



## BRAND PERFORMANCE CHECK

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Acne Studios

this report covers the evaluation period 01-09-2014 to 31-08-2015

## 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: 01-09-2014 to 31-08-2015

AFFILIATE INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-08-2008
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, China, Romania, Turkey
Production in other countries:	Albania, France, Italy, Korea, Lithuania, Morocco, Poland, Portugal, Serbia
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	78
Category	Leader

## Summary:

Acne Studios has implemented most of FWF's management system requirements and goes beyond several. The company has 92% of its suppliers under monitoring, hence meets FWF's monitoring threshold.

In the past financial year Acne Studios bought 76% of its supplier volume from factories where the company has significant leverage (at least 10% of the factory production capacity).

The company increased production volume at its European suppliers and at selected key suppliers in China and Turkey for longterm business relationships. Smaller Asian and Turkish suppliers are being phased out as part of the consolidation process.

Acne Studios actively focused on mapping and monitoring its subcontractors. Good coordination between the different departments, local staff, agents and internal support has shown to be supporting remediation efforts.

Acne Studios has learned a lot about the root causes of excessive overtime by investigating and discussing planning and working hours in China and Turkey. FWF recommends to evaluate the impact of the tested instruments to tackle these causes and to apply these to other production countries as well.

Regarding worker and management training, FWF expects Acne Studios to more actively promote participation in the WEP programme and seek training opportunities in Korea and Morocco.

## 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	76%	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 past financial year Acne Studios bought 76% of its supplier volume from factories where the company has significant leverage (at least 10% of the factory production capacity).

The company increased production volume at its European suppliers and selected key suppliers in China and Turkey for longterm business relationships. Smaller Asian and Turkish suppliers are being phased out as part of the consolidation process.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	37%	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:** Due to Acne Studios' efforts to consolidate its supplier base, it terminated several business relationships in its last financial year. Nevertheless, 37% of its production volume were sourced 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:** 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. In the past financial year this process has been improved; more time was made available to collect new suppliers' data and find out the correct information and - where applicable - collect audit data.

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:** 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 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 call, with input from CSR manager. An FWF audit is scheduled as soon as possible.

In the past financial year - due to the start of a new product line - several new suppliers were selected. The Collections/Production Director visited all new factories and explained the policy of Acne Studios. Specific country risks were mapped (e.g. Chinese labour in Italy).

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 on issues such as transparency or usage of unapproved subcontractors, failure to pay minimum wages and critical health and safety findings are example of issues that the supplier needs to show immediate improvements on. Social compliance is part of the decision making process. Active cooperation of factories is rewarded with - where possible - an increase in orders.

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:** Given the high diversity in collections, it is important to book capacity in an early stage and Acne Studios knows the exact time needed for fabric, stitching, finishing etc. Acne Studios has systematically improved production planning. Business controllers provide planning to production managers as soon as possible, which enables prebooking of production timeslots 9-6 months in advance. 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. Acne Studios discusses orders with all suppliers, both fabric and manufacturing suppliers. Based on their input orders are placed accordingly. The company can trace the product back to order date, which is how they now know where to book early, taking the production of the supplier into account. Final orders are placed two months earlier compared to the year before. Orders are placed in two parts for every collection to facilitate a more even spread of production.

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 evaluate whether the developed instruments and adjustments in production planning did have a positive impact on working hours. Tested instruments to deal with possible delays to avoid excessive overtime should be applied in other production countries as well.

**Comment:** Acne Studios has learned a lot about the root causes of excessive overtime by investigating and discussing planning and working hours in China and Turkey.

Acne Studios has had extensive discussions with suppliers in China who plan capacity based on a 66+hour working week. The company inquired what would be needed to reduce the overtime hours and looked in detail at how they can facilitate the factory's planning. This has led to an efficiency improvement, which enabled the factory to base production on a 60+ hour work week, without wage decrease. Plan is to base capacity on a 57+hour work week as of 2016.

In Turkey, a new production planner was hired to investigate the root causes of excessive overtime. One of the Turkish suppliers was given carryover style orders, to find out if this could serve as mitigation of excessive overtime. A follow up audit will be planned in the next year to verify whether this has a positive effect.

A few other instruments that Acne Studios uses to reduce excessive overtime: advising the manufacturing supplier where to place fabric orders, ability to split orders in case of delays. The share of Acne Studio's own stores continues to grow, which means they can better manage delays, have a better idea of order quantities and capacity bookings 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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**Requirement:**

**Recommendation:** As an advanced step, increased transparency in costing and productivity gives insight in the labour costs 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:** 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. Staff is aware of minimum wage calculations in the different production countries and has a price breakdown per style for fabric, stitching, finishing, transport and margins etc, but does not know the exact cost of labour per product.

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
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
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

**Recommendation:** FWF encourages the affiliate to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

**Comment:** As Acne Studios aims to fix long term prices as much as possible and attempts to avoid negotiations per production season, they indicate a long term commitment to the supplier. The company works to understand the costs and price given by suppliers, looking at the margins, complexity of the style, quality and quantity. A surcharge is paid for lower quantities and lower prices are only quoted if the construction of the garment requires less efforts. The CSR manager actively discusses the wage ladder with suppliers as part of the CAP follow up process. At a few audits in China, the mode wages of workers including benefits were close to or above the living wage benchmark of AsiaFloorwage. Wages at the Romanian suppliers are above industry level. For Turkey, mode wages of workers are above legal minimum wage. All product developers are informed about the wage situation and developments at each supplier.

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
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

## PURCHASING PRACTICES

Possible Points: 40

Earned Points: 34

## Additional comments on Purchasing Practices:

Acne Studios has started implementing a new sourcing strategy which includes increased production in Europe and decreased production in countries such as Turkey and China. When phasing out, Acne Studios has an exit procedure to prepare the supplier. The company looks at where they can expand at existing suppliers and deepens the relationship with a few selected suppliers outside of Europe.

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	29%	
% 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:** Acne Studios continuously highlights towards its suppliers the importance of transparency regarding wages, hours of work, but also capacity. The various production departments are being trained on how to discuss CSR issues with the suppliers and more internal support is created by the launch of middle management, a position created to enhance cooperation between the Production Director and CSR management. 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 example of issues that the supplier needs to show immediate improvements on. The Production Director is kept very well informed and where needed involved in the process.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	79%	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. Two new quality controllers were hired this year which have increased presence at suppliers and subcontractors.

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:** A subcontracting factory in Serbia was audited by another fashion brand with whom Acne Studios worked on the corrective actions. Audits from suppliers in Albania are collected and followed up on.

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
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

**Recommendation:** Implementing structural improvements regarding social dialogue and wages in China and Turkey remain challenging. FWF encourages Acne Studios to further support factories in setting up an action plan to tackle these complex issues. Additional training or assistance from local stakeholders might facilitate this process.

**Comment:** Acne Studios has continued to assess the risks associated with unknown subcontractors of Italian shoe factories. A focus has been on the production of upper parts. As a response the company has 1) started to track and monitor suppliers of upper parts, 2) nominate potential subcontractors based on the outcomes of risk assessment, 3) conducted audits with one of FWF's stakeholders, 4) trained the production controller who is in the Italian factories often on FWF requirements.

Last year, the company increased production in Romania, partly because of monitoring opportunities. Audits were done at two 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	No CAPs active or no shared suppliers.	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.	N/A	2	-1
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

Comment: In addition to meeting the basic requirements for monitoring in low risk countries, Acne Studios also conducts audits in Italy.

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
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

## MONITORING AND REMEDIATION

Possible Points: 27

Earned Points: 23

### Additional comments on Monitoring and Remediation:

Acne Studios does not use sandblasting as a technique in treating denims.

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	2	
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
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.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	25%	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.	2	4	-2
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3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	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.	3	6	-2
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Comment: Acne Studios has engaged in dialogue with a supplier after a case was reported regarding wages. Acne Studios actively followed up on the case in accordance with the Complaints procedure. The supplier is currently in the process of improving their production planning. In 2014, planning was based on a 66 hour workweek, while it is now based on a 60 hour workweek, without wages being deducted. As of 2016, production planning will be based on 57 hours per week. Acne Studios played an active role in this by continuously engaging in dialogue and adapting its own production planning.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	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.	2	2	-2
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**Comment:** One complaint regarding overtime and payment was filed at a shared supplier. Acne Studios has very small orders at this supplier, but active cooperation was shown through fast responses and providing input to the FWF member taking the lead. The company analysed the impact of their own sourcing practices by investigating lead times, planning and order quantities.

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## COMPLAINTS HANDLING

Possible Points: 15

**Earned Points: 10**

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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: New employees at the production department are informed about the membership of FWF during an introduction meeting with the CSR Manager.

All staff at the production department receive a copy of the social report.

Employees working in Acne Studios stores are informed about FWF membership in the written Retail manual. The result of last year's Performance Check was sent to all employees working in the production department as well as the management.

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: A FWF presentation was given by FWF verification staff, to managers within the production department.

CSR responsible has been attending several meetings on topics such as living wage.

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:** In most cases agents are present during FWF audits and assist in the monitoring of corrective action plans. They all actively support Code implementation; regularly visit factories, join management training of WEP.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	1%	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.	1	6	0
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**Requirement:** In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. This programme is offered in the 4 priority countries, Romania, Tunisia and Vietnam. Acne Studios should motivate its main supplier(s) to join WEP trainings.

**Comment:** One supplier in China has participated in FWF's Workplace Education Programme in 2015.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	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.	0	4	0
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**Recommendation:** All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends Acne Studios to ensure suppliers participate in trainings. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative. The company could consider organising trainings in Morocco and Korea.

Comment: Most suppliers in areas where WEP is not offered are either in low risk countries or produce small percentages for Acne Studios. The company will organize a training next year for Acne employees on the working conditions in Italy.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require 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:** Acne Studios actively focused on obtaining better insight and control of subcontractors. If the subcontractor part is not filled in the questionnaire, Acne Studios continues dialogue until the subcontractor situation is clear.

Acne Studios' quality auditors and other staff members from the production department regularly visit production locations, including subcontractors in countries that we consider as low risk. Suppliers and subcontractors in other countries are either audited or visited.

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:** The Production Director and the product managers responsible for different suppliers are always informed of the results after each FWF audit and are also sometimes included in the email-communication with the supplier on follow up of the findings. Most suppliers visit the head office in Stockholm. During those visits, the outcomes of audit results are normally always discussed together with the CSR Manager, the suppliers and the responsible product manager.

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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

Comment: FWF recommends Acne Studios to add a link to the FWF website on their about/CSR page.

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 the website of Acne Studios.

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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Comment: Acne Studio has submitted the report to FWF, and has published it on its website.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

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## 7. EVALUATION

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

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

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 wage ladder system, in order to make it user-friendlier and work with more exact numbers. In this way companies are better able to explain and share it with the suppliers.

In terms of audit report consistency, Acne Studios recommends to share best practices and outcomes between the different audit teams in different countries. This would be much appreciated and valuable for the recruitment of more luxury brands.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	34	40
Monitoring and Remediation	23	27
Complaints Handling	10	15
Training and Capacity Building	6	15
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	86	110

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

78

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

11-11-2015

Conducted by:

Hendrine Stelwagen

Interviews with:

Emma Häggström (CSR and Quality Manager)

Saar Debrouwere (Collection/Production Director)

Sara Spännar (Head of PR)

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.