



Brand Performance Check

Social Fashion Company GmbH (ARMEDANGELS)

Publication date: June 2020

This report covers the evaluation period 01-01-2019 to 31-12-2019

About the Brand Performance Check

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

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

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

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

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

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

Brand Performance Check Overview

Social Fashion Company GmbH (ARMEDANGELS)

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Köln , Germany
Member since:	2015-06-15
Product types:	Garments, clothing, fashion apparel; Outdoor products; Outdoorwear
Production in countries where Fair Wear is active:	Tunisia, Turkey, India (2nd tier production location)
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

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks evaluating the year 2019 in order to maintain fair and comparable data.

Fair Wear's performance checks review the progress that was made in the previous financial year. In this case, the 2019 financial year. Thus, this report does not cover the member's response to COVID-19, which will be monitored during the year and evaluated in the next performance check.

Summary:

Social Fashion Company GmbH (ARMEDANGELS) has shown advanced results on performance indicators. In 2019, ARMEDANGELS was able to maintain its monitoring percentage at 100% of its production volume, by combining Fair Wear audits and one external audit for its production locations in Turkey, Tunisia and additional monitoring activities in Portugal and Lithuania. This monitoring percentage, combined with a benchmark score of 84, means that Fair Wear has awarded ARMEDANGELS the 'Leader' status.

In 2019 ARMEDANGELS continued its open costing methodology based on Fair Wear's labour minute costing approach. Throughout 2019, the company managed to receive almost all updates of the required cost break down information providing extensive insights into 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 this ambition and verifying the target wage is paid at all locations.

Furthermore, ARMEDANGELS' stable supplier base, frequent visits and follow-up and its subcontractor policy enables the company to successfully monitor their production locations and work on realising improvements through 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. In 2019, ARMEDANGELS followed up on the results of their Brand Evaluation Survey in which their suppliers were able to provide feedback to the member brand. Based on the results, ARMEDANGELS improved its planning system and provided longer lead times for suppliers, especially in the sampling phase which previously caused overtime at various locations. In 2019, the member brand observed overtime in one of their production locations and only for a very specific time frame.

Performance Category Overview

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

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

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

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

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

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.	87%	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 2019, 87% 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 but also requests suppliers to fill in their supplier information form. 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.	4%	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: 4% of ARMEDANGELS' 2019 production volume came from production locations where it buys less than 2% of FOB. Compared to the previous year this is an increase of 2%. The production locations accounting for this indicator are either recently onboarded or exited by ARMEDANGELS. In the latter case, this phased manner also means that some production locations drop below 2% of ARMEDANGELS total 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.	43%	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: ARMEDANGELS aims to build long term business relationships. As the company continued to grow in recent years, the on-boarding of new suppliers is part of the process. In 2019, 43% of production volume came from production locations where a business relationship has existed for at least five years, which is almost the same percentage as the year before.

Recommendation: Fair Wear recommends ARMEDANGELS to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices and give factories a reason to invest in improving working conditions. It is advised to describe policies regarding maintaining long term business relationships in a sourcing strategy that is agreed upon with top management/sourcing staff.

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 Fair Wear Code of Labour Practices. ARMEDANGELS indicated that at the moment one production location did not sign the Fair Wear CoLP yet. However, ARMEDANGELS' CR manager checked if the current Code of Conduct aligned with the Fair Wear CoLP before starting to source from the location.

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 (Fair Wear) brands, transparency and completing the Fair Wear 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 and social standards, it is introduced to ARMEDANGELS' Corporate Responsibility Manager who will continue the assessment in direct communication with suppliers. The CR manager will make a final decision based on Fair Wear country studies, the results from the visit and collected external audit reports. The CR manager has the right to veto the onboarding of a new production location.

Production locations are subject to Fair Wear auditing within the first year after the supplier is selected. Compared to last year, ARMEDANGELS continued to improve its due diligence process in 2019 by institutionalising its sourcing strategy.

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 the 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 even weight on 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. The company experienced it worked well for having a structured discussion with suppliers in several areas.

ARMEDANGELS has a responsible exit strategy with a procedural checklist based on Fair Wear'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 the supplier level. The company has an advanced forecasting system where upfront planning and setting delivery deadlines happen 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 enable 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 lead times.

A detailed production calendar is frequently updated with suppliers. T-shirt orders that are Never Out of Stock items are placed in the low season. Quantities are fixed after order placement and big design changes rarely happen. Based on the results of a brand evaluation survey carried out amongst their suppliers, the CR manager and head of purchasing decided to develop a new calendar for product development for each product group. They share the product information earlier to provide more time to produce and develop samples.

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: Due to the revised planning efforts as a result of the Brand evaluation survey amongst suppliers, planning has been improved and follow-up on last year's recommendation has been given. This root-cause analysis has led to fewer delays and further alignment of the production calendar. A buffer is included in the final date when it needs to be in store to anticipate these types of delays.

Some of the production locations that were highlighted in the previous year are carefully exited. In 2019, there was no excessive overtime registered. In one production location, there was still overtime, but this carries out on a voluntary basis by workers.

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 2019, ARMEDANGELS continued their pricing methodology based on the labour minute costing as introduced by FWF. The company has implemented an open costing methodology with its 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 makes 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) 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 gives ARMEDANGELS many valuable insights and how their prices relate to the legal minimum wage. In the beginning, there was some reluctance from suppliers. To meet the concerns of the suppliers and build trust, ARMEDANGELS was transparent in its own costing that was shared with suppliers (including overhead, margins and salaries in Germany) as well.

In 2019, ARMEDANGELS managed to update this information every 6 months at all locations except for three production locations (which are based on older information).

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: In 2019, no cases of failure to pay legal minimum wages were registered, except for one case at an Indian production location where payments couldn't be verified. However, ARMEDANGELS has shown follow up on this case which is rectified but still under monitoring by the brand.

The issue of double bookkeeping that was registered last year at a Turkish production location is solved.

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 a difficult payment structure in Turkey. ARMEDANGELS addressed this issue in close cooperation with its supplier.

Overall the member brand is aware which production locations pay below their target wage (120% above legal minimum wage) and discusses this with factory management. However, this has not led to an improved situation in factories in all cases.

Recommendation: Fair Wear encourages ARMEDANGELS to involve worker representatives and local organisations in assessing the root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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.	6	6	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 a 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.

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.	60%	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	6	0

Comment: The target wage of 120% is met at several suppliers in Turkey. ARMEDANGELS verifies by assessing payment records of suppliers every 6 months. This target wage has not been reached in low-risk countries.

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

Purchasing Practices

Possible Points: 52

Earned Points: 42

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	1%	
% of production volume where Fair Wear audits took place.	62%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	37%	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.)
% of production volume where an audit took place.		
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	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. This is a joint effort with the Head of Buying and the 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

Comment: In 2019, ARMEDANGELS shared findings with factory management and worker representation.

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 plans 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 2019, ARMEDANGELS was able to demonstrate several remediated findings. Others were still pending or required additional verification. ARMEDANGELS showed follow-up on several complex issues.

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 enroll 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.	98%	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. Three production locations weren't visited in 2019 by ARMEDANGELS as they were in the process of exiting these production locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	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. However, ARMEDANGELS could not show follow up on the corrective action plans of existing audit reports.

Production locations that are not located in low-risk countries are audited by Fair Wear within the first year.

Recommendation: Fair Wear recommends ARMEDANGELS to follow up on the corrective action plans from other sources.

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	Advanced			6	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.

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.

Other risks associated with the supply chain of ARMEDANGELS include:

- Short-term contracts in India; ARMEDANGELS has this under monitoring for the last six years at its 2nd tier production location. Short term contracts are still happening but in a controlled manner.
- In Portugal, ARMEDANGELS controls salaries and specifically the gender pay gap. Forced labour is also controlled.

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 five other Fair Wear members to support improvements after the two audits at shared suppliers in 2019. The company also includes non-Fair Wear members, including large other textile brands, to increase their leverage and support their suppliers. ARMEDANGELS is actively sharing information with other Fair Wear members.

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 but fail to meet the current set benchmark.

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).	Yes	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.	2	2	0

Comment: ARMEDANGELS has conducted a Fair Wear audit at their spinning mill.

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: 29

3. Complaints Handling

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

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: Worker information sheets are 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.	45%	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.	4	6	0

Comment: Three trainings as part of Fair Wear's Workplace Education Programme's basic module were given between 2017 and 2019 to raise awareness of the fair Wear CoLP and complaints hotline. In addition, ARMEDANGELS invests in raising awareness through onsite visits discussing the CoLP and complaints hotline.

Recommendation: Fair Wear recommends members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline among a larger portion of its suppliers. The member should ensure good quality systematic training of workers and management on these topics. To this end, members can either use Fair Wear's Workplace Education Programme (WEP) basic module or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear guidance on good quality training is available on the Member Hub.

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.	Yes	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.	3	6	-2

Comment: In 2019, ARMEDANGELS addressed the complaint. Evidence was provided that the individual issue was solved and verified. However, policies and processes still need to be improved at the production location. This is part of the corrective action plan. Therefore, preventive steps still need to take place.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 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

Comment: Although other non-Fair Wear customers were known at the production location that received a complaint, they were not involved by ARMEDANGELS.

Complaints Handling

Possible Points: 15

Earned Points: 10

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 Fair Wear membership requirements, audit outcomes and progress reports. Internal newsletters and the glossary help ARMEDANGELS staff to communicate about social compliance and other industry developments.

Fair Wear membership is part of the induction process for new staff members, which also happened for old staff in 2019. Sales agents from different countries are updated with relevant developments through company presentations. In 2019, the CR manager also provided Health & Safety training to assure that other staff members can join factory visits as well.

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 the 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 facilitating production at two suppliers in Turkey. This agent has joined Fair Wear audits and joins ARMEDANGELS during visits when CAPs are discussed and provides support in the 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.	28%	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.	4	6	0

Comment: In 2019, two transformative trainings took place in production locations in Turkey and India. The latter is a spinning mill for ARMEDANGELS and does not add to the FOB percentage on which this indicator is scored.

Recommendation: Fair Wear 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 Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. Fair Wear 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.	Active follow-up	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.	2	2	0

Comment: Both trainings were followed up in conjunction with the remediation of CAPs in these production facilities.

Training and Capacity Building

Possible Points: 13

Earned Points: 11

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Intermediate	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.	3	6	-2

Comment: ARMEDANGELS updates factory information every 6 months. A new online system incorporates all relevant supplier data in one place, including CSR information and reports. Given the open costing project, a high level of transparency is required from suppliers. The production locations are also shared with Open Apparel Registry.

Suppliers are not allowed to use subcontractors unless ARMEDANGELS has agreed to it beforehand. 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 to verify production is taking place at that particular location. Several of ARMEDANGELS' main suppliers in Portugal use CMT subcontractors which are authorised and monitored by ARMEDANGELS. However, ARMEDANGELS needs to improve the data points it receives on FOB/CMT and leverage for some subcontractors.

In addition to production locations, ARMEDANGELS knows where most of its raw materials are sourced from by using a cooperative for most of their organic cotton production and blockchain technology to trace other raw materials such as wool.

Requirement: All CMT production locations and subcontractors were part of the internal monitoring system, however ARMEDANGELS must work on registering detailed FOB/CMT 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 Fair Wear Code of Labour Practices is shared through quarterly internal meetings with CEO, Head of Buying and Corporate Responsibility Manager. The relevant staff members also often travel together to discuss implementation of the Code of Labour Practices with factory management. 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 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: 4

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 Fair Wear membership on its website, in customer-related feedback, in press releases, sales meetings, and influencer marketing. ARMEDANGELS frequently communicates with 3rd party resellers to ensure Fair Wear membership and their other CSR initiatives are correctly communicated.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	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.	2	2	0

Comment: In 2019, ARMEDANGELS aimed for full supply chain transparency, from raw material to finished product. The supplier list is disclosed in the social report of ARMEDANGELS as well as in the Open Apparel Registry. The Brand Performance Check is on their website.

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

Comment: The social report is complete and accurate, but the recommendation from the previous brand performance check is not followed up and remains in place.

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

Transparency

Possible Points: 6

Earned Points: 6

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 Brand Evaluation Survey (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.	50%	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.	4	4	-2

Comment: In last year's performance check, ARMEDANGELS had one requirement to follow up on for indicator 5.1. All CMT production locations and subcontractors of ARMEDANGELS were part of the internal monitoring system. However, the member brand was required to work on registering detailed FOB/CMT data on that level. In 2019, the member brand had discussions with its suppliers and was able to receive most information. However, the company failed to collect all the required information. Therefore, the requirement still stands in this year's performance check.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

The brands wants a live version of the Brand Performance Check.

The brand would like to have more possibilities to keep track of complainants and make sure that their needs are heard (while keeping the option to complain anonymously).

Scoring Overview

Category	Earned	Possible
Purchasing Practices	42	52
Monitoring and Remediation	29	30
Complaints Handling	10	15
Training and Capacity Building	11	13
Information Management	4	7
Transparency	6	6
Evaluation	6	6
Totals:	108	129

Benchmarking Score (earned points divided by possible points)

84

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

21-04-2020

Conducted by:

Jesse Bloemendaal.

Interviews with:

Lavinia Muth - Corporate Responsibility manager

Bianca Wagner - Head of Buying