



ARMEDANGELS

S O C I A L R E P O R T 2 0 1 5

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ARMEDANGELS

WE LOVE BEAUTIFUL PRODUCTS
WE THINK ORGANIC
AND WE BELIEVE FAIRNESS IS
NEVER OUT OF FASHION

“Wage slavery, chemical madness and cheap mass production.
Fast Fashion is leading the way as one of the
dirtiest industries in the world.

We want to change conventions, revolutionise the textile industry and
show the big players that it can be done better.
We want to become the fairest fashion label in the world.

We love beautiful, organic and fair products.
With a great team it's our mission to combine fair working conditions and
sustainable, high quality materials with beautiful and
contemporary design.

When we founded ARMEDANGELS in 2007 our main goal was
to sell t-shirts and donate money to different charity projects.
Then we realised how the fashion industry is working nowadays and we
decided to make a change. ARMEDANGELS was born.

Today, with a team of 50 and four collections every year
we are one of the leading fair fashion companies in Germany.
We are far from perfect.
But we work hard to do the right thing.
Step by step, every day.”

Martin Höfeler, CEO

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OUR PHILOSOPHY

Our goal is to become the fairest fashion label in the world! But what does that even mean to us? We want to ensure a production of beautiful products that do not exploit man or nature: Starting with choosing the best eco-friendly materials, manufacturing clothes without using harmful substances and making sure that all workers involved work under fair conditions. Fair Fashion instead of Fast Fashion. That is what we live for!

We know that we can reach our goals! Here are our principles that we trust will take us there:

1. We only choose sustainable materials of the highest quality to produce beautiful products that will last for many years.
2. We only work with suppliers, who share the same values. Our suppliers are our partners and that is how we treat them. Trust, respect and understanding are the basis of our relationship.
3. We know our partners. We visit them regularly and support them whenever it is possible. That way we build strong and long-lasting relationships.
4. We trust in external audits to know the status quo of each factory. We support our partners in implementing necessary changes in order to establish fair working conditions and an eco-friendly production.
5. We offer training programmes to our partners. We can't expect them to magically know how to do everything right – therefore we support and coach them.
6. We love to take the next step and implement new projects with our partners to learn more about key issues, like living wages. We will start with this in the near future.

SUMMARY: GOALS & ACHIEVEMENTS IN 2015

Our goals are high – our ambitions too! The last year was a good one for us as we came closer than ever to reaching those goals. We know, we still have a long way to go, but that only motivates us further. We will never lose sight of what is important: Human life and the nature that surrounds us! Never!

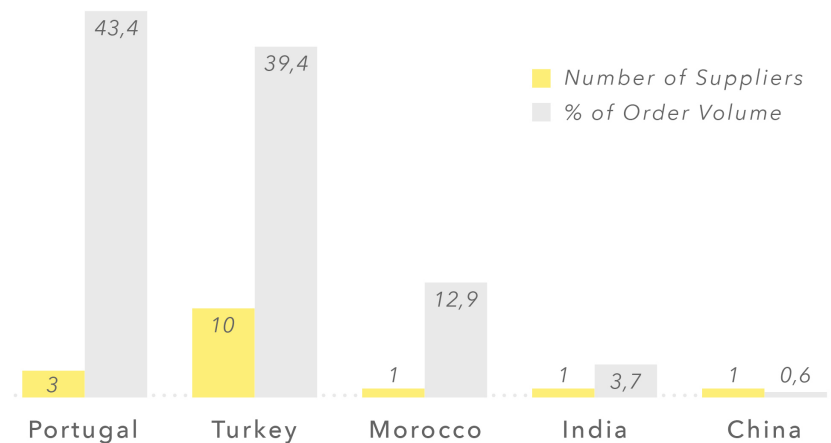
In 2015 we grew tremendously – in terms of manpower, turnover and wholesale partners. With a team of over 50 passionate employees we increased order volumes leading to higher leverage in the factories, hence leading to more influence to facilitate change!

More importantly, we increased our engagement by becoming a proud member of Fair Wear Foundation (FWF) – a multi-stakeholder organisation committed to making changes in the garment industry for workers worldwide. FWF supports us to establish and maintain fair working conditions and holds us accountable.

Since the beginning of ARMEDANGELS, we have been a licensee of Fairtrade offering Fairtrade certified organic cotton products. In 2011, we decided to only work in factories

certified by the Global Organic Textile Standard (GOTS) in order to decrease our impact on people and the planet further. Becoming a member of FWF was now the right step at the right time to strengthen our commitment and to move towards our ambitious goals!

Integrating FWF's principles into our own internal management systems and into our supply chain was a focus in 2015. Even though cultures, languages, traditions and laws vary a lot in our five production countries, our goal remains to make real changes in the lives of all people involved in making our clothes. In 2015, we worked with 16 partners in Portugal, Turkey, Morocco, India and China.



The above chart shows the number of ARMEDANGELS suppliers in 2015 and their respective order volume (in %).

6 out of 13 partners from high-risk countries (China, India, Morocco and Turkey) have done a FWF audit recently (in 2014 or 2015). 12 out of our 16 partners have done a social audit based on other initiatives. Fair Wear Foundation requires that all member companies must meet a monitoring threshold, which is at least 40% for first year member companies like us. Audited factories as well as factories in low-risk countries count towards this monitoring threshold. In 2015, 67% of our order volume was placed in either Portugal or in factories audited by FWF in high-risk countries. The monitoring threshold is not a statement about the quality of our partners as we work with all of them to establish fair working conditions, no matter whether they have been audited or not.

We make it a priority to visit our partners in the production countries regularly. It is essential that we know the production site and the management of our suppliers personally. We have to trust in the management to share our values with us and to work with us on fair working conditions and an eco-friendly production. This can't be done via an agency or only via email. Seeing that Turkey is a focus country not only in 2015, but also even more for 2016, our CEO, Head of Buying and the Sustainability Manager visited all suppliers in their factories to meet with them, to introduce ARMEDANGELS in detail including our philosophy and our commitment to sustainability, to build trust and transparency and to also learn from them.

Our focus is always to make real improvements in our supply chain. This can be achieved through direct communication and visits, through auditing and through trainings. For us it is always a combination of the three. Our Sustainability Manager is responsible for supporting our suppliers and factories on how to implement our guidelines and is in direct contact with the suppliers (via mail, telephone or onsite during visits). Our guidelines are a set of principles that result from our experience, from the work with GOTS, Fairtrade and FWF and always aim at establishing better working conditions and environmentally friendly processes.

We furthermore trust on the training sessions offered by Fair Wear Foundation called 'Workplace Education Programme' (short WEP). WEP trainings focus on workplace awareness and dispute handling and are conducted with workers, supervisors and managers separately. Four of our suppliers in Turkey have already participated in a WEP training and we are planning on extending this number in order to prepare an audit and/or to follow up on one.

Collaboration, not only with all our partners, is important for us. We strive to work with other brands sourcing in the same factories in order to reach our common goals faster. We are happy to see that the work on FWF principles has already been started by other brands in shared factories and we are now getting actively involved in the steps of remediation.

1. SOURCING STRATEGY

It takes a lot of sweat and time to produce clothes and many people are involved in this long process. It is our responsibility to make sure that every single one of them works under fair conditions. No matter if they are a cotton farmer in India, a sewer in Turkey or a designer in Germany. We know we still have a long way to go, therefore we are happy to have organisations like Fairtrade, GOTS and Fair Wear Foundation on board to help us to implement sustainable business practices in all factories.

Fairtrade's main goal is to address the imbalance in the global trade by supporting farmers and workers worldwide. A transparent system that allows the backtracking of cotton to its exact source is key. The Fairtrade standards set the framework for the workers' and farmers' social, ecological, and economic development. The standard dictates the payment of a stable Fairtrade minimum price and an additional premium for community projects as well as prohibits the use of genetically modified seeds. The PR and Social Media Manager and the Sustainability Manager travelled to India in 2015 in order to meet the organic and Fairtrade cotton farmers of our supply chain to talk to them and to learn from them. This was a very valuable experience.

The Global Organic Textile Standard (GOTS) counts as one of the strictest certifications for organically produced natural fibres. It defines requirements that safeguard a sustainable and socially responsible production of textiles – from the cultivation of the raw material to the finished product. All our factories are GOTS certified (with very few exemptions that were not certified yet in 2015, but were still working under the GOTS regulations), regardless of whether the product will later on be labelled as GOTS (as this depends on the material mix).

Fair Wear Foundation is an international multi-stakeholder initiative with the primary goal to improve working conditions in textile factories jointly with their member companies. A strict Code of Labour Practices regulates the prohibition of child labour, the right to collective bargaining, safe and healthy working conditions, living wages and an environmental conscious production just to name a few. Different mechanisms are used to ensure the compliance with the Code of Labour Practices, such as auditing and trainings, as well as a complaint hotline for workers, among others.

Monitoring the implementation of the FWF Code of Labour Practices is a costly and labour-intensive process. Therefore, we prioritise and distinguish between so-called high-risk and low-risk countries, which allows us to focus on where our support is most needed. Low-risk countries are determined by the presence and proper functioning of institutions such as trade unions, work councils, labour legislation and labour inspection. If those institutions are missing or are not working properly the risk of fundamental breaches in labour standards are higher. Our production countries Turkey, Morocco, India and China are, hence, classified as high-risk, Portugal, on the other hand, is classified as low-risk.

1.1. Sourcing strategy & pricing

Taking responsibility for fair working conditions while also protecting our environment is our mission, therefore, we have to start right where it all begins: With our materials. For this reason we set-up an extensive 'ARMEDANGELS Sustainable Material Guideline' summarising materials which are eco-friendly and of the best quality. Our most important materials include the following:

- Natural organic fibres, such as organic cotton, organic linen and organic wool (our organic cotton from India is also Fairtrade certified)
- Cellulose fibres from our Austrian partner Lenzing, such as Tencel® and Modal®
- Recycled synthetic fibres such as recycled Polyester to give plastic bottles a second life

The Guideline is a living document and is revised regularly in order to accommodate new research.

Only using eco-friendly materials is not enough for us. Therefore we continue our commitment to saving the environment by choosing GOTS certified factories to partner with. This way we make sure that high environmental standards are kept within our entire production chain. Basic social standards are also part of the GOTS certification and build the basis for our work on the FWF principles.

Our Quality Manager as well as our Sustainability Manager invest a lot of time and resources to train and support our suppliers. Additionally, we trust in the Workplace Education Programme (WEP) of Fair Wear Foundation for further trainings regarding working conditions. Mutual understanding is key to this work. We don't want our partners to just do as they are told, but for them to really understand the reason behind this work and how it benefits not only the workers, but also the efficiency of the whole factory. Our experience has shown that establishing fair working conditions leads to improved work

flow, productivity and higher quality as sick days, accidents and turnaround of workers are decreased, among others. Factories can hence decrease costs and increase output.

Once this common ground is covered, we can conduct a FWF audit in order to get a better overview of the current situation and to evaluate where improvements need to be made. It is then our role to support the factory in making the necessary improvements and maintaining them in the long run.

We know that our sourcing decisions have a great influence on our partners and on how they are able to realise our high social and ecological demands. Therefore we always aim to build long-lasting business relationships based on trust and mutual respect. We offer our partners a high degree of transparency into our processes and aim for reliable and stable order schedules to build this trust.

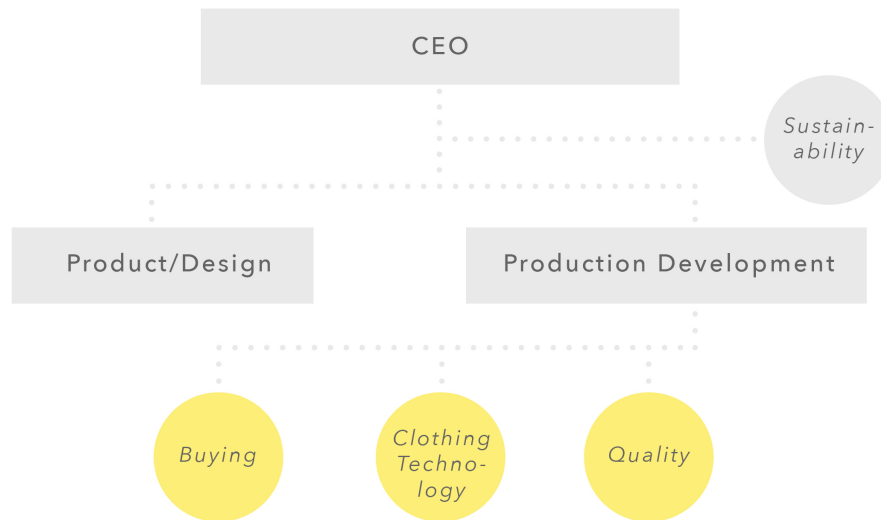
Especially where short-term changes and re-orders are concerned, we know how important it is to act responsibly and forward-looking. Good planning, sufficient time for production and avoiding short-term purchase order changes are essential to guarantee a punctual delivery without time pressure and forcing workers to do overtime. As we realised that we had too many last minute re-orders in 2015, we looked into improving our internal systems. As a result, we are now blocking fabric in bigger volumes in order to disburden the suppliers. Also, we have split our deliveries to ten dates making sure that our suppliers are almost working all year round for us instead of only six months. Time pressure is relieved and production planning is much easier for the suppliers. The feedback from our suppliers to these changes was very positive. We are aiming to support our suppliers further by making sure that our payments are done in time, sometimes even preliminary, and by guaranteeing them to cover costs caused by us.

Our factories work hard to establish fair working conditions, but not all of them have accomplished it yet. However, for us, it is more important that a factory is open to working with us on social and ecological issues and is motivated to make improvements than being perfect already. We want to see continuous improvements in all our factories. This way we will – step-by-step – reach our goals and really make a difference in the life of workers!

We are aiming to reward those suppliers, who deliver good quality with the right price and work closely with us on social and environmental issues by increasing the order volumes, as we are still a fast growing company. However, as our collection is constantly growing and new products are introduced, we do have to source new partners regularly. Our sourcing decision is often limited by the availability of GOTS certified factories that can meet our design and quality expectations. However, now with our strong product groups with higher order volumes, we are able to also approach non-certified factories that share the same values, who are then willing to undergo the certification process for us. Decisions are taken jointly by the Head of Design, the Head of Buying, the Senior Technical Product Developer, the Sustainability Manager as well as the CEO, who come together to discuss new suppliers following our 'New Supplier Policy'.

Our aim is to work with partners, who supply long-lasting products of high quality produced as one with man and nature.

1.2. Organisation of the sourcing department



1.3. Production cycle

ARMEDANGELS has four collections every year: Two main collections (Spring/Summer and Autumn/Winter) and two smaller ones (High Summer and High Winter). Each collection offers products for both men and women.

Our usual production cycle begins with our design and product development phase including the internal design phase as well as the production of the first prototypes. We then ask our suppliers to produce Sales Man Samples for our sales team. During the sales period our sales team presents the new collection at our retailers and takes their orders. Once all orders are placed the production process can begin.

Good internal production planning and a smooth production cycle are essential to support the factories in establishing fair working conditions. Short lead times, seasonal production and late order changes are among the main reasons for extensive overtime, increased short-term seasonal work contracts and negligence of personal safety.

We, therefore, make it a priority to know our partner's capacity in order to plan the order volumes and the production times correctly without putting pressure on the factories. We also changed our internal systems to ten delivery dates so that our factories do not have an unbalanced production workload with peak times and low periods. Seasonal work is a big challenge for factories, as they have to pay for their workers all year round. By splitting the delivery dates, we are now able to utilise the factories nearly throughout the year giving financial security to the factory management and minimising the necessity of overtime.

Our production lead-times vary between 12 to 18 weeks and are dependent on internal planning, the capacity of our suppliers and material lead-times. This is generally sufficient time for factory management to make a robust production planning without having to rely on overtime. However, the supplier is often faced with late material deliveries and

other restrictions reducing the time leftover for the actual production. This is putting pressure on the management and ultimately the workers.

As we want to support our suppliers the best we can, we made an analysis in order to find out why some suppliers had difficulties to deliver on time. Late material deliveries as well as internal delays at ARMEDANGELS were among the most important reasons for this. As we know that some of our sustainable materials have long lead-times or tend to be delayed due to various different reasons, we have now made it a priority to block difficult fabrics before placing the order, so that no delays are caused by late material deliveries. We also changed some of our internal processes in order to respond to queries quicker and hence reduce the delays caused from our side.

1.4. Supplier relations

We keep very close contact with all our suppliers. Whether it is our design department to discuss new innovations, the buying department to talk about capacities and delivery times or the sustainability department to support on social and environmental issues. This direct relationship enables us to really get to know our partners, including their problems and troubles. That way we can support them whenever it is possible for us – this builds trust and respect for one another. Our goal is to establish long-lasting business relationships that benefit both parties.

In 2015 we started new business relationships with three suppliers from Turkey and one supplier in China. All Turkish factories and their supply chain have a valid GOTS certificate, previous audit reports were collected and the Code of Labour Practice was endorsed. At one new Turkish supplier, we were already able to conduct a FWF audit end of last year. The second participated in a WEP training of FWF. As we were not able to continue the business relationship with the third one (see below for further explanation), we did not invest into further developments. The Chinese supplier is shared with another member of FWF and a FWF audit had already taken place. The audit report was shared with us.

Unfortunately, we also had to terminate some business relationships in 2015. Our supplier from Morocco, who was producing a significant amount of basic shirts for us, sadly, went bankrupt. We really tried everything to help him keep up business, but at the end of the day our leverage of only 10% was too little for him to stay solvent. Luckily, we were able to move all items to our factories in Portugal. We also ended our cooperation with the Indian supplier as the quality of the knitted wear was repeatedly not meeting our standards. We tried hard to improve the quality for a long time, tried different styles and visited him in India, however, at the end we had to decide against continuing the relationship with him. Also, the business relationship with our denim supplier that we only started working with in 2015 came to an end, as we were simply too small for a supplier of their size. The cooperation with two further Turkish suppliers was also terminated in 2015 as our trust was breached and we could not see ourselves working responsibly with both suppliers any longer. In our business we have to trust in our partners and the management to share our values with us. If we are being lied to, tricked or betrayed and agreements are not being kept then it is our responsibility to end the relationship. We can only reach our goals, if we have committed partners on board with us.

1.5. Integration of monitoring activities & sourcing decisions

All our suppliers are evaluated by an internal team (consisting of buying, quality, technicians, design and sustainability) every 6 months. This evaluation takes into account the price-performance ratio, compliance with delivery dates, quality, status quo of social and ecological standards, the social and ecological development of a supplier, the degree of innovation as well as their cooperation. As we are constantly growing, we are aiming to reward suppliers with a good performance with bigger order volumes.

2. COHERENT SYSTEM FOR MONITORING & REMEDIATION

Knowledge is power. Hence, knowing our supply chain is the basis for our work. We therefore ask all our partners to fill out an extensive Supplier Questionnaire, which also includes information on all subcontractors used.

Subcontracting is often perceived as a bad thing. We don't like this generalisation! The risk of breaches in labour standards often increases the further down one looks into a supply chain – that is, without a doubt, true. However, we know that not all of our suppliers have the possibility to do all steps of production in-house. They, therefore, have to rely on outside factories to support them. For us, subcontracting does not only include sewing, but also printing, embroidery, washing and dyeing of garment. Every process, where a supplier is contracting another factory to do a specific step of the production counts as subcontracting for us.

All factories in our supply chain, whether they are our direct business partner or their subcontractor, are treated equally, receive the same support from our side and have the same responsibilities. When visiting the suppliers, we are trying to also visit the subcontractors as much as possible. With very few exemptions, all suppliers and all of their subcontractors are also GOTS certified.

By mapping our supply chain, we can guide suppliers towards skilled subcontractors and establish networks. More than one supplier is then using one subcontractor. Hence, good subcontractors are rewarded with higher order volumes, while we decrease the amount of subcontractors used overall and hence decrease the risk of breaches in labour standards in our supply chain. It is a matter of choosing the right partner, knowing all steps of production and working together on implementing real improvements for workers that make the difference.

All factories are informed of our membership with Fair Wear Foundation right at the beginning of the work relationship. Communication and endorsement of the Code of Labour Practice, putting up the Code in form of the Worker Information Sheet and filling out our extensive Supplier Questionnaire is part of this. An internal ARMEDANGELS employee further visits the factory; this may be the Sustainability Manager, the Quality Manager or someone from Production or Buying side.

During internal audits done by our Sustainability Manager and external audits done by a third party an Audit Report as well as a so-called Corrective Action Plan (short CAP) is written up, which summarises the main findings, assigns responsibilities and sets a

timeline for remediation. Auditor and factory management jointly agree on the CAP. It is then the responsibility of our Sustainability Manager to do the follow-up: First via email and telephone followed by a personal visit at the supplier. It is our belief that we must support the suppliers in order for them to be able to successfully implement the findings. Working with other clients of the supplier to achieve this goal has proven a very effective way.

During the financial year 2015, we placed orders with 16 suppliers in 5 countries. Around 57% of our order volume was placed in high-risk countries (China, India, Morocco and Turkey). 43% was placed in the low-risk country Portugal.

Below is a description of our efforts in our active producing countries. As we have ended the business relationship with our partners in Morocco and India, we do not further elaborate on them.

2.1. Suppliers & their subcontractors in Portugal

Total # of Suppliers	Total # of Subcontractors	# of Factories with Social Audits		Visited by ARMEDANGELS Team	
		FWF	Others	Suppliers	Subcontractors
3	10	0	7	3	7

The story of ARMEDANGELS begins 2007 in Portugal with the production of the first 1000 T-Shirts with 10 prints. Even though our production has grown to over 400.000 pieces in Portugal in 2015, we are still working with this very first partner. As the collection increased, more suppliers needed to be found. In 2015 we worked with a total of 3 suppliers in Portugal. Since subcontracting is very common in Portugal, we have made it a priority to map all factories and to also include subcontractors in our regular visits.

As Portugal is a low-risk country our main monitoring activity is to inform all suppliers about our membership with Fair Wear Foundation and about the eight labour standards. Just like in every other country, all our suppliers need to fill out our extensive Supplier Questionnaire, they have to endorse the Code of Labour Practice and are asked to hang up the Worker Information Sheet showing the eight labour standards in all production sites.

We work in a direct business model with all our suppliers in Portugal and are visiting the factories regularly. We are envisaging to enrol all three suppliers in a training by Fair Wear Foundation as soon as one will be offered again. In the meantime, our Sustainability Manager will make an effort to train the suppliers further on our social and ecological standards.

2.2. Suppliers & their subcontractors in Turkey

Total # of Suppliers	Total # of Subcontractors	# of Factories with Social Audits		Visited by ARMEDANGELS Team	
		FWF	Others	Suppliers	Subcontractors
10	10	5	7	10	5

In 2015 we produced shirts, blouses, knitted outerwear, dresses and skirts as well as denims at ten suppliers from Istanbul and Izmir accounting for 39,4% of our total order volume. The ARMEDANGELS team visited all suppliers as well as many of their subcontractors at least once in the reviewed year. We started to work with our first partner in Turkey in 2011 and they are still our biggest supplier there. Since we started a business relationship with three new suppliers in 2015 our average working relationship in total only adds up to 2,4 years. The sizes of the suppliers vary between 25 employees to 250 employees.

Five of our Turkish suppliers have recently (2014 and 2015) conducted a Fair Wear Foundation audit. We are now actively involved in remediating the findings and have therefore agreed on a timeline and responsibilities with each supplier and are following-up on the implementation closely. We are therefore in direct contact with all suppliers and receive support from our Turkish agency for some of the factories.

Seven Turkish suppliers have conducted social audits by other organisations. All suppliers have shared the respective audit reports with us and we also take this as the basis to work on social issues with them.

As mentioned before, our work on social and ecological standards is not only based on audits, as these are merely snapshots of a factory on a specific day. Trainings are also massively important as we realise that changes can only be expected if all involved parties (workers, line supervisors, management and brand employees) understand our approach. Therefore, four of our ten suppliers in Turkey have already received a WEP training by Fair Wear Foundation in 2014 and 2015. We then encourage management to hand down the information learned to their key subcontractors. We are planning to extend the number of trainings in 2016 as we feel this is an important stepping-stone for our suppliers.

Two out of the ten suppliers do not work with subcontractors. Cutting, sewing, trimming and washing are done directly in the main factories. Most of our suppliers, however, do not have the possibility to do all production steps in-house and rely on partners to support them mainly with printing, embroidery, washing and dyeing (depending on the respective product not all mentioned production steps are necessary). Only two suppliers rely on support regarding sewing. Both sewing subcontractors as well as other subcontractors for washing and embroidery were visited by ARMEDANGELS staff, are GOTS certified and have received an introduction into the requirements of FWF by the Sustainability Manager and by their respective supplier.

In the year under review, we received two complaints at two Turkish suppliers; see below on more information on our complaint management.

2.3. Suppliers & their subcontractors in China

Total # of Suppliers	Total # of Subcontractors	# of Factories with Social Audits		Visited by ARMEDANGELS Team	
		FWF	Others	Suppliers	Subcontractors
1	1	1	2	1	1

Our Chinese supplier is an environmentally conscious factory based in Zhejiang Province close to Shanghai. Since last year the supplier is our specialist for jackets – as this is still one of our smaller product groups, the percentage of order volume was only 0,6% in 2015.

The supplier uses one subcontractor for the washing of garments and both factories have conducted social audits in 2015. Furthermore, a FWF audit was conducted at the main supplier in April 2015 with overall a very positive result. The audit showed that the supplier is already on a good way to comply with all requirements of the Code of Labour Practice. Yet a couple of improvements still had to be done, hence a Corrective Action Plan was written up after the audit. The supplier showed a high motivation to correct all findings in the agreed timeframe and is now well on its way.

Our designer visited both factories in 2015 and used the audit questionnaire for Non-CSR staff in order to give feedback on the social compliance to our Sustainability Manager.

2.4. External production

Until 2015 we sold goods from the brands Kuyichi and Nudie Jeans in our online shop, mainly because at the time we didn't have a full collection ourselves and wanted to offer our customers the full range of sustainable clothing. Both Kuyichi and Nudie Jeans are Fair Wear Foundation members as well and are also committed to a sustainable production. Since we are now offering a full collection ourselves, we no longer offer external brands in our online shop.

3. COMPLAINTS HANDLING

We welcome the FWF complaint system as we see it as a back-up system to all internal grievance mechanisms in the factories. Should the internal systems fail to work, the workers in our supply chain can make use of this external way to file a complaint and we as a brand get an inside view into our supplier that we would otherwise not get. At ARMEDANGELS the Sustainability Manager is responsible for managing complaints by following the 'ARMEDANGELS Policy on Complaints Handling'.

In 2015 we received two complaints from workers in our supply chain. Both factories are situated in Turkey.

Complaint 1: The complainant claimed that she was unfairly dismissed, discriminated against because of being pregnant and the supplier is not following the legal regulations of limitation of working hours for pregnant workers. As the plaintiff had a difficult pregnancy the mediation meeting had to be postponed continuously. At the time of receiving the complaint, ARMEDANGELS had already ended the business relationship for different reasons. Nevertheless, we supported the other member company of FWF sourcing in the same factory in resolving this issue by also pushing the factory to make changes. As we do not have a business relationship with this supplier any longer resolving this issue is now fully in the hands of the other member company.

Complaint 2: The complainant claimed that she was working for the supplier for more than three years without social insurance, earning below minimum wage and not receiving her annual leave days. When she left the company (because of a torn muscle in her arm) she claimed that she didn't receive compensation. Shortly after receiving the complaint, a FWF audit was conducted at the supplier. The ARMEDANGELS team was also present during the audit and the complaint was discussed in detail. We were able to organise a mediation meeting shortly afterwards where complainant, FWF auditor and the factory management sat down together to find a solution. All parties agreed on a compensation payment in order to make up for the missing payments during the complainant's employment. We are now working with the factory on the findings of the audit including that all workers are socially insured, earn at least the minimum wage and have the right to their annual leave. The company is very willing to work with us on the shortcomings and has agreed to an ambitious remediation plan. This is a very good example of why we love what we do. A problem was discovered and it was solved, because everyone came together talked about it and found a solution collectively. A real difference is made in the life of workers – this is why we get up in the morning!

4. TRAINING & CAPACITY BUILDING

4.1. Activities to inform staff members

The whole ARMEDANGELS team was informed about our new membership with Fair Wear Foundation through an email newsletter and a press release. The Sustainability Manager also trained the production team and the sales team in two individual and more detailed training sessions. Further training sessions on more issues of sustainable production is going to follow in 2016.

The Sustainability Manager introduces all new employees into the work of the Sustainability Department shortly after starting their new job. Seeing that ARMEDANGELS has grown a lot in the last years, it is also a focus area for 2016 to do more interactive trainings on sustainability internally.

4.2. Activities to inform agents

We only work with one agency in Turkey, who is also working for other Fair Wear Foundation member companies and who was informed about the processes and practices of FWF from the beginning. Nevertheless, the CEO, the Head of Buying and the Sustainability Manager made a priority to train the agency again during a visit in

Turkey. Information is continuously shared on the topic between the agency and the Sustainability Manager. The agency is also supporting us in the follow-up on Corrective Action Plans.

4.3. Activities to inform manufacturers and workers

All our partners are informed about our new membership with FWF via email, phone calls or personal visits. Before the first order is placed every business partner is instructed to endorse the Fair Wear Foundation Code of Labour Practice, post the Code in the factory (and all subcontractors) in form of the Worker Information Sheets in local language and fill out our Supplier Questionnaire, which includes valuable information about each partner and their subcontractors in the supply chain.

All Turkish suppliers were personally informed and trained by the CEO, the Head of Buying and the Sustainability Manager during a visit in Turkey in November 2015. Our design department, who visit the suppliers regularly, informed our Portuguese suppliers.

We were able to enrol two Turkish suppliers in a Workplace Education Programme (WEP) Training by Fair Wear Foundation. A training that is held in the local language by FWF staff in the factories informing the management, the supervisors and the workers separately about the eight labour standards of FWF, about rules and regulations of the national law and FWF and about grievance mechanisms. The feedback from the trainings was very positive and we feel that this is an important step in order to increase awareness in the factories, which ultimately is the key to making improvements. Therefore WEP trainings will be a focus area also in 2016.

5. INFORMATION MANAGEMENT

As mentioned before at ARMEDANGELS all our suppliers and prospective suppliers have to fill out the Supplier Questionnaire before production starts. The questionnaire includes all necessary information on the supplier and on each subcontractor, such as their names, addresses, contact information and valuable information on social and ecological standards. The information provided by our partners is managed in an accumulated excel sheet. A note whether the Code of Labour Practice has been endorsed and whether the Worker Information Sheet has been hung up is also kept in this document.

When an audit is conducted by Fair Wear Foundation or by the Sustainability Manager, a detailed Corrective Action Plan is set-up. Keeping track of the implementation of all remediation activities is an important part of our work. This way we can monitor how far we have come to reaching our goals of establishing fair working conditions for everyone in our supply chain.

6. TRANSPARENCY & COMMUNICATION

Primarily, we use our website and Facebook in order to inform our customers about our latest news and activities. This includes detailed pages on the membership with Fair

Wear Foundation, on our certificates Fairtrade and GOTS and on our general philosophy. As our webshop was updated in 2015, we have made it a priority to show our customers right on the landing page what we stand for: Fair + organic = ARMEDANGELS. Our aim is to become more transparent to our customers and to give them more insight into our supply chain. Therefore, we have started our 'Made by Humans' campaign, which will be launched in 2016. The campaign focuses on introducing people in our supply chain and showing glimpses of their daily lives. As our responsibility starts right at the beginning of the supply chain, we have started to make the first documentary about our organic and Fairtrade cotton farmers in India. We are planning on conducting more interviews with key people to show further insights into our materials used and on the factories in our supply chain.

7. STAKEHOLDER ENGAGEMENT

Through our engagement with different organisations such as FWF, but also Fairtrade and GOTS, we have the great opportunity to engage with different stakeholders on the important topic of social and ecological standards in the textile chain. Furthermore, we are actively engaged in different working groups on the issue of social standards, where different stakeholders come together to discuss a variety of topics. The discussions and dialogues during the meetings are very valuable for our work and our network has since grown extensively.

The country study on Turkey published by FWF is also an important resource that we make use of, as Turkey is a priority country for our production.

8. CORPORATE SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility activities are manifold and can be followed on our website, on Facebook and Instagram. Next to Fair Wear Foundation, we are following the principles of GOTS and Fairtrade.

Do you want to know more?

Contact Julia, our Sustainability Manager, at Julia.Kirschner@armedangels.de!

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