



## BRAND PERFORMANCE CHECK

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Social Fashion Company GmbH (ARMEDANGELS)

PUBLICATION DATE: MAY 2019

this report covers the evaluation period 01-01-2018 to 31-12-2018

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation 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. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF'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 FWF 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 FWF 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 FWF'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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

Social Fashion Company GmbH (ARMEDANGELS)

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Koln, Germany
Member since:	15-06-2015
Product types:	Fashion, Outdoor
Production in countries where FWF is active:	China, Tunisia, Turkey
Production in other countries:	Lithuania, Portugal
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	100%
Benchmarking score	84
Category	Leader

## Summary:

Social Fashion Company GmbH (ARMEDANGELS) has shown advanced results on performance indicators. In 2018 ARMEDANGELS was able to maintain its monitoring percentage at 100% of its production volume, by using FWF audits for its production locations in Turkey, Tunisia and China and additional monitoring activities in Portugal. This monitoring percentage, combined with a benchmark score of 84, means that FWF has awarded ARMEDANGELS the 'Leader' status.

ARMEDANGELS' frequent visits, its subcontractor policy and stable supplier base, enables the company to successfully monitor their production locations and work on realising improvements with a shared responsibility approach. The company's due diligence and monitoring activities are strongly embedded in the company with the Head of Buying and top-management supporting the implementation of the Code of Labour Practices. ARMEDANGELS continued working on reducing excessive overtime and is recommended to continue investigating root causes and insights, particularly during sampling periods. ARMEDANGELS worked with one of its Turkish suppliers to implement the process of registration and work-permits of undocumented Syrian workers. After a FWF audit concluded nontransparent wage and overtime records, ARMEDANGELS has worked with the supplier to successfully phase out double bookkeeping.

In 2018 ARMEDANGELS implemented an open costing methodology based on FWF's labour minute costing approach. Throughout 2018, the company managed to receive all required cost break down information that has given extensive insights in to the link between labour costs and prices. The company includes open costing on its own operations as part of these discussions. ARMEDANGELS implemented a company wide ambition to pay 20% above minimum wages for all suppliers, which is reflected in the buying prices. FWF encourages ARMEDANGELS to continue working on implementing and verifying the target wage is paid.

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

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

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

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

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	85%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In 2018, 85% of ARMEDANGELS' production volume came from production locations where it buys more than 10% of production capacity. Leverage information is received through direct communication with suppliers as well as the requirement to fill in the supplier information form. In growing and expanding as a company, ARMEDANGELS intends to expand volume/quantities with existing suppliers and to grow together where possible.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	2%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: 2% of ARMEDANGELS' 2018 production volume came from production locations where it buys less than 2% of FOB.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	42%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	2	4	0

**Comment:** After changing their business model from a t-shirt company to an all round fashion brand in 2012, ARMEDANGELS built long term business relationships. As the company continues to grow, on-boarding new suppliers is part of the process. In 2018, 42% of production volume came from production locations where a business relationship has existed for at least five years, compared to 28% in 2017.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

**Comment:** All suppliers are required to sign and return all supplier policies, including the FWF Code of Labour Practices. FWF verified that the questionnaires from production locations where production started in 2018 were on file.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

**Comment:** ARMEDANGEL's sourcing policy includes human rights due diligence as part of the selection process. Before production starts the sourcing manager visits all locations. A pre-assessment is done looking into certification, other (FWF) brands, transparency and completing the FWF Health & Safety checklist. During these visits compliance with social standards is discussed as part of ARMEDANGELS company presentation and vision. When a potential new supplier shows commitment to sustainability, it is introduced to ARMEDANGELS' Corporate Responsibility Manager who will continue the assessment in direct communication with suppliers, based on FWF country studies, the results from the visit and collected external audit reports. Production locations are subject to FWF auditing within the first year after the supplier is selected.

**Recommendation:** FWF recommends to further institutionalize and describe the due diligence process in its sourcing policy; particularly documenting different scenarios for visit outcomes and assessment procedures, based on the country/supplier specific risks. The policy must describe how ARMEDANGELS will mitigate and assess human rights risks and how the outcome of this process influences sourcing decisions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

**Comment:** ARMEDANGELS has a 6 months evaluation cycle to discuss performance of suppliers, both internally with top management as well as with suppliers. The comprehensive system was set up for the Corporate Responsibility Manager, buying manager and quality manager, senior technician, head of design and CEO to evaluate all suppliers on quality, timeliness, environmental and social standards, including outcomes of audit reports, WEP reports and complaint procedures. All these factors have an even weight into the overall evaluation of the suppliers. The system has indicators developed from supplier benchmarks, leading to a supplier rating. This forms the basis for the sourcing manager to decide on further supplier relations. It is not often possible to increase order volumes as a rewarding system, however the company does use it to shift some orders to others or uses it to leverage improvement when suppliers are under-performing. ARMEDANGELS worked on the recommendation from last year's performance check to set up a systematic supplier evaluation. The company experienced it worked well for having a structured discussion with suppliers on several areas. ARMEDANGELS has a responsible exit strategy with a procedural checklist based on FWF's responsible exit policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0



**Comment:** ARMEDANGELS' production planning system has strategies and mechanisms to reduce the risk of excessive overtime on supplier level. The company has an advanced forecasting system where upfront planning and setting delivery deadlines happens in close collaboration with suppliers. In case the supplier indicates the delivery timeframe is not feasible, the buying department goes back to product/sales and re-estimates quantities and places the order earlier in order to give the supplier more time. The product team anticipates the number of styles and products and agrees among the group of suppliers who is able to handle what, both in terms of quantity and timing. This is to spread styles in order to balance the suppliers' capacity. The order placement is based on selling figures that enables the company to accurately forecast, including lead times of fabrics. ARMEDANGELS has an internal deadline for releasing styles; in case that deadline is not met, they do not limit the manufacturing time of the supplier, but extend the delivery timeframe. A detailed production calendar is frequently updated with suppliers. T-shirt orders that are Never Out of Stock items are placed in low season. Quantities are fixed after order placement and big design changes rarely happen. Supplier have shared feedback this facilitates their planning, especially when they get a clear estimation as ahead as possible.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

**Comment:** Delays do not happen often given the weekly alignment of the production calendar. In a few cases the fabric was late; ARMEDANGELS responds by delaying the delivery date. A buffer is included in the final date when it needs to be in store to anticipate for these types of delays.

When during a visit of the Corporate Responsibility Manager to a supplier in Turkey it turned out workers worked full weekends in a peak period, ARMEDANGELS learned the sampling process may have put additional pressure on the factory. This was discussed internally and highlighted as an issue that deserves attention. A FWF audit conducted in China showed low levels of excessive overtime. ARMEDANGELS continued to work on the Corrective Action Plan with this supplier even after ending the business relationship with them.

**Recommendation:** ARMEDANGELS indicated that during the sampling process there might be a risk of putting pressure on the factory's production. FWF recommends to initiate an analysis together with its suppliers and draft an action plan on how to stabilise and improve its sampling process. Furthermore it is advised to continue to conduct root-cause analyses of excessive overtime and assess strategies for reducing excessive overtime. ARMEDANGELS could help suppliers in assessing real production capacity, identifying production bottle necks, and finding solutions for those issues. Other factors such as material and accessories supply could also contribute to excessive overtime.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	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.	4	4	0

**Comment:** In 2018, ARMEDANGELS further implemented a pricing methodology based on the labour minute costing as introduced by FWF. The company has implemented an open costing methodology with their suppliers and created a collaborative and transparent relationship on costs with its suppliers. For every product, it has a detailed cost-break down, accumulating all information that make up the price of a piece of clothing: the actual costs for fabric, accessories, trims, artwork, labelling and packaging as well as labour costs, overhead and profit.

The time needed to produce the garment is calculated through 3 steps: 1) number of minutes based on own internal experience and testing; 2) The estimated time is checked by the supplier. Based on that feedback, it might be possible to change some of the tech-specs or designs, accessories or labelling (to answer the question whether it is worth the number of minutes); 3) Thirdly the calculated minutes are checked with the workers in terms of feasibility.

In this approach, the negotiation of the manufacturing price (CMT cost) with suppliers separately itemises the labour cost, allowing ARMEDANGELS to know how their price contributes to workers' wages. Based on the minutes, ARMEDANGELS calculates the labour costs which form part of the complete breakdown of the product price. The final garment price is then the price that ARMEDANGELS pays. This buying price is fixed and non negotiable, making price negotiations obsolete.

This process has given ARMEDANGELS much valuable insights. In the beginning there was some reluctance from suppliers. In order to build trust, ARMEDANGELS was transparent in its own costing that was shared with suppliers (including overhead, margins and salaries in Germany).

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** One supplier in Turkey did not show complete transparency in terms of working hours and payment structure. ARMEDANGELS visited the factory and looked at all payment records to verify minimum wage was paid, including official payments, unofficial payments and transaction evidences.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

**Comment:** ARMEDANGELS is aware of the most common root causes for payment lower than living wages. One of them being the difficult payment structure in Turkey. ARMEDANGELS addressed this issue in close cooperation with its supplier. It looked into bank statements, and after intensive communication got a closer look at the unofficial payments. The supplier was able to phase out double bookkeeping, including correct social security payments. .

**Recommendation:** ARMEDANGELS indicated the end result of phasing out double bookkeeping may have been that workers in the end received less income given the social security payments. FWF advised ARMEDANGELS to investigate the impact exactly in consultation with workers. Moreover, it is recommended to investigate and address root cause at the other suppliers in Turkey, Tunisia and China.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	Advanced	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	4	4	0

**Comment:** ARMEDANGELS implemented a company-wide ambition to pay 20% above minimum wages for all suppliers in 2023, which is reflected in the buying prices. The 120% target wage was set to make the discussion less complex and start with concrete steps. ARMEDANGELS uses its own business practices as the enabler to pay higher wage by incorporating higher costs in ARMEDANGELS. For example by cross-financing through products that are good sellers or by increasing the retail price. Through the labour minute costing exercise, ARMEDANGELS realised in some cases a product turned out too expensive or needed too many minutes. This was in a few cases compensated for through design changes, enabling ARMEDANGELS to finance higher costs.

**Recommendation:** FWF applauds ARMEDANGELS for the exciting work they are doing with regards to wage increases and labour minute costing. As a next step, FWF would like to encourage ARMEDANGELS not to lose sight of the different national living wage contexts. In analysing the 120% wage level ambition, FWF advises to compare this percentage increase with living wage benchmarks and to consult workers, their representatives and factory management in setting a target wage.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	53%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	2	3	0

**Comment:** The target wage of 120% is met at several suppliers in Turkey, Lithuania, Tunisia and China. ARMEDANGELS verifies this through assessing payment records of suppliers every 6 months.

**Recommendation:** FWF recommends to schedule FWF audits or wage assessments done by FWF at those suppliers where the target wage implementation may need additional verification, in order to have an extra set of data comparison verified through FWF's Wage Ladder methodology.

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## PURCHASING PRACTICES

Possible Points: 47

**Earned Points: 38**

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	57%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	43%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	100%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of 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

Comment: The Corporate Responsibility Manager is designated to follow up on problems identified by the monitoring system. However, it is mostly a joint effort with the Head of Buying and COO.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2



**Comment:** ARMEDANGELS follows-up on a monthly basis on Corrective Action Plans (CAP) and has had meetings with all suppliers to go through CAPs. Priorities are set and timelines agreed upon. Status of improvements is tracked via email and registered in the CAP where comments and evidence documentation is stored. Progress of CAPs is discussed in detail and supported by ARMEDANGELS through visits and facilitating training. When possible, ARMEDANGELS includes the workers that were concerned with the finding to talk about the issue. For 2018, ARMEDANGELS was able to demonstrate several remediated findings. Others were still pending or required additional verification. ARMEDANGELS managed to dig deeper into several complex issues such as overtime, double bookkeeping and social security. Worth mentioning is ARMEDANGELS' Black Friday campaign where they managed to generate €7,190 to help the garment workers of production sites in Turkey pay for their children's school fees for another year, after it became clear workers' wages had decreased.

**Recommendation:** In addition to discussing CAPs during visits, FWF advises ARMEDANGELS to contribute to remediation by continuing to facilitate training, hiring local partners/NGOs to support improving complicated findings, continue to enrol suppliers in FWF supplier seminars or organise own grouped supplier meetings, consider financial support in remediating findings, cooperate with trade unions and further analyse how changes to own brand practices can facilitate remediation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	99%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

**Comment:** The COO, Head of Buying, Product Managers, Designers and Corporate Responsibility Manager visited all suppliers to meet with them personally. Only one supplier in India that produced not for sale merchandising items was not visited.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 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: ARMEDANGELS collects audit reports as part of their due diligence process. When ARMEDANGELS is onsite, they discuss audit reports on diverse company codes of conduct and other independent social auditing systems. Findings and improvement status are checked onsite. Production locations that are not located in low risk areas are audited by FWF within the first year.

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

**Comment:** ARMEDANGELS does not allow abrasive blasting for its denim products. This is part of its material policy that all suppliers have to sign. All production locations, including the denim washing locations, are GOTS certified and all denim washing locations have been visited by the Corporate Responsibility Manager of ARMEDANGELS. GOTS audits every year to verify abrasive blasting is not used. Due to frequent visits ARMEDANGELS is able to check that denim suppliers do not use unauthorised subcontractors.

ARMEDANGELS has a policy aimed at its Turkish suppliers to address the risks around Syrian refugees. All suppliers have signed and returned this policy and the topic is discussed with suppliers in Turkey. The policy is updated according to FWF's recommendations and all updated versions have been received in 2018. After extensive discussions, suppliers are open to disclose undocumented workers even before signing the policy. After disclosing 5 undocumented workers, ARMEDANGELS worked with the Turkish supplier to implement the process of registration and work-permits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

**Comment:** ARMEDANGELS worked with two other FWF members to support improvements after the two audits at shared suppliers in 2018. The company also includes non-FWF members, including large other textile brands, to increase their leverage and support their suppliers. ARMEDANGELS is actively sharing information with other FWF members, not only after audits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100% AND member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	3	3	0

Comment: ARMEDANGELS visits factories in low risk countries and conducts their own internal assessments including the health and safety checklist. The factories adhere to ARMEDANGELS' subcontractor policy and are included in the labour minute costing project.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	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	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

## MONITORING AND REMEDIATION

Possible Points: 30

Earned Points: 28

### Additional comments on Monitoring and Remediation:

During Fashion Revolution week, ARMEDANGELS generated €3.125 for the Bangladeshi National Garment Workers Federation, supporting factory workers' rights and seeking justice for the victims of the Rana Plaza disaster.

### 3. COMPLAINTS HANDLING

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of 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

Comment: ARMEDANGELS' Corporate Responsibility Manager is designated to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: The worker information sheet is checked and photographed during every visit and photos are kept on file.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	87%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

**Comment:** Three trainings as part of FWF's Workplace Education Programme's basic module were given between 2016 and 2018 to raise awareness of the CoLP and complaints hotline. In addition, ARMEDANGELS invests in raising awareness through onsite visits discussing the CoLP and complaints hotline.

**Recommendation:** FWF recommends ARMEDANGELS to continue offering factory training at its remaining suppliers and renew trainings to compensate for worker turnover. Besides FWF's WEP basic module, additional training can be done through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

Activities in addition to training can include providing the FWF worker information cards to workers during visits or when handing out pay slips, making use of FWF's Factory Guide, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms. Additional awareness raising can be done to discuss different topics with workers or to reach a different group of workers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2



Comment: In 2018, ARMEDANGELS did not receive any complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

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## COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 9

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## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: ARMEDANGELS staff all receive training and frequent information on FWF membership requirements, audit outcomes and progress reports. Internal newsletters and the glossary help ARMEDANGELS staff to communicate about social compliance and other industry developments. FWF membership is part of the induction process for new staff members. Sales agents from different countries are updated with relevant developments through company presentations.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: The Corporate Responsibility Manager is in touch regularly with head of buying, quality control, CFO and head of design to discuss sustainability issues at all suppliers. Training is given to these departments specifically on what their decisions mean to factory conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

Comment: ARMEDANGELS has one agent supporting with production at two suppliers in Turkey. This agent has joined FWF audits and joins ARMEDANGELS during visits when CAPs are discussed and provides support in follow-up.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: ARMEDANGELS has not yet worked on this type of programmes but has set this as a goal for 2019.

Recommendation: FWF recommends ARMEDANGELS to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end members can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 5

## 5. INFORMATION MANAGEMENT

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

**Comment:** ARMEDANGELS updates factory information every 6 months. A new online company system that was introduced in 2018 incorporates all relevant supplier data in one place, including CSR information and reports. Given the open costing project, high level of transparency is required from suppliers. Suppliers are not allowed to use subcontractors unless ARMEDANGELS has agreed to it beforehand. To check this, ARMEDANGELS visits all production locations regularly. In Turkey, where ARMEDANGELS is aware of the high risk of subcontracting, the agent is visiting the production locations while production is happening, to verify all production is taking place at that particular location. Several ARMEDANGELS' main suppliers in Portugal use CMT subcontractors that are authorised and monitored by ARMEDANGELS, but no FOB information is registered.

**Requirement:** All CMT production locations and subcontractors were part of the internal monitoring system, however ARMEDANGELS must work on registering detailed FOB data on that level.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** Supplier information with regards to the Code of Labour Practices is shared through quarterly internal meetings with CEO, Head of Buying and Corporate Responsibility Manager. These staff members also often travel together to among others discuss implementation of the Code of Labour Practices. The open costing methodology for suppliers is prepared by the Corporate Responsibility Manager, then discussed with head of buying during joint visits. Staff that travels to production locations without the Corporate Responsibility Manager are all informed about pending social compliance issues and are instructed to fill in the health and safety file and take pictures of CoLP. The emails with audit reports are sent to head of buying and CEO.

## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: ARMEDANGELS communicates about FWF membership on its website, in customer related feedback, in press releases, sales meeting, and influencer marketing. ARMEDANGELS frequently communicates with 3rd party re-sellers to ensure FWF membership and their CSR initiatives are correctly communicated. ARMEDANGELS does not use on-garment communication.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: In 2018 ARMEDANGELS achieved nearly full supply chain transparency from raw material to finished product. The next stage is disclosing supplier information per product on the website. ARMEDANGELS is actively sharing its labour minute costing methodology and findings with other FWF members.

Recommendation: FWF recommends ARMEDANGELS to include the most important findings of FWF labour standards per country/factory that has been monitored.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Recommendation: FWF recommends to go one layer deeper in reporting about audit results, improvements and challenges.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5



## 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: The Corporate Responsibility Manager has regular meetings with the COO/CFO and head of buying to discuss FWF membership. Performance check results are also discussed in this team. ARMEDANGELS structurally collects feedback from suppliers based on the supplier benchmarks (partially based on Better Buying questionnaire).

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

ARMEDANGELS shared its concern with regards to the complaint hotline in Turkey. The company has made great effort into raising awareness of the hotline and fears it will lose workers' confidence now that it is had not been operational for quite some time. Moreover, ARMEDANGELS indicated it would welcome more frequent in-person contact meetings, particularly when contact persons change at Fair Wear Foundation.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	38	47
Monitoring and Remediation	28	30
Complaints Handling	9	9
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	94	112

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

84

### PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

24-04-2019

Conducted by:

Annabel Meurs

Interviews with:

Bianca Wagner – Head of Buying

Katia Winter – PR & Media Manager

Julia Kirschner - Sustainability/CR Manager

Lavinia Muth - Sustainability/CR Manager