



## BRAND PERFORMANCE CHECK

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Acne Studios

PUBLICATION DATE: DECEMBER 2016

this report covers the evaluation period 01-09-2015 to 31-08-2016

## ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices. They evaluate the parts of affiliate 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 factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory 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 factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

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

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

## BRAND PERFORMANCE CHECK OVERVIEW

Acne Studios

Evaluation Period: 01-09-2015 to 31-08-2016

AFFILIATE INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-08-2008
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, China, India, Romania, Turkey
Production in other countries:	Albania, France, Italy, Republic of Korea, Latvia, Lithuania, Morocco, Poland, Portugal, Serbia, United Kingdom
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	92%
Benchmarking score	85
Category	Leader

## Summary:

Acne Studios meets most of FWF's management system requirements and goes beyond some of them. With 92% of production under monitoring, Acne Studios fulfills FWF's monitoring threshold for affiliates after three years of membership.

Long-term relationships with many suppliers (45% of total production volume is sourced from long-term suppliers), often combined with high leverage at the production locations (78%) and regular visits to the production sites puts Acne Studios in a good position to work on improvement of labour conditions.

Acne Studios has strong systems in place to follow up on Corrective Action Plans, however working towards living wages remains challenging. A thorough wage analysis of all wages at the Romanian suppliers was done by Acne Studios. The company used FWF's wage ladders, resulted from audits. Next step for Acne Studios is to learn in which countries the largest gap between wages paid and living wage benchmarks are found. FWF recommends to assess prices in relation to the share that is paid to workers. Increased transparency in costing and productivity gives insight in the labour costs and labour minutes per product.

## PERFORMANCE CATEGORY OVERVIEW

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

**Good:** It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—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 affiliates will receive a 'Good' rating.

**Needs Improvement:** Affiliates 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. Affiliates 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:** Affiliates 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. Affiliates 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
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	78%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	4	4	0

Comment: In the last financial year, Acne Studios purchased 78% of its supplier volume from factories where the company has significant leverage (at least 10% of the factory's production capacity).

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	45%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	2	4	0
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Comment: Acne Studios has been sourcing 45% of its production volume from production locations where a business relationship existed for at least five years.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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Comment: The CSR manager is immediately informed when a new supplier is selected, to ensure it is included in the monitoring system.

Parallel to product sampling, the supplier is informed about FWF membership and given a questionnaire, the FWF Code of Labour Practices, and a business contract. The questionnaire needs to be fully completed (including information on subcontractors) before continuing the selection process.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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**Comment:** Overall, Acne Studios has a written policy that describes the process of selecting new suppliers. Assessing working conditions and social compliance are an integral part of the procedure. Once the sourcing department has identified a potential new supplier, the CSR person is informed.

The CSR manager communicates with the factory and starts collecting information such as existing audit reports, other clients in the factory and subcontractor information. Either the CSR manager or someone from the production department visits the factory to get a better impression of the facilities and the conditions, using the FWF health & safety checklist. CSR and production department work closely together to decide whether to start working with the factory. The Head of Production takes the final decision, with input from CSR manager. An FWF audit is scheduled as soon as possible.

In the past financial year, Acne Studios started sourcing at 67 new suppliers. India was entered as a new production country, for a very small embroidery order (fabric embroidery for a total of 70 dresses). Acne Studios visited the supplier during sampling, the health & safety checklist was used and pictures were taken of the workforce confirming all dresses were made in house. The factory is not located in Tamil Nadu where a high risk regarding Sumangali systems exists.

There were several new suppliers in Italy, producing accessories. Acne Studios organizes audits in Italy based on risk assessments, and focuses on those suppliers using migrant (Chinese) workers. Furthermore, two suppliers were added as subcontractors of a Turkish factory.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	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
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**Comment:** Acne Studios evaluates suppliers' social compliance based on audit findings, complaints and feedback from production departments. Findings, such as transparency, usage of unapproved subcontractors, failure to pay minimum wages and critical health and safety findings are examples of issues that the supplier needs to show immediate improvements on. Social compliance is part of the decision making process of selecting suppliers.

In the past financial year, Acne Studios struggled with its Korean supplier, with regard to CAP follow-up and clear improvements. Acne Studios withheld orders for two months and underlined that follow-up on the CAP was crucial. Furthermore, the company organised a training for homeworkers that were linked to the factory. After the homeworker training and evidence of improvements, the placed orders were given back to the factory.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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**Comment:** Acne Studios books capacity in an early stage, because of the high diversity per collection. Acne Studios knows the exact time needed for fabric, stitching, finishing etc. Business controllers provide planning to production managers as soon as possible, which enables prebooking of production timeslots 9-6 months in advance. Fabrics are prebooked too, which prevents delays due to fabric deviation for example. Hidden deadlines are built in, to create reserves and minimise the risk of excessive overtime.

For the Never Out of Stock items, Acne Studios plans production in low seasons of suppliers as much as possible. Currently, the company has 38% product continuity and plans to reach 50% in the next three years. In this way, Acne Studios is able to give more suppliers continuous orders, even on a monthly basis. One of the shoe suppliers in Bulgaria is already producing every month.

To facilitate production spread out through the year, orders are placed for three delivery drops. Acne Studios is looking into the possibilities of adding a fourth drop, specifically for the large orders. Besides this, the relation wholesale/retail is currently 52/48 in percentages, which enables a good production planning.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	6	6	0
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**Recommendation:** FWF recommends to continue evaluation of developed instruments and adjustments in production planning, to see whether it did have a positive impact on working hours. Tested instruments to avoid excessive overtime should be applied in remaining production countries where overtime is an issue as well.

**Comment:** In the past financial year, Acne Studios continued to investigate the root causes of excessive overtime by discussing planning and working hours with its Chinese and Turkish suppliers;

At all three suppliers in China, excessive overtime was found. One of the three suppliers hired a production planner to mitigate the overtime issues. With the main Chinese supplier (the one where Acne has the highest leverage) production is planned in detail, prebooking yarns and accessories. Working hours at this supplier are now said to be below 60 per week, which will be verified in a follow-up audit. The period around Chinese New Year is always taken into account when placing orders.

At one of the main suppliers in Turkey, it was found that Ramadan is a factor influencing overtime. Acne Studios agreed with the supplier that from now on this will be taken into account when providing capacity and planning production.

Furthermore, Acne Studios started to discuss how to smoothen out overtime with a subcontractor of their main shoe supplier in Bulgaria. The company can place orders at this supplier throughout the year, so peak seasons are avoided for Acne orders.

In the previous financial year, Acne Studios has mapped all production locations in Italy. The second step was gathering more information via audits and raising the issue of transparency (and access of accurate documentation) as well as the usage of migrant workers.

As mentioned under the previous indicator (1.6), the share of Acne Studio's own stores continues to grow, which means they can better manage delays and book capacity at an earlier stage.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
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**Recommendation:** Acne Studios is recommended to assess their prices in relation to the share that is paid to workers. Increased transparency in costing and productivity gives insight in the labour costs and labour minutes per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

**Comment:** In general, prices are set on the basis of past experience and sales forecasts. Product developers fix long term prices as much as possible and aim to avoid negotiations per production season. The company can in some cases accept motivated price increase by supplier, for instance when wages go up in China or Turkey. Labour costs are known for some suppliers, but Acne Studios does not know labour minutes per product. A next step is to create more detailed costing sheets with the denim suppliers.

In this past financial year, Acne Studios started with a regional approach to work towards living wages, by mapping wages at their Romanian suppliers. A first step was to compare and analyse the wage levels between different factories in the same region.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2
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1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories 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 factory and affiliate financial documents.	0	0	-1
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1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0
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**Recommendation:** Similar to the previous year, FWF encourages Acne Studios to assess the hypothetical cost effects of increasing wages towards living wage benchmarks. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

**Comment:** Acne Studios aims to fix long term prices as much as possible and attempts to avoid negotiations per production season. A thorough wage analysis of all wages at the Romanian suppliers was done. The company used FWF's wage ladders, resulted from audits. Several suppliers in Romania are paying wages higher than the industry level. Next step for Acne Studios is to learn in which countries the largest gap between wages paid and living wage benchmarks are found. Suppliers' practices in the same region will be compared to incentivise suppliers to increase wages.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
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1.13 Percentage of production volume from factories owned by the affiliate.	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 affiliate's score.	Supplier information provided by affiliate.	N/A	2	0
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## PURCHASING PRACTICES

Possible Points: 40

Earned Points: 34

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	33%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	59%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	92%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2

**Recommendation:** FWF recommends to facilitate remediation more actively by considering to organise supplier seminars, promote participation in factory trainings, share knowledge and providing financial support to suppliers to implement improvements.

**Comment:** Critical findings after an audit are always discussed in meetings with the supplier. Findings on issues such as transparency or usage of unapproved subcontractors, failure to pay minimum wages and critical health and safety findings are examples of issues that the supplier needs to show immediate improvements on. If no change is made on these issues, Acne Studios considers to hold the orders until improvements are shown.

The findings from last financial year's audits conducted at suppliers in Turkey, Romania and Bulgaria were discussed during visits. The status of the Corrective Action Plans is frequently discussed with factory management via email. Several efforts to remediate findings took place, particularly in the area of transparency (name, wage and hour records) and communication (one Turkish supplier refused to hand out worker information cards at first, but after discussion with Acne they now agreed to do it).

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	83%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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Comment: Suppliers are regularly visited by staff of the production department, the quality controller and the CSR manager. The CSR manager observes audits regularly.

2.4 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
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Comment: Acne Studios collected several audit reports from a supplier in Lithuania and followed up on them.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	6	6	0
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**Recommendation:** Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Acne Studios is advised to agree on additional commitments that are required to mitigate risks, especially for new production countries such as India, or countries where there are specific risks such as migrants in Italy and homeworkers in Korea. Acne Studios is recommended to motivate its suppliers in Turkey and Eastern Europe to participate in the Workplace Education Programme, to increase effective worker representation and awareness of labour rights.

**Comment:** Acne Studios intentionally choses to place a large amount of its orders in countries with lower risks of human rights violations (114 out of 142 supplier are located in countries considered as lower risk).

The Italian suppliers are closely monitored and frequently audited, due to the high risks regarding migrant work.

In Turkey, Acne Studios commissioned three FWF audits. The Syrian migrant workers guidance was discussed with the two main suppliers in Turkey. Through audits and visits, subcontracting is monitored.

The supplier in Korea was audited by an external organisation. As follow up step of this audit, Acne Studios organised a training for homeworkers, in line with FWF's homeworker guidance document.

Audits were done at five Romanian factories and the company is currently following up on corrective actions and prioritising necessary steps.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Information sharing	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes 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.	1	2	-1

Comment: Acne Studios has shared information with another client in one of the Italian factories. Besides this, the company is in contact with another FWF member brand to discuss the current situation in Turkey.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: Acne Studios was able to demonstrate the Worker Information Sheet was posted and questionnaires were collected for the factories located in low risk countries. By organising audits for Italian suppliers and collecting reports for a Lithuanian supplier, Acne Studios goes a step further to ensure good working conditions.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
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## MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 24

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	1	
Number of worker complaints resolved since last check	1	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

Comment: Acne Studios' CSR Manager has stored email correspondence and pictures per factory as evidence of posting the Worker Information Sheet. When other employees from the production department are visiting a supplier they are instructed to check if the sheet is posted. The focus for coming financial year is to replace the old Worker Information Sheet with the new versions, provided by FWF.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	10%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	1	4	-2
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**Recommendation:** Acne Studios can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, member companies can use the worker information cards available for download on FWF's website.

**Comment:** In 1 out of 10 audits done during the last financial year, at least half of the workers seemed to be aware of the FWF worker helpline.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	N/A	6	-2
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3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	-2
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## COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 4

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## 4. TRAINING AND CAPACITY BUILDING

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

Comment: A standard procedure is used for all new employees on the production department: an introduction meeting is organised, during which FWF membership requirements are outlined and explained. After each brand performance check, a general update is given to all departments, where results and next steps are shared.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: After the annual brand performance check, CSR meets with the heads of all production teams to have a more in-depth discussion about the work plan. This meeting is held at least once per year. Before the work plan is written, input is gathered from production staff. Throughout the year, there are several informal meetings between CSR and departments. The plan is to formalise this a bit more from next year onwards.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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Comment: Acne Studios works with several agents. In the low risk countries, agents help with gathering questionnaires, ensuring Worker Information Sheets are posted and collecting external audit reports. Agents in high risk countries are more involved in auditing; joining the audit and/or take part in the follow up. The agents are in close contact with Acne Studios for follow up of the audits.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	34%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0
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Comment: In the last financial year, one of the Chinese suppliers participated in a WEP training. Acne Studios plans to organise another training in China next financial year.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	62%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	4	4	0
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Comment: One training was organised at the Korean supplier, specifically aimed at homeworkers. This training was given by an external organisation. This supplier covers 62% of the total production volume in high risk countries where WEP is not offered.

## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 13

## 5. INFORMATION MANAGEMENT

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

**Comment:** No evidence of missing information on first-tier locations was found. In the previous years, Acne Studios largely focused on mapping production locations, with a specific aim to reveal unauthorised subcontractors. For the last financial year, there was no evidence of missing subcontractor locations.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	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
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**Comment:** CSR department copies all communication towards supplier to the production managers, asking for feedback and input. Documents are accessible for all relevant staff, but usually CSR manager shares information via emails.

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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 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

6.2 Affiliate engages in advanced reporting activities	Yes	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	1	0
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Comment: Last year's Brand Performance Check is published on Acne Studios' website.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

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### Additional comments on Transparency:

Transparency is very important to Acne Studios. Especially towards their partners in the supply chain (wholesalers for example), they strive to be as transparent as possible, with the expectation that it is a mutual agreement.

## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The company's CEO is involved in approving the annual social report. The Collection/Production Director informs the Board of Directors on FWF related activities throughout the year.

7.2 Changes from previous Brand Performance Check implemented by affiliate	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2
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## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

Acne Studios recommends FWF to improve the FWF wage ladder. Specifically for Romania, the ladder contains several inconsistencies. Secondly, Acne Studios would appreciate more guidance on monitoring and remediation in Italy, one of their most important production countries.

Furthermore, Acne Studios recommends FWF to work on more Corrective Action Plan consistency between the various production countries, and a faster delivery of audit reports.

Lastly, Acne Studios would like to see more benchmarking between different production countries and exchange learnings/experiences between the various audit teams.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	34	40
Monitoring and Remediation	24	29
Complaints Handling	4	7
Training and Capacity Building	13	15
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	88	104

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

85

### PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

24-11-2016

Conducted by:

Hendrine Stelwagen

Interviews with:

Emma Häggström - CSR Manager

Saar Debrouwere - Production/Design Director

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data.