



# **Brand Performance Check**

## **Acne Studios**

**Publication date: February 2022**

This report covers the evaluation period 01-09-2020 to 31-08-2021

## About the Brand Performance Check

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

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

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

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

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

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

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

# Brand Performance Check Overview

## Acne Studios

Evaluation Period: 01-09-2020 to 31-08-2021

Member company information	
Headquarters:	Stockholm , Sweden
Member since:	2008-07-31
Product types:	Garments, clothing, fashion apparel, bags, shoes
Production in countries where Fair Wear is active:	Bulgaria, China, Romania, Tunisia, Turkey
Production in other countries:	Albania, Italy, Lithuania, Morocco, Portugal, United Kingdom of Great Britain and Northern Ireland
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	94%
Benchmarking score	78
Category	Leader

## Summary:

Acne Studios (hereafter: Acne) has shown advanced results on performance indicators. The benchmarking score of 78 means Acne remains in the 'Leader' category. Acne monitored 94% of its production locations in the past financial year.

## **Corona Addendum:**

When COVID-19 started, Acne Studios (hereafter: Acne) conducted a risk overview outlining total order volume, predicted reduction, whether the location had subcontractors, and what leverage Acne had in that location. In addition, information regarding lockdown or factory closure and possible wage reductions were included. Based on this overview, Acne decided what to discuss with which suppliers. Acne has a split financial year. For this performance check, we looked at the period between 1 September 2020 and 31 August 2021. As the initial peak of the pandemic reduced, Acne was able to continue business as usual, with a few adjustments based on its past experiences.

Acne continued to monitor risks related to COVID-19, specifically related to health and safety measures, wages, and working hours at all production locations. In Europe, the company had local representatives visiting factories. In China, the company conducted audits at production locations responsible for 80% of production to gather information about the factory situation.

In the last financial year, Acne asked its developer to ensure the inclusion of materials that were not used in previous seasons due to COVID-19 measures in new collections.

Acne continued its discussions with suppliers on transparency of the labour cost component of prices but has not shown progress on linking its prices to wages or raising wages in production locations.

## Performance Category Overview

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

**Good:** It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

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

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

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

# 1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	82%	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 approximately 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 close to 200 production locations over the past financial year. For more than 82% 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.	65%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	0	4	0

**Comment:** Due to its fragmented production as explained above, only 65% 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.

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.	51%	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.	3	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 51% 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 sustainability team is the only one allowed to enter new factories 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. Subcontractors are in the system, but not linked to a specific style. The production department works with a critical path that includes subcontractors to keep an overview, this is tracked in a separate excel file. Acne plans to include all this information in the future.

During the performance check Acne was able to show that all questionnaires for new production locations were on file.

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 analysed existing audit reports at new suppliers to have an overview of working conditions. In low-risk countries, the production department or local representatives visited the suppliers and subcontractors before placing an order. The production department uses Fair Wear's occupational health and safety checklist to have an overview of working conditions at a new supplier.

The sustainability department 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 overtime and wages specifically.

To monitor risks related to COVID-19, Acne continued to work with a risk overview, outlining total order volume of Acne, predicted reduction of orders, whether the location had subcontractors and what leverage Acne had in that location. In addition, information regarding lockdowns or factory closure was included and possible wage reductions. Based on this overview, Acne decided what to discuss with which suppliers. The brand reached out to specific suppliers, based on high leverage, high reduction and the number of subcontractors. Throughout the past financial year Acne updated the overview with information from suppliers.

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 sustainability 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. In the past financial year, Acne added own purchasing practices as part of the evaluation. Audits are the main source of input for this assessment.

Following the start of the COVID-19 pandemic Acne had close contact with all its suppliers. During the past financial year production happened as planned. When factories faced production problems, due to illness or lockdowns Acne discussed alternatives. First the company and supplier would agree on priorities, which orders need to happen first and which could wait. Also, if a supplier would be suggesting to use alternative subcontractors Acne would discuss the option and make sure to do its due diligence before accepting the change in production locations.

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 the brand is planning to share evaluations with suppliers on a regular basis. As supplier performance related to CoLP compliance is part of the regular meetings with the production department, this influences the production decision process.

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.

In the past financial year Acne experienced problems due to the global freight situation - fluctuating demand due to the pandemic resulted in lower availability of ships and thus resulted in high prices. As a response the company increased its lead times to accommodate production within regular working hours and continued commitment to sea shipments. Throughout the production process Acne maintained close contact with the suppliers, to be able to adjust its planning, jointly prioritise and possibly inform customers if production was delayed.

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.

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:** Five Fair Wear audits done in the past financial year show improvements on excessive overtime, after Acne has been working on the previous CAP with these locations.

In the past financial year, Acne continued to monitor excessive overtime at the different production locations, discussed possible root causes with the factory and continued to monitor its own practices.

With a few production locations, specifically in China, audits were unable to draw conclusions on hours because of administrative problems. Acne has been closely monitoring these locations and checking progress with Fair Wear's local team.

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, 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 started gathering information on labour minutes and more detailed labour cost breakdown. In the past financial year the company reached out to additional suppliers to collect information. This information is currently collected after setting the price and is not used to influence price negotiations.

Through this process Acne monitors that its prices do not negatively influence wage. However, at the moment the company is not yet able to explicitly link its prices to wages.

Acne has not yet discussed the incorporation of costs related to COVID-19 into their prices.

**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. Acne could ask its suppliers to use Fair Price when calculating and quoting prices.

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.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** Acne checked in with several suppliers to discuss wages, specifically related to COVID-19.

In one location in China it turned out that the factory did not pay workers during factory closure. Acne discussed this with the factory and ensured remediation, with support of Fair Wear's local experts. In addition, the brand checked with all Chinese suppliers to ensure workers were paid during factory closure.

In Turkey, two production locations have workers who are officially retired, but work to earn extra income. During factory closure these workers were not eligible for government support. Acne is in the process of checking that these workers were earning at least the legal minimum wage during this period.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

**Comment:** Acne paid all invoices within the regular terms.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	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.

Previously, 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. In the past financial year the brand specifically focused the discussion on the link between prices and wages as discussed at indicator 1.8 and identified the ability of suppliers to provide detailed information to contribute to the analysis. The brand did not actively respond to the root causes identified.

**Recommendation:** Fair Wear encourages Acne to discuss with suppliers different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

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	6	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. The company plans to finance higher wages through its product prices and its own margin. One production location already mentioned that it was able to increase wages because of the prices Acne pays.

In the future Acne would like to have a better understanding of how their prices relate to wages, to better contribute to raising wages.

**Recommendation:** Fair Wear recommends Acne to integrate the financing of wage increases 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.	7%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	2	6	0

**Comment:** For Acne, the target wage is the living wage estimate as provided by Fair Wear in the wage ladder. Acne collects information on wages for its production locations in Bulgaria, China, Romania, Tunisia and Turkey. In one production location in China, the basic mode wage of all workers is at or above the recommended Living Wage estimate of 3875 CNY. This location accounts for 7 % of Acne's FOB (excluding low-risk)

**Recommendation:** We encourage Acne Studios to show that discussions and plans for wage increases have resulted in the payment of a target wage.

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## **Purchasing Practices**

**Possible Points: 52**

**Earned Points: 35**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	30%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	64%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	94%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

**Comment:** Acne has a sustainability department, where the sustainability specialist 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: Fair Wear audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

**Comment:** Fair Wear 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. Acne has a system to regularly check remediation progress with factory management.

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	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	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. During the past financial year, CAP follow-up was also used to check in on the COVID-19 situation and possible impact on the factory and workers.

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.

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. Also on other audit findings Acne discusses possible root causes as part of the audit follow-up.

**Recommendation:** Fair Wear recommends Acne to continue the discussion on root causes of audit findings and discuss how Acne's purchasing practices may contribute to these root causes or how the company could contribute to remediating root causes if they are not explicitly linked to the own purchasing practices.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

**Comment:** As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2020/2021 for all Fair Wear members.

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:** Fair Wear has checked external audit reports collected by Acne. Some were only used as part of the due diligence process and not as part of the monitoring efforts. For others Acne was able to show they checked the quality and actively followed-up on findings, these are counted towards the monitoring threshold.

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

**Comment:** 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 trainings were planned but postponed for all denim production locations.

Approximately 4% of Acne's production volume is from Turkey in the last financial year. All Turkish suppliers have been audited by Fair Wear. All subcontractors have been registered in Fair Wear's database. Acne was able to visit all production locations in the past financial year. Currently, no child labour or Syrian refugee workers were found at the Turkish suppliers.

Since Fair Wear 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. Related to COVID-19, the Italy Working Group organised trainings to support production locations to apply for government support, also ensuring subcontractors were included.

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

Related to COVID-19, Acne regularly checked in to discuss wages, hours and the specific (health & safety) situation in the factories.

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:** Acne closely cooperates with Fair Wear and non-Fair Wear members, especially 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.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

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

**Comment:** Next to fulfilling the monitoring requirements, Acne has also done audits at five production locations responsible for 1% of FOB in low-risk countries and started to actively train suppliers in Italy.

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

**Comment:** Acne has done full audits at 16 tail-end production locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

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## Monitoring and Remediation

**Possible Points: 26**

**Earned Points: 26**

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### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	2	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

**Comment:** The sustainability team 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 Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

**Comment:** Fair Wear 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.	37%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** Acne organised (WEP) trainings in three production locations in the past three financial years, responsible for 37% of production (excluding volume in low-risk countries).

**Recommendation:** Fair Wear recommends Acne to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Acne should ensure good quality systematic training of workers and management on these topics. To this end, Acne can either use Fair Wear's WEP Basic module, or implement training related to the Fair Wear CoLP and complaint helpline through third-party training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

**Comment:** Acne received two complaints in the last financial year, one related to harassment and one related to discrimination. Acne addressed the complaints in accordance with the Fair Wear complaint procedure and planned audits to verify remediation. In its analysis of the situation, the company realised that the root cause of both complaints was related to worker-management dialogue. It therefore focused its remediation on improving the internal mechanism and will plan training on the topic going forward.

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 Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

## Complaints Handling

**Possible Points: 15**

**Earned Points: 13**

## 4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

**Comment:** The sustainability department of Acne provided introduction training to new colleagues.

This financial year sustainability was included in HQ meetings and shared the business goals related to sustainability. In addition, the sustainability report is shared internally and in the past financial year specific information for customers was shared with sales. Also, the sustainability 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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

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

New colleagues are introduced to social compliance related to the sourcing policy. Seasonal meetings are held to discuss Fair Wear 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, Fair Wear 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. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** Acne did not organise trainings that support transformative processes related to human rights in the past financial year, although it started to plan for trainings to improve worker-management dialogue following two complaints.

**Recommendation:** Fair Wear 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 Fair Wear'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

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## Training and Capacity Building

**Possible Points: 11**

**Earned Points: 5**

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## 5. Information Management

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

**Comment:** 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 fulfil 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.

In practice, Acne checks all production locations prior to production, during production staff often visits production locations and once a year the sustainability 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:** The sustainability department 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.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**

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## 6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

**Comment:** 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 Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1



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

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## **Transparency**

**Possible Points: 6**

**Earned Points: 5**

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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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** The Sustainability Director has weekly meetings with the Chief Product Officer. Fair Wear membership is on the agenda of these meetings. Evaluation of Fair Wear membership happens once a year, linked to the preparation of the sustainability report.

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, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

**Comment:** In last year's performance check Fair Wear required Acne to ensure it meets the necessary monitoring requirements for all production locations where it is responsible for more than 10% of total production. For the past financial year Fair Wear did not require its member brands to do audits, due to COVID-19 restrictions.

## Evaluation

**Possible Points: 2**

**Earned Points: 2**

## Recommendations to Fair Wear

We do not use Fairforce as a maintenance tool, while it would be useful if the CAPs and reports would be more digital, so Acne can extract information easier.

We look for a system to trace suppliers and collect certificates and audits.

It would be interesting to have access to more training alternatives.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	35	52
Monitoring and Remediation	26	26
Complaints Handling	13	15
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	93	119

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

78

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

14-01-2022

Conducted by:

Anne van Lakerveld

Interviews with:

Britt van Hasselt - Chief Product Officer

Sara Wallin - Production Director

Emma Häggström - Sustainability Director

Maike Kokke - Sustainability Manager