---	---

Recommendation: From investigating and discussing working hours and planning with suppliers, Acne Studios has already learned a lot about the root causes of excessive overtime. Next step would be to pilot with a Chinese factory how to facilitate planning based on the capacity of regular working hours. It is advised to research what would be needed and to involve other clients of the factory. If needed, FWF can provide local stakeholder support.

At the supplier in Turkey where excessive overtime was found due to the brand launch, it is advised to monitor closely whether it was indeed occasional or if it is a structural issue.

FWF also suggests to look into options to reduce overtime during salesman samples, despite the low quantities. For instance by putting more workers at the prototype line.

Comment: Acne Studios has had extensive discussions with suppliers in China who plan capacity based on a 60+hour working week. The company inquired what would be needed to reduce the overtime hours and looked in detail at how they can facilitate the factory's planning. In Turkey, Acne Studios researched the cause of overtime that was found during an audit and found out it was due to the launch of the factory's own brand store. Acne Studios learned overtime could particularly take place when producing salesman samples. A few other instruments that can potentially reduce excessive overtime: Acne Studios advises the manufacturing supplier where to place fabric orders. The company can split orders in case of delays. The share of Acne Studio's own stores continues to grow, which means they can better manage delays, have a better idea of order quantities and capacity bookings at an earlier stage.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
--	----------------------	--	--	---	---	---

Recommendation: As an advanced step, increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

Comment: Prices are set on the basis of past experience and sales forecasts. Product developers fix long term prices as much as possible and aim to avoid negotiations per production season. The company can in some cases accept motivated price increase by supplier, for instance when wages go up in China. Staff is aware of minimum wage calculations in the different production countries and has a price breakdown per style for fabric, stitching, finishing, transport and margins etc, but does not know the exact cost of labour per product.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2
1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Recommendation: FWF recommends to focus on the wage levels in Turkey with support of the new wage ladder system.

Comment: As Acne Studios aim to fix long term prices as much as possible and attempts to avoid negotiations per production season, they indicate a long term commitment to the supplier. The company works to understand the costs and price given by supplier, looking at the margins, complexity of the style, quality and quantity. A surcharge is paid for lower quantities and a lower price is not given without changes in the construction of the garment. The CSR manager actively discusses the wage ladder with suppliers as part of the CAP follow up process. At a few audits in China, the mode wages of workers including benefits were close to or above the living wage benchmark of AsiaFloorwage. When wages increased in Portugal by 10%, Acne's CSR manager made an analysis with a comparison of wages in China and sent it to all product developers.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 29

Additional comments on Purchasing Practices:

Acne Studios has started implementing a new sourcing strategy which includes increased production in Europe and decreased production in countries such as Turkey and China. When phasing out, Acne Studios has an exit procedure to prepare the supplier. The company looks at where they can expand at existing suppliers and deepens the relationship with a few selected suppliers outside of Europe.

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	53%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	38%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	91%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Advanced	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	8	8	-2

Recommendation:

Comment: Acne Studios has made significant progress in convincing suppliers to be open and transparent, showing the true wage and working hour records during audits. Coordinated efforts between different departments support remediation efforts; for instance the head of production sat down with factory management and CSR manager to discuss overtime hours specifically. Critical findings after an audit are always discussed in meetings with the supplier. Findings on issues such as transparency or usage of unapproved subcontractors, failure to pay minimum wages and critical health and safety findings are example of issues that the supplier needs to show immediate improvements on. In some cases the suppliers came to Acne Studios and a clear signal was given by the head of production. Moreover, the company has also organised a supplier seminar in China, discussing living wages and the Workplace Education Programme.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	85%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
---	-----	---	---	---	---	---

Comment: Suppliers are regularly visited by staff of the production department, the quality controller and the CSR manager. The CSR manager observes audits regularly.

2.4 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0
--	--	---	--	---	---	---

Comment: Audits from suppliers in Albania are extensively followed up on. A subcontracting factory was auditing by another fashion brand with whom Acne Studios worked on the corrective actions.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	6	6	0

Recommendation: Implementing structural improvements regarding social dialogue, working hours and wages in China and Turkey remain challenging. FWF encourages Acne Studios to further support factories in setting up an action plan to tackle these complex issues. Additional training or assistance from local stakeholders might facilitate this process.

Comment: Acne Studios has assessed risks associated with unknown subcontractors at Italian shoe factories with potential Chinese workers. As a response the company has 1) conducted audits with one of FWF's stakeholders, 2) sent the Chinese version of the Code of Labour Practices 3) initiated a 'mapping process' to identify all production locations and 4) trained the production controller who is in the Italian factories often on FWF requirements.

For reasons of both quality and monitoring challenges, the company moved the production of down jackets from China to Romania.

Furthermore, Acne Studios is deliberately narrowing down the number of factories in order to decrease risks. Audit planning is based on what risks the company foresees.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1
---	--------------------	---	--	---	---	----

Comment: Acne Studios has cooperated with another customer of a Turkish supplier in implementing the corrective action plan and has worked together with another FWF affiliate.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
--	-----	---	---	---	---	---

Comment: In addition to meeting the requirements for monitoring in low risk countries, Acne Studios also conducts audits in Italy and has taken part in training in Portugal.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
--	---------------------------	--	-----------------------------	-----	---	---

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
---	---------------------------	---	---	-----	---	---

MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 29

Additional comments on Monitoring and Remediation:

Acne Studios has organised a training for wash houses in Italy on environmental standards. The company does not use sandblasting as a technique in treating denims.

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	0	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

Comment: Acne Studios' CSR Manager has stored email correspondence and pictures per factory as evidence of posting the Worker Information Sheet. When other employees from the production department are visiting a supplier they are instructed to check if the sheet is posted.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	63%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
--	-----	--	--	---	---	----

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
--	-----	---	---	---	---	----

Comment: Acne Studios has engaged in dialogue with a supplier after a case was reported regarding unfair dismissals and unregistered workers. For several reasons, the company is now phasing out production at this supplier.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	-2
--	--	--	--	-----	---	----

COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 9

4. TRAINING AND CAPACITY BUILDING

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

Comment: New employees at the production department are informed about the membership of FWF during an introduction meeting with the CSR Manager. Staff receive copy of social report. Employees working in Acne Studios stores are informed about FWF membership in the written Retail manual. The result of last Performance Check was added in the CEOs monthly newsletter which was communicated to all employees at Acne Studios.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
--	-----	--	---	---	---	---

Comment: Production staff in Italy was trained and agents and suppliers in Portugal took part in a training organised by FWF.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
--	-----------------------------	---	---	---	---	----

Comment: Agent attended FWF's seminar in Portugal. In some cases agents are present during FWF audits and assist in the monitoring of corrective action plans.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	4%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	1	6	0
---	----	--	--	---	---	---

Recommendation: In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. This programme is offered in the 4 priority countries, Romania, Tunisia and Vietnam. Acne Studios should motivate its main supplier(s) to join WEP trainings.

Comment: Two suppliers in China have participated in FWF's Workplace Education Programme in 2014.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
---	----	--	---	---	---	---

Recommendation: Most suppliers in areas where WEP is not offered are either in low risk countries or produce small percentages for Acne Studios. The company could consider organising trainings in Bulgaria and/or Albania.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

5. INFORMATION MANAGEMENT

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

Comment: Acne Studios actively focused on obtaining better insight and control of subcontractors. If subcontractor part is not filled in in questionnaire, Acne Studios continues dialogue until subcontractor situation is clear. Acne Studios' Quality auditor visited almost all locations, including subcontractors in the low risk countries. Suppliers in other countries are either audited or visited.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
--	-----	--	---	---	---	----

Comment: The Production Director and the product managers responsible for different suppliers are always informed of the results after each FWF audit and are also sometimes included in the email-communication with the supplier on follow up of the findings. Most suppliers visit the head office in Stockholm. During those visits, the outcomes of audit results are normally always discussed together with the CSR Manager, the suppliers and the responsible product manager.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	1	0
--	----	---	---	---	---	---

Recommendation: FWF recommends the affiliate to publish one or more of the following reports on its website: Brand performance check, Audit Reports, suppliers register. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
---	----------------------------------	---	---	---	---	----

TRANSPARENCY

Possible Points: 4

Earned Points: 3

7. EVALUATION

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

Comment: CEO is involved in approving social report. The CSR manager gave a update overview of FWF in the meeting with board members.

7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	50%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	6	8	-4
---	-----	---	--	---	---	----

Comment: Acne Studios has improved its system to check if the Worker Information Sheet is posted and to increase awareness among workers of the Code of Labour Practices. Looking at its own pricing policy in relation to the wages paid at factory level is still ongoing.

EVALUATION

Possible Points: 10

Earned Points: 8

RECOMMENDATIONS TO FWF

Acne Studios would appreciate more support in preparing factories for the WEP trainings. In order to avoid resistance of management during or after the training, expectations need to be managed by FWF member companies and FWF staff. It would also be helpful to have an intermediate evaluation report of the outcomes of the training so far.

The audit capacity in Turkey remains an issue for Acne Studios. During recent audits it was noticed some of the actions by worker interviews and the distribution of Worker Information Cards lead to difficulties with management. This shows again both Acne Studios and FWF play a crucial role in explaining our approach and preparing management when planning an audit or training.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	29	40
Monitoring and Remediation	29	29
Complaints Handling	9	13
Training and Capacity Building	6	15
Information Management	7	7
Transparency	3	4
Evaluation	8	10
Totals:	91	118

BENCHMARKING SCORE (EARNED POINTS ÷ POSSIBLE POINTS)

77

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

10-11-2014

Conducted by:

Annabel Meurs

Interviews with:

Emma Häggström (CSR and Quality Manager)

Saar Debrouwere (Head of Production Department)

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data. Future Brand Performance Checks will include improved usability and transparency for audit data.