



BRAND PERFORMANCE CHECK

Acne Studios

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this report covers the evaluation period 01-09-2018 to 31-08-2019

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

BRAND PERFORMANCE CHECK OVERVIEW

Acne Studios

Evaluation Period: 01-09-2018 to 31-08-2019

MEMBER COMPANY INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-08-2008
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, China, India, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	Albania, France, Italy, Republic of Korea, Lithuania, Morocco, Poland, 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	78
Category	Leader

Summary:

Acne Studios (hereafter: Acne) has shown advanced results on performance indicators and has shown progress. With 96% of production under monitoring, Acne surpasses Fair Wear's monitoring threshold for members after three years of membership. The benchmarking score of 78 places Acne in the Leader category of Fair Wear's brand performance check.

Acne has further improved its production planning and its forecasting, enabling earlier production planning at the production locations. Overtime is an explicit focus area in the supplier evaluation. Information from different CAPs is compared and evaluated. Information from the CAP is translated into a root cause analysis, which is discussed with the factory. During the performance check, Acne was able to show the theoretical planning processes as well as the actual process, with adjusted times based on supplier feedback. In addition, Acne was able to show the results of their efforts on reducing overtime. Two factories in China showed that, compared to the previous audit, there was no more excessive overtime.

In the past financial year, Acne has started to have more in-depth discussions about the root causes of wages below living wage with production locations over which they have high leverage. The first issue to address was improved administration and documentation to be able to conduct better analysis. In addition, the topic of wages is part of the discussions around subcontractors. Acne wants to ensure wage levels meet the same standards further down the chain.

Fair Wear recommends that Acne expands its knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to its own buying prices. The first priority would be to make sure this level of transparency can be achieved with the company's 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 FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

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

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

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	76%	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: Acne works with 60 direct suppliers, with whom they have a stable and long-term relationship. Most of its products are made in Italy and Portugal where the production process is divided over multiple production locations, each with their own special skills. Whether this skill is needed for specific products depends on the design of the product. Because of this Acne used over 200 production locations over the past financial year.

For more than 75% of the total FOB volume, Acne is responsible for over 10% of production.

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.	66%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

Comment: Due to its fragmented production as explained above, only 66% of Acne's production is from production locations where the company buys more than 2% of its FOB. The nature of Acne's products and its decision to focus on producing in Europe results in this fragmented supply chain.

Recommendation: FWF recommends Acne to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, members should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	48%	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: Acne values long-term relationships with its direct suppliers. As subcontractors are used because of their specific skill it is more difficult to commit to a long term relationship with them. In the past financial year, Acne sourced 48% of FOB from production locations where the relationship has existed for more than 5 years.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

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

Acne has a PLM system and the CSR coordinator is the only person allowed to enter new suppliers in the system. So new suppliers are only added if the questionnaire and signed Code of Labour Practices have been returned. Subcontractors are not included as part of the order in the system. However, subcontractors will be assigned to specific styles and thus also need to be in the system when orders are placed and will need to ensure to return the questionnaire and signed Code of Labour Practices.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

Comment: Acne has a sourcing guide, outlining its sourcing policy for all colleagues. This policy provides an overview of the risk classification of different countries and outlines the process Acne staff should follow when selecting new production locations and when placing orders.

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

CSR has meetings with people from all product groups before orders are placed. In those meetings, all orders are discussed and evaluated against previous orders and colleagues are updated on the sustainability score of production locations and if there are problems regarding OT and wages specifically.

When the company is considering to produce in a new country, CSR is asked for input.

Recommendation: When assessing a potential new production location and requesting an audit report, Acne could check during a visit which CAP issues are already followed up. This way, Acne can get an indication of the level of commitment of factory management to take up audit findings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

Comment: The CSR department of Acne has developed a system to evaluate suppliers' social compliance status based on four indicators: wages, social dialogue, overtime, and occupational safety and health. The sourcing policy defines how suppliers are evaluated and rewarded. Orders could be put on hold if a supplier is underperforming. The policy is communicated internally. Suppliers are informed during the entrance process and on-going compliance process.

As supplier performance related to CoLP compliance is part of the regular meetings with the production department this influences the production decision process. Acne was able to share examples specifically of production locations that were reluctant to cooperate and were not transparent, with these locations orders have been decreased.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: There are two seasons at Acne, each with 4 delivery deadlines. Acne has developed a strategy guiding designers and production managers to plan production systematically. The strategy describes timeframes of each process including designing, sampling, material preparation, confirming orders, production, and delivery. The strategy was developed in consultation with the suppliers. A production cycle takes about 6-9 months. The suppliers are informed from the beginning of the production cycle. In addition, Acne has taken steps to prevent overtime issues, such as pre-ordering fabrics, planning production avoiding public holidays and extensive communication on sample details.

Acne's production department is aware of the importance of good planning and its impact on the working hours of workers. Acne focuses on improving its forecasting, enabling earlier planning of production at the production locations. During the past financial year, approximately 80% of delivery was on time for the first deadline and 95% for the consecutive deadlines. Due to its 4 different delivery deadlines, it is able to shift the delivery of the product to the next deadline if production is delayed. In the past financial year, it has also decided to use airfreight to meet the deadline.

During the performance check, Acne was able to show the theoretical planning processes as well as the actual process, with adjusted times based on supplier feedback.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced 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.	6	6	0

Comment: Acne closely monitors working hours in their production locations, specifically in China and Turkey. Overtime is an explicit focus area in the supplier evaluation. Information from different CAPs is compared and evaluated. Information from the CAP is translated into a root cause analysis, which is discussed with the factory. Over the past financial year, Acne discussed the topic with production locations in Turkey and China and worked on different improvements, such as better material planning, more joint production planning and for one location an authorised subcontractor to alleviate production pressure. For another production location in Turkey, the focus was on improving administrative practices to better monitor working hours, in order to be able to address excessive overtime.

During the performance check, Acne was able to show the results of their efforts, two factories in China showed that compared to the previous audit there was no excessive overtime anymore.

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.	Intermediate	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.	2	4	0

Comment: Acne does a wage analysis in its production locations in Bulgaria, China, Romania, South Korea, Tunisia and Turkey. Based on information from the audits they compare average wages of the sewing department with legal minimum wage, average wage and living wage. At the moment all production locations pay well above the industry average.

Acne has transparency in costing on a basic level and involves its production locations throughout the development of a product to ensure it meets the target price. Throughout the development process, things that affect the price are adapted, such as materials or trims. If designers indicate nothing can change, the price changes.

Acne has started gathering information on labour minutes and more detailed labour cost breakdown, but this is not yet collected systematically.

Recommendation: Fair Wear recommends Acne to expand their knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers.

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, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

Comment: Acne closely monitors wages in their production locations. Wages are an explicit focus area in the supplier evaluation. Information from different CAPs is compared and evaluated. Information from the CAP is translated into a root cause analysis, which is discussed with the factory.

In the past financial year, Acne has started to have more in-depth discussions about the root causes of wages below living wage with production locations where they have high leverage. The first issue to address was improved administration and documentation to be able to do a better analysis. In addition, the topic of wages is part of the discussions around subcontractors. Acne wants to ensure wage levels meet the same standards further down the chain. In these discussions, one supplier in Turkey shared the results of a living wage research they were part of, showing they met the wage level indicated by this research.

Recommendation: FWF encourages Acne to involve worker representatives and local organisations in assessing root causes of wages lower than living wages.

It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	4	0

Comment: For Acne the target wage is the living wage estimate as provided by Fair Wear in the wage ladder. As part of the company's analysis of wage levels in production location they compare current wage levels against the industry average and the living wage estimate. At the moment the company contributes to higher wages at some of their suppliers, through its product prices. In the future Acne would like to have a better understanding of how their prices relate to wages to better contribute.

Recommendation: Fair Wear recommends Acne to integrate the financing of wage increases it in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

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	17%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	1	3	0

Comment: Based on the external audit and analysis of Acne, the production location in South Korea pays a living wage to its workers. In addition, two Turkish production locations shared the research results of a local NGO, indicating that 90% of the people earn a living wage. These facilities combined represent 17% of FOB (excluding Acne's production in low-risk countries).

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 33

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	37%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	59%	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.)
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	FWF requires Acne to ensure it meets the necessary monitoring requirements for all production locations where it is responsible for more than 10% of total production.	
Total of own production under monitoring	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 FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: Acne has a CSR department, where the CSR coordinator is responsible for following-up on problems identified by the monitoring system.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: FWF could verify that Acne has shared all audit reports and Corrective Action Plans with factories in the last financial year. All the CAPs have been discussed thoroughly. Acne has a system to regularly check remediation progress with factory management. Representatives of Acne also visit factories to conduct follow-up activities.

When sharing an audit report and CAP, Acne adds an extra column with extra questions and comments from Acne and request feedback within a month. For some audits, Acne has added an additional column for feedback from worker representatives.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: In the last financial year, Acne has worked with all audited suppliers to make remediation based on the CAPs. Follow-up on CAPs is mainly based on regular communications on remediation progress with factories. Acne has also organised supplier meetings to discuss the progress and support needed. The factories were able to demonstrate improvements via photos and narrative reports on various issues such as safety and health, paid holidays and transparency in wage payment and hour registration. Its production location in South Korea uses homeworkers for a specific task, Acne is closely monitoring this situation and is able to generate more and more information about the situation.

As mentioned before, audit information on wages and working hours is included in the supplier assessment and is used as input for the root-cause analysis on these topics. On other issues, Acne has not yet identified and addressed root causes.

Recommendation: FWF recommends Acne to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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.	91%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: In the past financial year Acne visited production locations responsible for 91% of its FOB. Most visits are done by production staff during the production process.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

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

Recommendation: Acne has a clear understanding of different audit methodologies. Fair Wear recommends Acne to continue to ask questions after assessing existing audit reports, to find out more than the information provided by the audit report.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Advanced			6	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: All denim products of Acne are produced in Italy and Portugal, where the law of prohibiting abrasive blasting is enforced. In the past financial year, the denim quality person has visited all washing houses and has not seen any sandblasting.

Approximately 7% of Acne’s production volume is from Turkey in the last financial year. All Turkish suppliers have been audited by FWF audit teams and other initiatives. All subcontractors have been registered in FWF’s database. Acne visits all Turkish suppliers at least once per year. Currently, no child labour or Syrian refugee workers were found at the Turkish suppliers.

Since FWF is not active in Italy, Acne mobilised a group of brands in a platform - The Italy Fashion Working Group - to collaborate and exchange information in order to mitigate risks and address issues regarding migrant workers. Production locations where migrants are working are audited.

For its Italian denim suppliers, Acne also developed its ‘denim policy’, which outlines the company’s expectations with regard to subcontractors. The company expects its suppliers to share responsibility in relation to monitoring subcontractors and ensuring transparency.

Acne is aware of country-specific risks for China, mainly related to excessive overtime. This is addressed as outlined in indicators 1.4, 1.5 and 1.7.

In South Korea, Acne’s supplier uses homeworkers for a specific type of stitching. Acne has shared Fair Wear’s policy on homeworkers with the facility and is closely monitoring the situation. In Italy, there is also a risk for homeworkers, but Acne’s local production teams visit so often that they are able to identify any problems. So far homeworkers have not been found in Italy.

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: In the past financial year, Acne cooperated in the follow-up of one shared supplier. As this was a subcontractor for Acne, the other Fair Wear member (with a direct relationship) took the lead in the follow-up. Acne also closely cooperates with Fair Wear and non-Fair Wear members in monitoring and remediation in Italy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100% AND member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	3	3	0

Comment: Next to fulfilling the monitoring requirements, Acne has also done audits at production locations responsible for 22% of FOB in low-risk countries.

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	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 30

Earned Points: 28

3. COMPLAINTS HANDLING

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The CSR coordinator is responsible for addressing worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	51%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: Acne organised (WEP) trainings in 8 production locations, responsible for 51 % of production (excluding volume in 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	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 7

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: The CSR department of Acne provided introduction training to new colleagues. This financial year CSR was included in HQ meetings and shared the business goals related to CSR. In addition, the CSR report is shared internally and in the past financial year specific information for customers was shared with sales. Also, the CSR department organised a training with all head of departments.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

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

New colleagues are introduced to social compliance related to the sourcing policy. Seasonal meetings are held to discuss FWF requirements and situation at suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

Comment: Agents of Acne are involved in the implementation of CoLP through checking the posting of worker information sheets, collecting existing audit reports and organising audits. Follow-up of audits goes via agents.

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

Comment: Acne did not organise trainings that support transformative processes related to human rights in that past financial year. The company did develop a training programme for Italy, to be implemented in the next financial year.

Recommendation: FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end, members can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	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.	N/A	2	0

TRAINING AND CAPACITY BUILDING

Possible Points: 11

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	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

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

In practice, Acne checks all production locations prior to production, during production staff often visits production locations and once a year the CSR department collects information on production locations per style and per production step.

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: CSR is in regular contact with the production department. In addition, during the seasonal meetings all relevant staff is updated on working conditions of all (potential) production locations.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: Acne communicates about its Fair Wear membership on its website. All communication is in line with the communication policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: Acne published the brand performance check report on its website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Acne publishes its sustainability report, which includes the social report, on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

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 head of CSR is in close contact with the product director.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

Acne has the following recommendations for Fair Wear:

- Having more members from the luxury industry;
- Slow audit reports (Romania has improved, but Turkey is still 3 to 4 months);
- Asking for reports/reminding to send them;
- Romania team – off-site interviews where the interviewers presented themselves differently and reports seem to be a bit subjective;
- Allow brands to have insight into which factories have completed the factory guide.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	33	47
Monitoring and Remediation	28	30
Complaints Handling	7	9
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	87	112

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

78

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

18-12-2019

Conducted by:

Anne van Lakerveld

Interviews with:

Emma Häggström - Head of product quality & sustainability

Maaïke Kokke - Sustainability specialist

Saar Debrouwere - Production/Design Director

Sara Wallin - Production Controller