



Brand Performance Check

Social Fashion Company GmbH (ARMEDANGELS)

Publication date: August 2022

This report covers the evaluation period 01-01-2021 to 31-12-2021

About the Brand Performance Check

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

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

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

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

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

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

This year's 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 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.

Brand Performance Check Overview

Social Fashion Company GmbH (ARMEDANGELS)

Evaluation Period: 01-01-2021 to 31-12-2021

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:	Turkey, Romania, Tunisia
Production in other countries:	Germany, 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	96%
Benchmarking score	92
Category	Leader

Summary:

Social Fashion Company GmbH (ARMEDANGELS) has shown advanced results on performance indicators. The benchmarking score of 92 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 96% of its production volume.

This performance check was a self-assessment verified by Fair Wear as part of a pilot.

Corona Addendum:

Compared to 2020, 2021 was a better year for ARMEDANGELS, and it saw a significant increase in its turnover. There were no lockdowns in the brand's sourcing countries, and it did not reduce or shift orders. Like most brands, ARMEDANGELS was confronted with considerable delays. In response, the brand discussed with each supplier if some orders could be prioritised and ultimately accepted delivery delays without penalties. The member organised five Fair Wear audits for its suppliers, continued its human rights monitoring by phone and email, and could visit most Portuguese locations.

ARMEDANGELS has made steady progress towards getting suppliers to pay workers 120% of the local minimum wage. The brand adopted this as its target wage. The figures are adapted yearly to cover inflation and increased minimum wages. In 2020, it placed 47% of production volume at suppliers, where most workers receive this target wage. Last year this percentage was 82%, and only four Portuguese suppliers are still missing. Together with other Fair Wear members, ARMEDANGELS started cooperation with a Turkish supplier on living wages. They paid out the first quarterly lumpsum to benefit workers' wages end of 2021. The member realises these payments need to be integrated into the company to not depend on the available CSR budget.

Next to its commendable work on living wages, the brand has a comprehensive system to follow up on CAPs, complaints and country-specific risks. The guidance it offers suppliers supports remediation and prevention of further similar cases. The new suppliers in Turkey were initially hesitant to work with Fair Wear. The member connected them with a long-term supplier that could convince them to cooperate with Fair Wear.

Overall, ARMEDANGELS has shown advanced progress on most indicators and could show it continues to be a reliable partner for its suppliers.

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.	78%	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 2021, 78% of ARMEDANGELS' production volume came from production locations where it buys more than 10% of production capacity. ARMEDANGELS keeps on growing in terms of volume and terms of range. The member intends to expand quantities with existing suppliers and grow together where possible. In 2021, ARMEDANGELS started with four new suppliers in Turkey and Portugal.

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.	10%	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: 10% of ARMEDANGELS' 2021 production volume came from production locations where it buys less than 2% of FOB. The production locations accounting for this indicator are either recently onboarded, subcontractors in Portugal or supplying a new and small product group. ARMEDANGELS aims always to increase FOB at existing production partners.

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: ARMEDANGELS aims to build long-term business relationships. As the company continued to grow in recent years, onboarding new suppliers is part of the process. In 2021, 46% of the production volume came from production locations where a business relationship has existed for at least five years.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: All suppliers have sent back a filled-in questionnaire with the Code of Labour Practices.

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 by looking into certification, other (Fair Wear) brands, transparency and completing the Fair Wear Health and Safety checklist. The capacity of the supplier and the expected capacity needed for ARMEDANGELS are also considered in this process to avoid factories taking on orders that 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' Social Impact Manager, who will continue the assessment in direct communication with suppliers. Since 2020, new suppliers are asked to complete a self-assessment questionnaire on social compliance, the same used for existing suppliers. The Social Impact Manager verifies the self-assessment, e.g. by looking at actual wage data to confirm the information given about wages. The member also informs the supplier that its pricing will be based on labour minute costing and requests the supplier to share this.

The Social Impact 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.

In 2021, ARMEDANGELS started selling caps and onboarded a new supplier. The supplier, however, was already part of the supply chain as an embroidery subcontractor of an existing supplier; hence, the onboarding was easy. Furthermore, the member started onboarding four suppliers for 2022 production.

During the pandemic of 2021, ARMEDANGELS stayed in frequent contact with its suppliers on Whatsapp, e-mail and phone. Generally, the suppliers indicated they were doing well. The member corroborated these responses with country-specific information and concluded there was no reason for concern.

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 six-month evaluation cycle to discuss suppliers' performance internally with top management and 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. Outcomes of audit reports, WEP reports and complaint procedures are included. All these factors have equal weight on the overall evaluation of the suppliers.

The supplier rating 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 based on the same elements as the supplier evaluation. This self-assessment makes the suppliers keener to improve things because it gives them insight into how the rating works. ARMEDANGELS does not yet have a clear strategy to reward suppliers who are doing well. The member is currently discussing how to implement the recommendation from the previous year to reward suppliers with incentives other than increasing the volume (which is not always possible).

ARMEDANGELS has a responsible exit strategy with a procedural checklist based on Fair Wear's responsible exit policy.

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 that ARMEDANGELS would fully pay and accept the orders. This was checked in last year's Brand Performance Check.

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 at the supplier level. The company has an advanced forecasting system where upfront planning and setting of delivery deadlines happen in close collaboration with suppliers. If a 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 to give the supplier more time.

The product team anticipates the number of styles and products and agrees with the suppliers who can handle what, in quantity and timing. This is to spread styles to balance the suppliers' capacity. The order placement is based on previous selling figures that enable the company to forecast accurately, including lead times of fabrics. ARMEDANGELS has an internal deadline for releasing styles; if that deadline is not met, the lead times are extended.

A detailed production calendar is frequently updated with suppliers. The increase of Never Out of Stock items is an opportunity to fill the capacity of low seasons at suppliers. Quantities are fixed after order placement, and large design changes rarely happen. The member implemented a new calendar for product development, and products and bulk are planned based on suppliers' lead times. ARMEDANGELS takes the desired date for delivery and works backwards. ARMEDANGELS shares 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. Regular reviews of the forecasting support this process.

Much like in 2020, more delays occurred because of COVID-19. ARMEDANGELS stayed in constant contact with the suppliers to understand 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 others would be delayed. ARMEDANGELS made such decisions in agreement with the factory management. When there were delays, it was discussed with the suppliers whether the brand could do anything to support them. 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: Excessive overtime remains a problem in Turkey. To follow up on overtime findings in audit reports, ARMEDANGELS keeps in frequent contact with its suppliers. One supplier approached the member directly, mentioning that they still have to rely heavily on overtime in peak season and asking for support on reducing this. Attracting skilled workers during peak season is complex, keeping them during the low season even more so. The supplier has looked into subcontracting but struggles with finding the right partner with equally high standards regarding human rights. Together with other Fair Wear members sourcing at this factory, ARMEDANGELS is looking into ways to support the supplier.

Generally, ARMEDANGELS has been very careful not to put extra pressure on the factories, as they were already under 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 indicator 2.4). The monitoring document on Reasonable Hours of Work outlines the various possible findings and recommended steps for follow-up by the factory.

Recommendation: Fair Wear recommends ARMEDANGELS to consider placing more Never Out of Stock (NOS) styles with its Turkish supplier to smoothen production throughout the year.

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 2021, ARMEDANGELS continued its pricing methodology based on the labour minute costing 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. Every product has a detailed cost-break down, including all information that makes up the price of a piece of clothing: the actual costs for fabric, accessories, trims, artwork, labelling and packaging, 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 supplier checks the estimated time. Based on that feedback, it might be possible to change some of the tech specifications or designs, accessories or labelling;
- 3) The calculated minutes are checked with the workers regarding feasibility.

In this approach, the negotiation of the manufacturing price (CMT cost) with suppliers separately itemises the labour cost, allowing ARMEDANGELS to know how its 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 makes price negotiations obsolete. All buyers know 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 relatively low.

Verification of the labour minute costing process is usually done on-site by the Social Impact Manager. Due to the pandemic, this was not possible at all suppliers. Where visits could not take place, this was done during video conference where suppliers shared the list of workers, the payment of wages and the time they worked. Increases in the legal minimum wage are included in the minute price. The cost of inflation is included by using the average exchange rate of the last six months.

In 2021, ARMEDANGELS tried out the FairPrice App with some Turkish suppliers. However, there is quite some reluctance toward the new system, and much convincing is necessary. Still, ARMEDANGELS wants to continue exploring this option as a uniform way to calculate labour minute costs.

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 2021, no cases of failure to pay legal minimum wages were registered. ARMEDANGELS' suppliers did not have to go into lockdown.

Previously there were some issues regarding the payment of bonuses at ARMEDANGELS' shared supplier in Tunisia. These issues have now been resolved. The brand is also working on improving the bookkeeping system of its Turkish supplier, mentioned in the previous performance check.

Two audits at the end of 2021 showed findings related to the payment of overtime premiums and annual leave, these will be included in the performance check of next year.

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 2021. All invoices were paid within payment terms.

At the start of 2021, ARMEDANGELS agreed with some suppliers on different payment terms for as long as the pandemic lasted. Several suppliers that previously were paid within 14 days were changed to 30 days. And some suppliers that ARMEDANGELS previously paid within 30 days were changed to 60 days. The member did this in close exchange and agreement with the partners. In June, ARMEDANGELS returned to its standard payment terms.

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 sends all new suppliers a self-assessment that includes questions related to a living wage, making new suppliers aware from the start of the importance of this topic for the brand. ARMEDANGELS is aware of the suppliers that pay below the target wage that the member set on 120% of the legal minimum wage and discusses this with factory management. ARMEDANGELS discusses the topic during on-site visits. Due to the pandemic, ARMEDANGELS has not been able to include worker representatives in assessing the root causes of wages below living wages.

In 2021, ARMEDANGELS started a pilot with a shared supplier in Turkey and its other three customers to reach living wages for the production workers at the factory. The supplier is highly motivated and has done extensive research to implement this project in terms of thorough surveys with employees, legal advising, thorough calculations for fair distribution of wage bonuses, etc. In Dec 2021, the four brands paid 50,000€ in total, with ARMEDANGELS paying the most per its leverage. With this, the brands could cover the gap between actual wages and the estimated living wage of all 120 production workers. The project will continue in 2022, with payments scheduled four times a year. All brands are aiming to integrate the use of the Fair Price App in the future for this project.

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

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, reflected in the buying prices. The member pays the increased prices from the margin, and the payments for the pilot with the Turkish supplier came from CSR budget. The member realises these payments need to be integrated into the company to not depend on the available CSR budget.

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.	82%	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.	6	6	0

Comment: Suppliers covering 82% of ARMEDANGELS' production volume paid at least the target wage of 120% of the legal minimum wage. Only four suppliers in Portugal did not meet the target wage yet. The member verifies the target wage payment via audit reports. The member has analysed the paid salaries at its suppliers per production country: in Portugal, workers earn on average 122% of the legal minimum wage, in Turkey 137%, and in Tunisia 284%. The target wage for the Turkish pilot project is set to 3650 Turkish Lira. All target wages will continuously be adjusted to reflect minimum wage increases and inflation.

Recommendation: Fair Wear recommends ARMEDANGELS to set increased target wages for its suppliers that have long met the 120% target wage to continue closing the gap between paid wages and living wage benchmarks.

Purchasing Practices

Possible Points: 52

Earned Points: 46

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	46%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	50%	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	
Requirement(s) for next performance check		
Total monitoring threshold:	96%	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: As the structure of the department was changed in 2021, for the first part of the year, the CR manager was responsible for the implementation and follow-up of the monitoring system. For the second part of the year, the designated person is now called Social Impact Manager.

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 2021, ARMEDANGELS shared findings with factory management and encouraged factory management actively to engage with worker representatives for remediation actions.

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 regularly follows up on Corrective Action Plans (CAP) and plans meetings with all suppliers to go through CAPs. The timeframe is discussed with the suppliers and depends on the progress, the severity of the findings and the necessity to support the supplier in the process. Priorities are set and timelines agreed upon. The status of improvements is tracked via email and registered in the CAP, where comments and evidence documentation are stored.

ARMEDANGELS continued to work with a system to provide practical guidance to suppliers per CAP element, which was developed in 2020. The company created detailed guidance documents per Fair Wear's Code of Labour Practices and for findings related to basic needs, complaints and grievance mechanisms, and environmental compliance. Each document explains why this element matters and what it means and includes a detailed table of the most common findings related to this finding and possible steps for remediation. ARMEDANGELS sends out these guidance documents to the suppliers tailored to the specific findings of the respective CAP. This way, suppliers are further supported and guided through the remediation process. These documents are a strong example of a systematic approach to implementing the Fair Wear Code of Labour Practices. It helps suppliers in CAP follow-up and, at the same time, raises awareness of the CoLP.

The member 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. Some new Turkish suppliers were reluctant to work together with Fair Wear. ARMEDANGELS connected them with a long-term Turkish supplier that could convince them that working with Fair Wear is not burdensome.

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: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable. However, the member visited all except one Portuguese supplier, covering 49% of the total production volume.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: ARMEDANGELS collects audit reports as part of its due diligence process. All reports are checked thoroughly and if new findings occur, they are discussed with the respective supplier.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	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.	5	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	Policies are not relevant to the company's supply chain			N/A	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	Intermediate			3	6	-2

Comment: ARMEDANGELS sources at ten Turkish suppliers, which cover more than a quarter of the member's production volume. The company has a policy to address the risks around Syrian refugees at its Turkish suppliers. All suppliers have signed and returned this policy, which 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. The member started with two new suppliers in Turkey. For one supplier, it received an existing audit report. The other supplier has not been audited previously but will be audited in 2022. In the past three years, three suppliers have been enrolled in Fair Wear's Factory Dialogue training.

Other risks:

The member sources at one Tunisian supplier, which covers 24 % of ARMEDANGELS' production volume. The brand is aware that short-term contracts are a big issue in Tunisia and is following this up closely with the supplier and subcontractors, checking how much percentage of the workforce is on short-term contracts and how long they have been employed.

Throughout 2021 ARMEDANGELS was in close contact with all suppliers to check on the continued implementation of COVID-19 measures. Whenever there are outbreaks in the factories resulting in a disruption of production, ARMEDANGELS was informed and supported the factory as much as possible.

Recommendation: Fair Wear recommends ARMEDANGELS to audit all Turkish suppliers, including CMT subcontractors.

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 other Fair Wear members to support improvements after the Fair Wear audits at shared suppliers. The member tries to simplify the process for the supplier. Wherever possible, ARMEDANGELS cooperates with other brands to share one CAP report and do meetings on remediation work with the supplier including all brands.

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 internal assessments, including the health and safety checklist. The factories adhere to ARMEDANGELS' subcontractor policy and are included in the labour minute costing project. Only four out of nineteen suppliers do not pay the target wage yet.

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 conducted a full audit at its spinning mill in India in 2019. However, this is out of the 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

Monitoring and Remediation

Possible Points: 26

Earned Points: 25

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	3	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.	1	
Number of worker complaints resolved since last check.	4	

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' Social Impact 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. ARMEDANGELS worked closely with one Turkish supplier who was reluctant to hang up the Worker Information Sheet. Several phone calls and meetings took place between ARMEDANGELS and the supplier, and Fair Wear. The conversation was very open and transparent, and the supplier had the chance to raise all his concerns. The brand appreciated the open dialogue and having the trust to raise concerns with one another. The Worker Information Sheet is now hanging at the supplier.

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.	78%	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.	6	6	0

Comment: Between 2019 and 2021, ARMEDANGELS organised WEP basic and WEP factory dialogue for eight suppliers accounting for 78% of the total FOB (in non low risk countries).

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 2021, ARMEDANGELS received three complaints via the Fair Wear complaints hotline.

The member received two of these complaints from workers of the same factory. The first complaint touched on internal communication and the stress level of supervisors towards employees, resulting in harsh language. Further, the complainant stated that overtime hours are excessive and entitled days off were not granted. The second complaint was similar, stating excessive overtime and overtime premiums not being paid. For both complaints, ARMEDANGELS started remediation immediately following the ARMEDANGELS Policy on Complaints Handling. Thanks to the open and transparent communication with the factory management, ARMEDANGELS solved both complaints quickly. Factory management took preventative steps by training production leaders and supervisors straight away on social dialogue, salary and overtime hours, as well as on the roles of worker representatives. The supplier organised a new election of worker representatives, and the new worker representatives were trained on their new role and responsibilities. A Fair Wear training session on all labour standards is scheduled for 2022. All issues are further incorporated into the ongoing remediation work and will be followed closely.

The third complaint was from a worker from a Turkish supplier stating that the supplier supposedly employed daily workers informally. The complaint was handled collectively with other Fair Wear members. Factory management and all four brands are working closely together, and during the investigation, the brands could not confirm the complaint. The last Fair Wear audit was conducted shortly before the complaint was filed and could not verify the claim. However, as part of the ongoing remediation work with the supplier, ARMEDANGELS will continue to monitor this in the future.

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 a living wage.

Complaints Handling

Possible Points: 17

Earned Points: 17

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 CR-related information, including audit reports and supplier evaluations, are shared with everyone at the company.

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 Social Impact Manager is regularly in touch with the Supply Chain Director, Head of Supply Chain, Head of Buying, Quality Control 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 out the Fair Wear Health and Safety questionnaire and update the Social Impact 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 2021.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable. However, the member has organised WEP Factory Dialogue for three suppliers in Turkey, accounting for 32% of the FOB in non low-risk countries.

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: The member includes the outcomes of each training in the existing CAP and integrates follow-up with other CAP issues.

Training and Capacity Building

Possible Points: 5

Earned Points: 5

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: ARMEDANGELS updates factory information every six months. An online system incorporates all relevant supplier data in one place, including CSR information and reports (this system is still in the set-up phase, and improvements are being made to make it more practical). Because of the open costing project, a high level of transparency is requested from suppliers.

Suppliers are not allowed to use subcontractors unless the member agreed to it beforehand. ARMEDANGELS visits all production locations regularly, but in 2021 could only visit the Portuguese suppliers. Several of ARMEDANGELS' main suppliers in Portugal use CMT subcontractors who are authorised and monitored by ARMEDANGELS.

Recommendation: Fair Wear recommends ARMEDANGELS to start visiting its suppliers during production again when travel is possible.

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 regarding the Fair Wear Code of Labour Practices is shared through regular internal meetings with the Supply Chain Director, Head of Supply Chain, Head of Buying and Impact & Innovation team. The relevant staff members also often travel together to discuss the implementation of the Code of Labour Practices with factory management. The labour minute costing of the open costing methodology for suppliers is prepared by the Social Impact Manager and discussed with Supply Chain/Buying team. The Head of Buying is responsible for the overall open costing sheet for all products. Staff that travels to production locations without the Impact and Innovation team are informed about pending social compliance issues and are instructed to fill in the health and safety file and take pictures of the Worker Information Sheet. All communication is done via a dedicated channel on Teams. Audit reports are sent to Supply Chain and Buying Team and are shared with all staff via Microsoft Teams.

Information Management

Possible Points: 7

Earned Points: 4

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	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, press releases, sales meetings, and influencer marketing. ARMEDANGELS frequently speaks with 3rd party re-sellers to ensure Fair Wear membership and its other CSR initiatives are correctly communicated.

In 2021, the member published a so-called Action Report 2020 for the first time. It is widely used in direct communication with internal and external partners, organisations and the press.

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 100% of its FOB on the Fair Wear website. All direct suppliers, as well as their subcontractors, are mentioned in the Action Report and 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 part of the ARMEDANGELS Action Report is complete and accurate, but the recommendation from the previous brand performance check is not followed up and remains in place.

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

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The Social Impact Manager has regular meetings with the Supply Chain Director, Impact and Innovation Directrice, Head of Supply Chain, Head of Buying, and the CEO to discuss Fair Wear membership.

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.	100%	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: The previous check included requirements regarding the CoLP questionnaire (indicator 1.3) and the follow-up of wage issues (indicator 1.9). Both have been followed up diligently.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

ARMEDANGELS would like Fair Wear to provide more practical examples and guidance for conducting the HRDD cycle.
(mainly RBC policy and risk assessment).

Scoring Overview

Category	Earned	Possible
Purchasing Practices	46	52
Monitoring and Remediation	25	26
Complaints Handling	17	17
Training and Capacity Building	5	5
Information Management	4	7
Transparency	6	6
Evaluation	6	6
Totals:	109	119

Benchmarking Score (earned points divided by possible points)

92

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

19-07-2022

Conducted by:

Self Assessment verified by Niki Janssen

Interviews with:

Julia Kirschner - Social Impact Manager