



## **Brand Performance Check**

# **Social Fashion Company GmbH (ARMEDANGELS)**

This report covers the evaluation period 01-01-2020 to 31-12-2020

## 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# Brand Performance Check Overview

## Social Fashion Company GmbH (ARMEDANGELS)

Evaluation Period: 01-01-2020 to 31-12-2020

Member company information	
Headquarters:	Köln , Germany
Member since:	2015-06-15
Product types:	Garments, clothing, fashion apparel; Outdoor products; Sports & activewear; Accessories
Production in countries where Fair Wear is active:	India, Romania, Tunisia, Turkey
Production in other countries:	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	81%
Benchmarking score	88
Category	Leader

*This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.*

## Summary:

Social Fashion Company GmbH (ARMEDANGELS) has shown advanced results on performance indicators. The benchmarking score of 88 means that Fair Wear has again awarded ARMEDANGELS the 'Leader' status. Although the monitoring threshold does not determine the category this year, ARMEDANGELS has fulfilled the monitoring requirements at suppliers responsible for 81% of its production volume.

## Corona Addendum:

At the start of the pandemic, ARMEDANGELS' staff worked short time (30% less than usual) for two months. Sales initially dropped but quickly went up again and therefore regular working hours were resumed in July. Although shops (950 retail partners) had to close, ARMEDANGELS compensated through its strong e-commerce channel and online presence. The company did not change production planning, and accepted delays if needed. It did start producing face masks, partially to support one of its suppliers which had a lot of spare capacity. Overall, ARMEDANGELS was well prepared to absorb the crisis.

ARMEDANGELS' strong monitoring systems allowed a solid response to the Covid-19 crisis. The company's existing due diligence policies allowed ARMEDANGELS to start working with several new suppliers in 2020 responsibly. Three Fair Wear audits were done at suppliers in Turkey and Tunisia. ARMEDANGELS developed comprehensive, exemplary guidance documents per Fair Wear labour standard to support suppliers with practical guidance in CAP remediation. The brand systematically monitored the situation at existing suppliers by sending out supplier questionnaires, including Fair Wear's four thematic guidance areas. The brand focused on the well-being of the suppliers and workers, rather than keeping up to date with all Fair Wear's available Covid-19 guidance. Nevertheless, by itself, the brand still took many steps as described in Fair Wear's guidance documents. ARMEDANGELS visited all its suppliers located in Portugal (responsible for 52% of FOB).

At the start of the pandemic, ARMEDANGELS' CEO immediately reassured all suppliers no orders would be cancelled. Furthermore, the CR manager verified the factories paid wages during factory closures (for a short period of time in Tunisia as well as Portugal) and when factories were operational again. Besides the supplier questionnaires, ARMEDANGELS was in frequent contact with its suppliers via phone, e-mail, WhatsApp, video calls, etc.

Thanks to ARMEDANGELS detailed insight into the labour costs of its products, the brand found a quick way to include costs incurred by factories as a result of the pandemic in its prices. In the labour minute value calculations, ARMEDANGELS reduced the efficiency percentage of the factories, leading to a higher labour minute value and thus an increase of FOB prices of 3-8%. The fact that ARMEDANGELS came up with this solution itself demonstrates the company's solid understanding of the labour minute costing methodology and how it can be used to cost for human rights due diligence in a broad sense. ARMEDANGELS is encouraged to continue working on living wages in the coming year.

Overall, ARMEDANGELS response to the pandemic was strong thanks to the existing systems the brand has in place and the fact that human rights compliance is engrained in all parts of the company. Besides this, ARMEDANGELS invested a lot in corporate social responsibility projects, such as donating almost 750.000 euros of profit from face masks to Doctors without Borders.

## 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.	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

**Comment:** In 2020, 80% of ARMEDANGELS' production volume came from production locations where it buys more than 10% of production capacity. This is a decrease of 7% in comparison to the previous brand performance check. However, this is in line with the company's announced plans to expand the production range. 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.	9%	Fair Wear 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 Fair Wear.	3	4	0

**Comment:** 9% of ARMEDANGELS' 2020 production volume came from production locations where it buys less than 2% of FOB. Compared to the previous year this is an increase of 5%. The production locations accounting for this indicator are either recently onboarded or exited by ARMEDANGELS. In the latter case, the phased responsible exit strategy also means that some production locations drop below 2% of ARMEDANGELS total FOB. ARMEDANGELS wants to increase FOB at the production partners where it has a low percentage of FOB.

**Recommendation:** Fair Wear recommends Social Fashion Company GmbH (ARMEDANGELS) to ensure the tail end does not continue increasing, either by consolidating the tail end or by increasing FOB at its tail end suppliers. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.



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.	34%	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 2020 34% of production volume came from production locations where a business relationship has existed for at least five years, which is a decrease compared to the year before. As 2020 was a good year for ARMEDANGELS, the company started working with several new suppliers in Portugal.

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 one production location is not willing to sign the Fair Wear CoLP, due to experiences from before ARMEDANGELS started sourcing here. ARMEDANGELS is proactively working with Fair Wear to settle this situation and ARMEDANGELS' CR manager checked if the supplier's Code of Conduct aligned with the Fair Wear CoLP before starting to source from the location in 2019. However, ARMEDANGELS has not yet been able to retrieve the signed questionnaire from this supplier in 2020, also because a physical meeting could not take place due to Covid-19.

**Requirement:** Social Fashion Company GmbH (ARMEDANGELS) needs to ensure that all production locations sign and return the questionnaire.

**Recommendation:** As soon as the Covid-19 pandemic allows, Social Fashion Company GmbH (ARMEDANGELS) should follow up with the relevant supplier in collaboration with Fair Wear's local team and the country manager Hey to find a solution to this supplier's resistance to sign the questionnaire.

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. The capacity of the supplier and the expected capacity needed for ARMEDANGELS is also considered in this process, in order to avoid factories taking on orders which are too big and thus likely to cause excessive overtime/production pressure. 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. Since 2020, new suppliers are asked to fill out a self-assessment questionnaire on social compliance, the same which is used for existing suppliers. This self-assessment includes questions related to living wage, making new suppliers aware from the start of the importance of this topic for ARMEDANGELS. Using this self-assessment, ARMEDANGELS found out that at one of the newly added suppliers, living wages were already paid when they started production with them. ARMEDANGELS verified this by looking at wage information at the supplier (see also indicator 1.14).

The CR manager will make a final decision based on Fair Wear country studies, the results from the self-assessment, the visit and collected external audit reports. The decision to onboard a new supplier is made in consultation with the top managers of the various departments in the company and the CEO, CFO and COO. They all have the right to veto the onboarding of a new production location. The CR manager has used this right in 2020 once, when a supplier only was selected only because of its prices. The CR manager has a clear vision that this should not be the main selection criteria for choosing a new supplier. ARMEDANGELS then increased its production at one of the existing suppliers instead.

During the Covid-19 pandemic of 2020, the described approach was followed as usual. ARMEDANGELS stayed in frequent contact with its suppliers, using recurring questionnaires in March, June and November. The surveys included questions about the situation in the country and at the supplier, related to the health & safety of the workforce and the production capacity. Besides this, ARMEDANGELS was in direct contact with suppliers on Whatsapp, e-mail and phone.

ARMEDANGELS made use of Fair Wear's country-specific guidance where possible, but also indicated that the company focused on contact with the supplier rather than keeping up-to-date with the large amount of guidance available. Generally, the suppliers indicated they were doing well both in the supplier surveys and in direct contact with ARMEDANGELS (this was demonstrated during the performance check). Some suppliers indicated they had extra capacity due to cancelled orders from other customers. During the summer of 2020, when European travel restrictions were lifted, ARMEDANGELS visited all new and existing suppliers in Portugal. Scheduled audits were postponed but could take place in 2020.

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 supplier rating which comes out of this system forms the basis for the sourcing manager to decide on further supplier relations. Besides this, ARMEDANGELS asks its suppliers to fill out a self-assessment, which is based on the same elements as the supplier evaluation. This self-assessment makes the suppliers more keen to improve things because it gives them insight into how the rating works. ARMEDANGELS does not yet have a clear strategy to reward suppliers which are doing very well.

ARMEDANGELS has a responsible exit strategy with a procedural checklist based on Fair Wear's responsible exit policy. ARMEDANGELS stopped working with one supplier in 2020, which was done through a process of several years following the responsible exit strategy. This process came was concluded in 2020.

ARMEDANGELS did not cancel or reduce any orders because of Covid-19. At the start of the pandemic, the company's CEO communicated to all suppliers that this would not be the case and the ARMEDANGELS would fully pay and accept the orders (this was verified during the performance check). ARMEDANGELS placed extra orders at suppliers which had a lot of spare capacity due to other customers cancelling orders, for example by starting mask production at one of its Portuguese suppliers which was facing factory closure otherwise.

**Recommendation:** As it is not always possible to reward suppliers with more volumes, Social Fashion Company GmbH (ARMEDANGELS) could look into other incentives that reward supplier's commitment towards the CoLP. An example would be to offer training for skill building/capacity development.

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. In 2020 it was a bit easier to forecast accurately, due to the large amount of online sales.

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. Thanks to this detailed planning and forecasting system, suppliers usually know what they can expect in the coming 12 months.

In 2020, more delays occurred than usual because of Covid-19. ARMEDANGELS stayed in constant contact with the suppliers to gain understanding of how the situation differed in each production country. Sometimes priorities were shifted, for example when certain products were in high demand they could be pushed forward and then others were delayed. Such decisions were made in agreement with the factory managements. When there were delays, it was discussed with the suppliers whether the brand could do anything to support. If this was not the case, the delay was simply accepted.

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:** In 2020, some excessive overtime was found in the audits done in Turkey, where workers worked nightshifts which were exceeding the maximum allowed duration of 7.5 hours per night shift. ARMEDANGELS has ensured this was remediated and no longer occurs, this was verified with a BSCI audit. The time-keeping system of this factory has also been improved.

Generally, ARMEDANGELS has been very careful in 2020 not to put extra pressure on the factories, as they were already on a lot of strain from the pandemic. Furthermore, the brand has developed monitoring guidance documents for suppliers on each of the Code of Labour Practices elements (see also 2.4). The monitoring document on Reasonable Hours of Work outlines the various possible findings related to this code element and recommended steps for follow-up by the factory. This is a good example of ways to support factories in mitigating the occurrence of excessive overtime.

Although ARMEDANGELS has a general idea of the root causes of the occurrence of excessive overtime, in 2020 the company did not invest in digging further into these root causes because the focus was on keeping the factories afloat.

**Recommendation:** Social Fashion Company GmbH (ARMEDANGELS) could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, Social Fashion Company GmbH (ARMEDANGELS) could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. Fair Wear could recommend qualified persons upon request. Furthermore, Fair Wear recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

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 2020, ARMEDANGELS continued their pricing methodology based on the labour minute costing as introduced by Fair Wear. 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. All buyers are aware of the number of minutes that go into a style. The time also includes idle time (assuming no supplier works at 100% efficiency all the time). This approach is also implemented for subcontractors, although ARMEDANGELS is not yet taking its leverage at these factories into account when calculating the minute price for these factories, because that would lead to lower prices as leverage is often quite low.

Verification of the labour minute costing process is normally done on-site by the CR manager. Due to Covid-19, this was not possible at all suppliers. Where visiting could not take place, this was done during video conference where the suppliers shared the list of workers, the payment of wages and time they worked. Raises in legal minimum wage are included in the minute price. The cost of inflation is included by using the average exchange rate of the last 6 months.

In 2020, ARMEDANGELS looked for a simple way to support suppliers in covering the costs related to Covid-19 measures. The solution used was the lowering of the efficiency percentage in the calculation of the labour minute values. Although this was met with some resistance at first, the CR manager explained to the suppliers that this was a way for them to increase the prices of the product. This way, ARMEDANGELS supported its suppliers in a systematic way during the pandemic, raising the FOB prices with 3-8%.

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.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

**Comment:** In 2020, no cases of failure to pay legal minimum wages were registered. The audits in Turkey and Tunisia did show some issues related to the correct payment of overtime premiums and bonuses. ARMEDANGELS is in dialogue with the relevant suppliers to find solutions to these issues, but has not yet been able to fully remediate this.

ARMEDANGELS' suppliers did not indicate any problems with paying wages due to the Covid-19 pandemic. ARMEDANGELS verified these claims during video calls in which the suppliers could demonstrate the wage documentation. In Portugal, the verification was done on-site during visits. There were no workers dismissed at ARMEDANGELS' suppliers because of Covid-19. When suppliers indicated issues with left-over capacity due to order cancellations from other brands, ARMEDANGELS tried to support them with extra orders. The Portuguese supplier who produced masks, in fact had a better year than usually thanks to the orders of ARMEDANGELS.

**Requirement:** If a supplier fails to comply with legal wage regulations, members are expected to respond in time, identify root causes with factory management, and resolve that local labour laws are respected. Evidence of remediation must be collected.

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

**Comment:** There were no findings of late payment by ARMEDANGELS in 2020. The company did not change its payment terms because of Covid-19 and reassured all suppliers early in the pandemic that all orders would be maintained and paid. Payments are done within 14-30 days of the invoice date.

In case of delayed orders, ARMEDANGELS accepted the situation as it was. No discounts were negotiated and there have not been any issues with quality. ARMEDANGELS was able to demonstrate an overview of the orders, the payment deadlines and the actual payments during the performance check. Some orders were paid a couple of days after the payment deadline, because ARMEDANGELS does the invoice payments in one batch every 7 days.

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.	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 is aware which production locations pay below their target wage (120% above legal minimum wage) and discusses this with factory management. ARMEDANGELS acknowledges that it is a problem of the industry that everywhere brands are paying too little to allow suppliers to pay living wages. At one of the Turkish supplier where living wages are not paid, the overhead is very high and customers do not want to pay for this. Such business set-ups also influence the wages of the workers in the end. Generally, ARMEDANGELS finds its suppliers are open to discuss and work on the topic of living wages, but actual improvements have not yet been made everywhere. ARMEDANGELS keeps discussing the topic and plans to address it during on-site visits again. Due to the pandemic, ARMEDANGELS has not been able to include worker representatives in assessing the root causes of wages below living wages.



The Covid-19 pandemic has not led to an increased wage gap at ARMEDANGELS suppliers.

**Recommendation:** Fair Wear encourages ARMEDANGELS to involve worker representatives and local organisations in assessing the root causes of wages lower than living wages.

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. Most suppliers have met this target, except for some of the Portuguese suppliers. The 120% target wage was set to make the discussion less complex and start with concrete steps. ARMEDANGELS had planned to select a new target wage in 2020, but this did not take place due to Covid-19.

ARMEDANGELS uses its own business practices as the enabler to pay a higher wage. For example by taking the money from the company's turnover, or cross-financing through products that are good sellers or by increasing the retail price.

**Recommendation:** In determining what living wage estimate is suitable to use and how wages should be increased, it is recommended to involve worker representation.

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.	47%	Fair Wear 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.	4	6	0

**Comment:** The target wage of 120% is met at all suppliers in high-risk countries except for the supplier in Romania. One supplier in Tunisia pays 274% of the legal minimum wage. However, in Tunisia a national CBA is in place, which all factories have to adhere to. ARMEDANGELS does not yet calculate the difference between the CBA wage level and the living wage level. ARMEDANGELS verifies by assessing payment records of suppliers every 6 months. This target wage has not been reached at all suppliers in low-risk countries, except for one.

**Recommendation:** ARMEDANGELS is recommended to continue working on rolling out its step-by-step approach to realising wage increases at all suppliers. Furthermore, ARMEDANGELS should start using the Tunisian CBA wage as base wage for its calculations, as this is the wage all factories are legally obliged to meet.

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 44**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	28%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	52%	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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	81%	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 Fair Wear 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

**Comment:** Member makes use of FWF audits and/or external audits only (N/A)

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: Fair Wear 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 2020, ARMEDANGELS shared findings with factory management and worker representation. ARMEDANGELS had planned to involve worker representation in follow-up of the CAP, but this was not possible due to the Covid-19 pandemic.

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.	Advanced	Fair Wear 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.	8	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.

ARMEDANGELS was able to demonstrate several remediated findings during the performance check. Others were still pending or required additional verification. ARMEDANGELS showed follow-up on several complex issues. For example, at one supplier a finding related to worker representation. ARMEDANGELS could demonstrate proof of follow-up during the performance check.

In 2020, ARMEDANGELS developed a system to provide practical guidance to suppliers per CAP element. Detailed guidance documents were created per Fair Wear Code of Labour Practices element, and additionally for findings related to basic needs, complaints & grievance mechanisms, and environmental compliance. Each document explains why this element matters and what it means, and includes a detailed table of most common findings related to this finding and possible steps for remediation. These overviews are shared with the suppliers together with CAP, to support and guide suppliers in remediation. These documents are a strong example of a systematic approach towards the implementation of the Fair Wear Code of Labour practices. It supports suppliers in CAP follow-up and at the same time raises awareness of the CoLP.

ARMEDANGELS ensured all its suppliers took required Covid-19 health & safety measures using photos/videos and physical visits to Portuguese suppliers in summer 2020. ARMEDANGELS was able to do all planned audits in 2020 and did follow-up as usual.

**Recommendation:** Fair Wear commends ARMEDANGELS for its supplier monitoring guidance documents and recommends ARMEDANGELS to try to work on the root causes of more complex findings, potentially in collaboration with local partners/NGOs or support from Fair Wear.

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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

**Comment:** This indicator is not applicable for all members due to the travel restrictions in 2020.

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 the CR manager 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.

It is ARMEDANGELS policy to have 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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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: SANDBLASTING**

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. The main denim supplier does not have any sandblasting equipment on site. GOTS audits every year to verify abrasive blasting is not used. ARMEDANGELS is aware of the risks related to alternatives to sandblasting and does not use any of these methods. Most finishing is done with laser and ozone washing techniques. All finishing factories are GOTS and many also OekoTex certified.

### **TURKEY**

ARMEDANGELS has a policy aimed at its Turkish suppliers to address the risks around Syrian refugees. All suppliers have signed and returned this policy and the topic is discussed with suppliers in Turkey. The suppliers proactively collect worker permits of Syrian and other migrant workers and share these with the brand. ARMEDANGELS knows the capacity of its suppliers in Turkey, and as such can estimate what will be outsourced where. The main suppliers are GOTS certified, meaning also the subcontractors have to meet the GOTS standards.

### **COVID-19**

When the pandemic hit Europe, ARMEDANGELS' CEO immediately e-mailed all suppliers to reassure them that the brand would not be cancelling any orders. ARMEDANGELS' Head of Supply Chain then sent out the first supplier questionnaire to all suppliers, collecting information about their situation. ARMEDANGELS made use of Fair Wear's guidance where possible, but prioritized the contact with suppliers and ensuring the factories were doing alright. The focus was on workers' healths, factory closures, production pressure and payment of wages.

ARMEDANGELS shared the Industry statement on Covid-19 with its suppliers, verified where government support was available (Portugal) and checked whether any workers had been let off. Most of ARMEDANGELS' suppliers were doing alright, some of them even offered to support ARMEDANGELS in case they were experiencing any difficulties themselves. The brand verified OHS measures being taken by photos and video tours and audits. ARMEDANGELS was very regularly in contact with the suppliers by phone, e-mail and Whatsapp.



ARMEDANGELS financially supported factories in payment of the Covid-19 measures by raising the prices of the products by increasing the labour minute values and thus FOB price of its products (see also indicator 1.8). ARMEDANGELS was not able to involve worker representation in discussion on these matters, but knows in Portugal the trade union is functional. ARMEDANGELS tried to support its suppliers where possible by giving them extra orders, for example by starting the production of face masks at on Portuguese supplier with a lot of free capacity. Part of the profit of the sales of these masks was donated to Doctors Without Borders, in total around 750,000 euros. Additionally, ARMEDANGELS supported the Bangladesh National Garment Workers Federation with a donation of 24,466 euros (see also the Corona Addendum of this report).

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 three other Fair Wear members to support improvements after the two audits at shared suppliers in 2020. 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.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

**Member undertakes additional activities to monitor suppliers.:** Yes (1)

**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. ARMEDANGELS was able to visit all its suppliers in Portugal in 2020, despite the Covid-19 pandemic.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	Fair Wear 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 Fair Wear and recent Audit Reports.	N/A	2	0

**Comment:** ARMEDANGELS has conducted a full audit at its spinning mill in India in 2019. However, this is out of scope of Fair Wear.

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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear 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	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear 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	Fair Wear 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

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## Monitoring and Remediation

**Possible Points: 26**

**Earned Points: 25**

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### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	2	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.	2	

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 Fair Wear 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 Fair Wear 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. For one supplier in Turkey, the photo of the Worker Information Sheet was not yet available as this supplier refuses to post it. ARMEDANGELS is in dialogue with the supplier about this topic and had planned a joint meeting with Fair Wear's local team and the Fair Wear Turkey Country Manager, to discuss the situation, but this was postponed due to Covid-19.

**Recommendation:** ARMEDANGELS is strongly recommended to work with Fair Wear's local team to find a solution to this supplier's reluctance towards Fair Wear and to find a way to ensure workers' access to the Fair wear complaints helpline. As the Covid-19 pandemic persists, Fair Wear recommends ARMEDANGELS to consider an online roundtable meeting or a hybrid online/physical meeting. For example, a local Fair Wear staff member physically visits the supplier and the brand and Fair Wear HQ representative can join via videoconference. ARMEDANGELS should discuss with its brand liaison what is the most suitable format to take this up.

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.	46%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear'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. At one supplier an audit finding was the lack of awareness of the CoLP among workers, although the WEP was done here in 2019. ARMEDANGELS planned another training here in 2021 and followed up on this finding by discussing it with the management.

ARMEDANGELS did not make use of Fair Wear's Covid-19 workers rights videos. This was a deliberate decision, as they did not want to put pressure on the suppliers to organise a group meeting and collect proof that the videos were shown to the workers in the height of the pandemic.

**Recommendation:** Fair Wear recommends ARMEDANGELS to still share the workers' rights videos with its suppliers in India, Turkey and Romania, as the pandemic has not yet come to an end. ARMEDANGELS can consider different ways to share the videos, for example just encouraging the management to share the link to the videos on e-mail or in other company communication.

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 + Preventive steps taken	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.	6	6	-2

**Comment:** In 2020, ARMEDANGELS received 2 complaints at one supplier where other Fair Wear members also source. One of the complaints was addressed by ARMEDANGELS. The root cause identified for this complaint (malbehaviour by administrative staff towards one worker on topic related to Covid-19 measures) was the stress caused by Covid-19. ARMEDANGELS CR manager discussed this with the factory manager and the complaint was solved. Preventive steps taken to avoid recurrence of such malbehaviour included awareness raising by the management among all staff and workers of the reason for certain safety measures, emphasizing the importance of non-violent communication.

The other complaint was followed up by one of the other members producing in this factory. ARMEDANGELS is kept in the loop of follow-up steps but not actively involved unless this is needed.

A WEP is scheduled to take place in this factory in 2021.

**Recommendation:** Where applicable, worker representation should be involved in agreeing to the Corrective Action Plan.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

**Comment:** ARMEDANGELS works with other brands sourcing in the factory where the complaints were filed, on resolving the complaints but also on other topics such as CAP remediation and living wage.

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## Complaints Handling

**Possible Points: 17**

**Earned Points: 15**

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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 Fair Wear 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. Fair Wear membership is part of the induction process for new staff members. ARMEDANGELS uses Microsoft Teams for general internal communication and has a Team in this program where all CSR related information, including audit reports and supplier evaluations, are shared with everyone at the company.

Wholesale managers are also trained on Fair Wear and they then train store personnel.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear 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. Teams is used to share documentation related to any issues. All staff visiting suppliers has to fill the Fair Wear Health & Safety questionnaire and update the CR manager on any issues.

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.	Member does not use agents/contractors	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, Fair Wear audit findings.	N/A	2	0



**Comment:** ARMEDANGELS has not used agents in 2020.

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.	10%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	2	6	0

**Comment:** In 2020, no transformative trainings took place at ARMEDANGELS' suppliers. However, training took place at three suppliers in 2019. As these trainings are valid for 3 years, these count towards this indicator. Two Turkish suppliers had a WEP Factory Dialogue take place. Since 2020, Fair Wear considers WEP Factory Dialogue and 'in-between training', because it may not lead to the long-lasting and large-scale impact desired by Fair Wear but does more than just awareness raising of the WEP Basic. Therefore, half the FOB from factories where this training took place counts towards this indicator. ARMEDANGELS bought 3% and 17% of its total FOB at these factories, half of which thus counts toward this indicator. The third transformative training, WEP Violence and Prevention, was done at a spinning mill in India, which falls out of scope for Fair Wear and therefore does not add to the FOB percentage on which this indicator is scored.

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:** One training in Turkey and the training in India were followed up in conjunction with the remediation of CAPs in these production facilities. The other training in Turkey took place on the initiative of another Fair Wear member, as this is a new supplier for ARMEDANGELS. ARMEDANGELS was not actively involved in the follow-up of this training.

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## **Training and Capacity Building**

**Possible Points: 11**

**Earned Points: 7**

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## 5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

**Comment:** ARMEDANGELS updates factory information every 6 months. A new online 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. Finding unauthorized subcontracting can be a reason to end relationships with a supplier. Several of ARMEDANGELS' main suppliers in Portugal use CMT subcontractors which are authorised and monitored by ARMEDANGELS.

Following the requirement in the previous brand performance check, ARMEDANGELS has registered detailed FOB/CMT data in 2020, also for its subcontractors.

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. Audit reports are sent to head of buying and CEO and are shared with all staff via Microsoft Teams.

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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	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear 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 Fair Wear'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:** ARMEDANGELS discloses suppliers responsible for 94% of its FOB on the Fair Wear website. The one supplier excluded from the Fair Wear website, is included in the brand's social report. All production locations are also included in the Open Apparel Registry.

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 Fair Wear's communication policy.	Social report that is in line with Fair Wear'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.

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## 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 Fair Wear 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 CEO and COO/CFO and head of buying to discuss Fair Wear 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) and the suppliers' self-assessment.

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.	66%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear 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:** Member meets monitoring requirements for tail-end production locations. -> requirement met

5.1 Level of effort to identify all production locations. -> requirement met

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. -> insufficient progress made

**Requirement:** It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check.

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## Evaluation

**Possible Points: 6**

**Earned Points: 6**

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## Recommendations to Fair Wear

ARMEDANGELS is positive on the Fair Wear guidance for Covid-19 and the preparation for the brand performance check, although it found some information was shared a bit late.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	44	52
Monitoring and Remediation	25	26
Complaints Handling	15	17
Training and Capacity Building	7	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	110	125

### Benchmarking Score (earned points divided by possible points)

88

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

21-04-2021

Conducted by:

Paula de Beer