



## BRAND PERFORMANCE CHECK

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Acne Studios

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this report covers the evaluation period 01-09-2017 to 31-08-2018

## 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

Acne Studios

Evaluation Period: 01-09-2017 to 31-08-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Stockholm , Sweden
Member since:	2008-08-01
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, China, India, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	France, Italy, Korea, Republic of, Lithuania, Morocco, Poland, Portugal, Sweden, United Kingdom
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	98%
Benchmarking score	80
Category	Leader

## Summary:

Acne Studios (hereafter: Acne) has shown advanced results on performance indicators and has made exceptional progress. With 98% of production under monitoring, Acne surpasses FWF's monitoring threshold for members after three years of membership. The benchmarking score of 80 places Acne in the Leader category of FWF brand performance check. Although there seems to be a small decrease in the score compared to the last performance check, this was due to the change in how FWF assesses several indicators and the increasing expectation of FWF towards members.

Acne has further improved its production planning, which could help suppliers to reduce overtime. The company has also demonstrated efforts to monitor working conditions and remediate when issues arrive. Acne has a system to communicate and follow up with suppliers on the Corrective Action Plans.

Acne made steps towards more transparency and tried to identify all production locations. In high-risk issues and areas such as abrasive blasting and Turkey, Acne could show efforts to mitigate the risks. In addition, Acne continues to enroll factories in the Workplace Education Programme, so that workers receive awareness training on labour standards.

Working towards living wages remains challenging to Acne. FWF encourages Acne to start by assessing the hypothetical cost effects of increasing wages towards benchmarks included in the wage ladder. Acne could also select a stable supplier as a project partner to monitor and improve wages gradually.

## 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.	80%	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

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.	54%	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.	0	4	0

**Comment:** Majority (59%) of Acne's production volume is manufactured in small but highly specialised suppliers in low risk countries in the European Union, such as Italy and Portugal. These suppliers often need to collaborate with other units (subcontractors) to complete the product orders of Acne. For example, a cut-make-trim supplier without embroidery machines needs to work with an embroidery subcontractor. Acne has made considerable efforts to identify all subcontractors involved in the production processes.

**Recommendation:** FWF encourages Acne to consolidate their supplier base, although it is understandable that Acne would maintain a relatively large amount of tail-end suppliers due to the specialties and sizes of suppliers. In addition to consolidation, Acne could use its high leverage to influence the suppliers and improve working conditions.

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.	46%	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:** According to Acne, the reason for relatively low amount of factories is partly due to their effort to include all subcontractors. Since Acne's products need specific expertise, it believes that it is necessary for Acne's suppliers to change subcontractors.

**Recommendation:** FWF recommends Acne to build long-term business relationships with their existing production locations, including both direct suppliers and their subcontractors. A consolidated supplier base and long-term relationships will allow Acne to support improvements.

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:** When a potential new supplier or subcontractor has been identified, Acne will send an introduction email to request suppliers to sign the Code of Labour Practices and post the worker information sheet.

FWF has randomly sampled five production locations to check the practice. Acne could show photos of posting the Worker Information Sheet at all production locations.

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:** In FWF high risk countries and countries where FWF is not active, Acne organised audits or analyse existing audit reports at new suppliers to have an overview of working conditions. FWF could verify that Acne has monitored 98% of production volume from suppliers located in high risk countries.

In low risk countries, the production department visits the suppliers and subcontractors before placing an order. The production department uses FWF's occupational health and safety checklist to have an overview of working conditions at a new supplier.

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:** The CSR department of Acne has developed a system to evaluate suppliers' social compliance status based on four indicators: wages, social dialogue, overtime, and occupational safety and health. The sourcing policy defines how suppliers are evaluated and rewarded. Well-performed suppliers are likely to be rewarded with more orders and/or long term relationship. Orders could be put on hold if a supplier is underperformed. The policy is communicated internally. Suppliers are informed during the entrance process and on-going compliance process.

**Recommendation:** FWF recommends Acne to share the sourcing policy explicitly and directly with suppliers to increase transparency. This would also encourage suppliers to improve social compliance performance towards Acne's expectations.

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:** There are four production seasons at Acne. Acne has developed a strategy guiding designers and production managers to plan production systematically. The strategy describes time frames of each process including designing, sampling, material preparation, confirming orders, production, and delivery. The strategy was developed in consultation with the suppliers. A production cycle takes about 6-9 months. The suppliers are informed from the beginning of the production cycle. In addition, Acne has taken steps to prevent overtime issues, such as pre-ordering fabrics, planning production avoiding public holidays and extensive communication on sample details.

Acne's production department is aware of the importance of good planning and its impact on the working hours of workers. Acne tries to increase never-out-of-stock and re-order products, which are more predictable and easier to plan. As a fashion company, Acne also needs to develop varieties of new products to meet the expectations of their customers.

**Recommendation:** Acne is encouraged to review the strategy with their suppliers to further improve production planning.

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:** During the last financial year, FWF has audited four factories supplying Acne located in China. Three out of the four factories worked regular overtime (OT), ranged from 14-19 overtime hours per week during low or regular season. Overtime could be up to 20 to 29 hours per week in peak seasons. The amount of OT is about average level in China.

In order to reduce OT at the suppliers, Acne has taken various approaches to support the suppliers, including improving internal communications, guaranteeing 8 weeks lead time, alarming suppliers the beginning of designing period, and having authorised subcontractors. At one factory, the audit results showed that OT was decreased from up to 23 hours per week in peak seasons to 20 hours throughout the year. FWF Acne's efforts in resolving excessive overtime issues at this factory.

**Recommendation:** It is fairly common among garment factories in China to work more than 20 hours of OT per week. FWF recommends Acne to conduct root cause analysis at its suppliers. At the brand level, Acne could further investigate how the production planning strategy is being implemented, and how it could improve planning. At the factory level, Acne could help suppliers in assessing real production capacity, identifying production bottlenecks, and finding solutions for those issues. Other factors such as material and accessories supply could also contribute to excessive OT. Acne could work with its suppliers to learn more on production planning and addressing root causes, in order to make further improvements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0

**Comment:** Acne has evaluated wage levels at all suppliers. However it does not calculate specific working minutes per piece. According to Acne, it only works with expensive suppliers, thus it expects its suppliers to pay higher wages to the workers. FWF audited four suppliers of Acne in the previous financial year. It was found that three out of four suppliers had paid minimum wages and OT premium as per law. At one factory, the supplier was not able to show complete records of wages, thus it was not possible for FWF to verify wages of workers.

Acne is in the process of stabilising margins and retail prices. Acne could trust regular suppliers (about 45% of its production volume) to propose a reasonable price. These suppliers could also use open costing method to negotiate with Acne. Acne usually works with target retail prices and set margins to arrive at final prices. In case minimum wage increases in the production country, Acne would consult the suppliers and work on increasing price accordingly.

**Recommendation:** FWF recommends Acne to calculate labour minute costs at a style level. Open costing is a good way to have insights to the relations between pricing and wages as it separates material costs and labour costs. Acne is encouraged to use open costing with all suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2

**Comment:** While FWF audit could verify that three out of four factories paid minimum wages and OT premium to worker, it was not possible to identify wage levels at one factory due to incomplete wage records. At the same factory, it was also found that workers did not receive annual leaves and statutory holiday leaves. Acne immediately discussed with the factory about the issue, explained the purposes and commitment of Acne towards social compliance. The factory is currently working on remediation through setting up a system to ensure piece rate workers are paid at least minimum wages and OT premium according to labour law. FWF will verify the outcome of the remediation.

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 root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

**Comment:** Since Acne is working with high level factories that pay above industry average, it believes that the labour minute costing method is not an effective tool for Acne to stimulate suppliers in moving forward towards living wages. This does not limit Acne to explore ways to pay living wages. Acne prefers to gain commitments from suppliers and adjust prices accordingly. It has assessed the gaps between current wages and living wages at audited factories, and discussed with suppliers on how to improve wages.

Acne has the information on labour cost of each product. Based on labour cost and the comparison with other factories, Acne gauges wage level of workers compared to average level in the region or country. According to Acne, it does not look for low-cost suppliers. It prefers to work with well-established suppliers, which cost more but have the ability to provide better working conditions.

**Recommendation:** FWF encourages Acne to start assessing the hypothetical cost effects of increasing wages towards benchmarks included in the wage ladder. To support companies in this process, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models. Additionally, it is recommended to select a suitable supplier to start working on improving the wage situation together. The member company could look into possibilities how suppliers with relatively better wage conditions can share their lessons with suppliers where the gap between paid wage and living wage is larger.

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

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## PURCHASING PRACTICES

Possible Points: 44

Earned Points: 28

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	39%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	59%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	98%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Yes	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.	0	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:** FWF could verify that Acne has shared all audit reports and Corrective Action Plans with factories in the last financial year. All the CAPs have been discussed thoroughly. Acne has a system to regularly check remediation progress with factory management. Representatives of Acne also visit factories to conduct follow-up activities.

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:** In the last financial year, Acne has worked with all four audited suppliers to make remediation based on the CAPs. Follow-up on CAPs is mainly based on regular communications on remediation progress with factories. Acne has also organised supplier meetings to discuss progress and support needed. The factories were able to demonstrate improvements via photos and narrative reports on various issues such as safety and health, paid holidays and transparency in wage payment. Although factories have made commitments in reducing overtime and paying towards living wages, not all factories could provide evidence of significant changes. FWF recognises that overtime and wage issues are among the most difficult workplace issues to tackle. In addition to working with suppliers in countries where FWF is active, Acne has demonstrated its effort in its main supplier in South Korea.

**Recommendation:** Acne could take further steps to evaluate and verify its efforts in remediation at all suppliers. Worker involvement is essential in a verification system. In addition, Acne has carried out projects to reduce overtime at suppliers in China and Turkey as mentioned in the last brand performance check report. It could use its experience to facilitate peer-to-peer learning between suppliers through supplier seminars. Suppliers that have made important steps to reduce overtime may inspire other suppliers in the same region where overtime is still systematic.

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.	92%	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

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:** FWF has sampled five audit reports collected by Acne. All reports have met the basic quality requirements of FWF. In addition, Acne has followed up on the CAPs of these reports.

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:** All denim products of Acne are produced in Italy, where the law of prohibiting abrasive blasting is enforced. Approximately 9% of Acne's production volume is from Turkey in the last financial year. All Turkish suppliers have been audited either by FWF audit team or by other initiatives. All subcontractors discovered have been registered in FWF's database. Acne visits all Turkish suppliers at least once per year. Currently no child labour or Syrian refugee workers were found at the Turkish suppliers. Since FWF is not active in Italy, Acne mobilised a group of brands in a platform - Italy working group- to collaborate and exchange information in order to mitigate risks and address issues regarding Chinese migrant workers.

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:** Acne has worked with a FWF member to follow up on CAPs of a supplier in Italy. In addition, Acne has also shared an audit report and recommended suppliers to other FWF 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.	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.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	90%+	FWF encourages all of its members to audit/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.	3	3	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: 32

Earned Points: 30

### 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

**Comment:** FWF sampled five factories during the brand performance check. Acne was able to show pictures of the worker information sheet posted at all sampled factories.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	48%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	2	4	0

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

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: 7

Earned Points: 5

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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	-1

**Comment:** The CSR department of Acne provided introduction training to new colleagues.

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 production department works closely with the CSR department. The production staff are aware of working conditions in factories. Before placing orders, production staff meet with CSR department to learn about compliance status.

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:** Agents of Acne are involved in the implementation of CoLP through checking the posting of worker information sheets, collecting existing audit reports and organising audits.

**Recommendation:** Acne could consider to enroll its agents in FWF's member seminar, which provides training on requirements of FWF. This could help agents to work more efficiently and effectively to implement the Code of Labour Practices.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	40%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	78%	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	4	4	0

**Comment:** In July 2016, a training was given to homeworkers from Acne's South Korean supplier about labour standards. This supplier covers 78 % of the total production volume in high risk countries where WEP is not offered.

## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 13

## 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:** Acne has demonstrated efforts to identify and register all production locations. No evidence of missing information on first-tier locations was found. Acne has high motivation in knowing every production location. It is not only to fulfill membership requirements, but also to mitigate risks and have control over working conditions of workers. Acne allows suppliers to use subcontractors and requires full transparency on the locations of subcontractors. This opens the discussion and builds up trust among Acne and suppliers on the topic of subcontracting. Acne collects also information regarding home-based workers in their supplier in South Korea, where FWF is not active.

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:** The CSR department has frequent communications with production department about working conditions at each suppliers. The production department provides feedback and input to the CSR department after visiting the suppliers. The CSR department provides information on social compliance to advice sourcing decisions.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and 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:** Acne publishes brand performance check reports 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 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

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## TRANSPARENCY

Possible Points: 6

Earned Points: 5

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## 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:** FWF membership evaluation is part of the sustainability report, which is signed off by the board of Acne annually.

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

**Comment:** There was no requirement in the previous check.

## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

Acne requested FWF to speed up audit report delivery process.

Acne would like to FWF to provide more support to the working group in Italy.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	28	44
Monitoring and Remediation	30	32
Complaints Handling	5	7
Training and Capacity Building	13	15
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	90	113

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

80

PERFORMANCE BENCHMARKING CATEGORY

Leader, 80

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

10-01-2019

Conducted by:

Juliette Li; Arja Schreij

Interviews with:

Emma Häggström - CSR Manager

Maaïke Kokke - CSR Coordinator

Saar Debrouwere - Production/Design Director

Sara Wallin - Production Controller