

ARMEDANGELS ACTION REPORT 2021

STATUS: JULY 2022, SOCIAL FASHION COMPANY GMBH

ARMEDANGELS

# ACTION REPORT 2021

# ARMEDANGELS



# THE ARMEDANGELS STRIP SHOW



Yeah, we make clothes. But in this very revealing 2021 Action Report, we're stripping down to our bare asses.

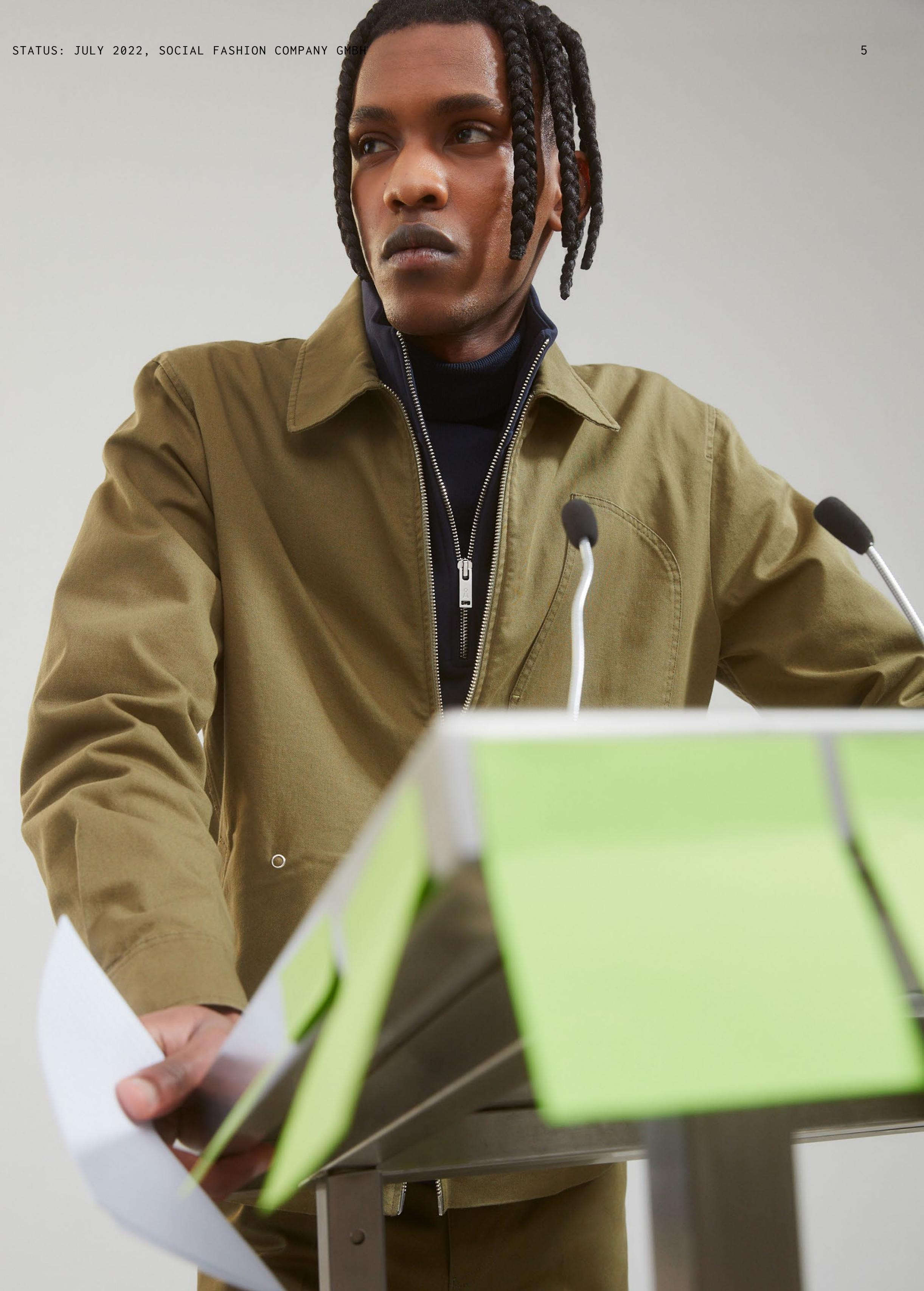
That's right. We want you to see what's beneath the material: our naked truths. We've got nothing to hide, we are how nature made us. (Are we being too forward in this foreword? Maybe. But if every fashion brand was open enough to show you its nipples, perhaps the world wouldn't be on fire, right?)

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VISION

SURPRISE! YOU'VE BEEN  
TRANSPORTED TO **2032.**  
WELCOME TO PLANET BETTER.  
OUR ENERGY IS RENEWABLE.  
OUR VEHICLES DON'T RUN ON  
FOSSIL FUELS. OUR MEALS  
ARE CRUELTY-FREE.

(man - how did people  
live any other way?)

ALL PRODUCTS ARE MADE  
SUSTAINABLE AND IN A  
CIRCULAR WAY.  
US HUMANS HAVE REINVENTED  
OUR WAY OF LIVING  
TO SUPPORT ALL LIFE.  
CREATING A PLANET WE'RE  
PROUD TO PASS ON TO  
FUTURE GENERATIONS.

**MISSION**

We have two pillars our mission is based on.  
The first one is what we do directly by running our business.  
The second one is what we do beyond selling clothes.

**OUR MISSION IS TO ENGINEER  
THE MOST RADICALLY  
SUSTAINABLE PRODUCT ON  
PLANET EARTH. ECO. ETHICAL.  
CARBON NEGATIVE.**

**AND TO INFORM, INSPIRE AND  
ENABLE EVERYONE TO MAKE A  
DIFFERENCE.**

IMPACT &amp; INNOVATION

# 'RESPONSIBLE' IS OUR MIDDLE NAME.

(that's right,  
ARMED RESPONSIBLE ANGELS)

BESIDES TAKING ACTION, WE OBVIOUSLY HAVE A STAND AND A PLAN WHEN IT COMES TO TAKING RESPONSIBILITY AS A BUSINESS.

At ARMEDANGELS, sustainability is not a risk management system. Nor is it a buzzword we drop to appear cool and woke. It's our DNA. It's built into everything we do - every decision, every product. We do what we do because we believe business practices need to change.

They don't have to be greedy and corrupt. In late 2019 we defined new goals - some short term, some all the way up to 2030. These goals will evolve in line with the industry and world, to keep making a difference and finding solutions.

## THESE ARE OUR 2030 GOALS:

- **ZERO WATER WASTAGE**

SOURCE ONLY THOSE RAW MATERIALS WHICH HAVE A SUSTAINABLE WATER CONSUMPTION

- **ZERO FOSSIL FUELS**

PHASE OUT FOSSIL FUELS AND BECOME CLIMATE NEUTRAL WHEREVER WE HAVE DIRECT CONTROL

- **ZERO CHEMICAL DISCHARGE**

MAINTAIN THE HIGH STANDARD OF USING NON-TOXIC CHEMICALS THROUGH AN INPUT-STREAM CONTROL SYSTEM WITH NEGATIVE AND POSITIVE LISTS ALONG THE ENTIRE SUPPLY CHAIN

- **ZERO WASTE**

IMPLEMENT CIRCULAR PRODUCT LINES

- **ZERO UNACCOUNTABILITY**

HAVE A TRANSPARENT SOCIAL RATING SYSTEM INSTALLED

- **ZERO INJUSTICE**

HAVE A STRATEGY OF DIVERSITY AND INCLUSION DEFINED AND IMPLEMENTED

## WHAT ABOUT SDGS?

Sustainable Development Goals (defined and outlined by the United Nations, ([LINK](#)) are a great framework for businesses to drive social and environmental change. But to keep as focused as possible, we've honed in on six areas which tackle precisely 10 out of the 17 SDGs. Take a closer look at this in our strategy paper<sup>1</sup> ([LINK](#)).

## A FORCE FOR GOOD:

To make sure we always have enough (wo:man) power to drive change, we're expanding the Sustainability Task Force Team for 2022. We call it IMPACT & INNOVATION because we keep pushing for human rights and environmental protection. And we always look for new ways to change the status quo for better.



Ah, imagine it. A fully circular fashion industry, with the highest environmental and social justice. A future where water, energy and chemicals are regenerated. Where all materials we use and products we sell can be reused and reclaimed.

It's great to paint a utopian vision for our industry. But the most important thing is making it happen.

# WHY CIRCULARITY IS THE ONLY WAY TO GO.



Each year, the fashion industry is responsible for:

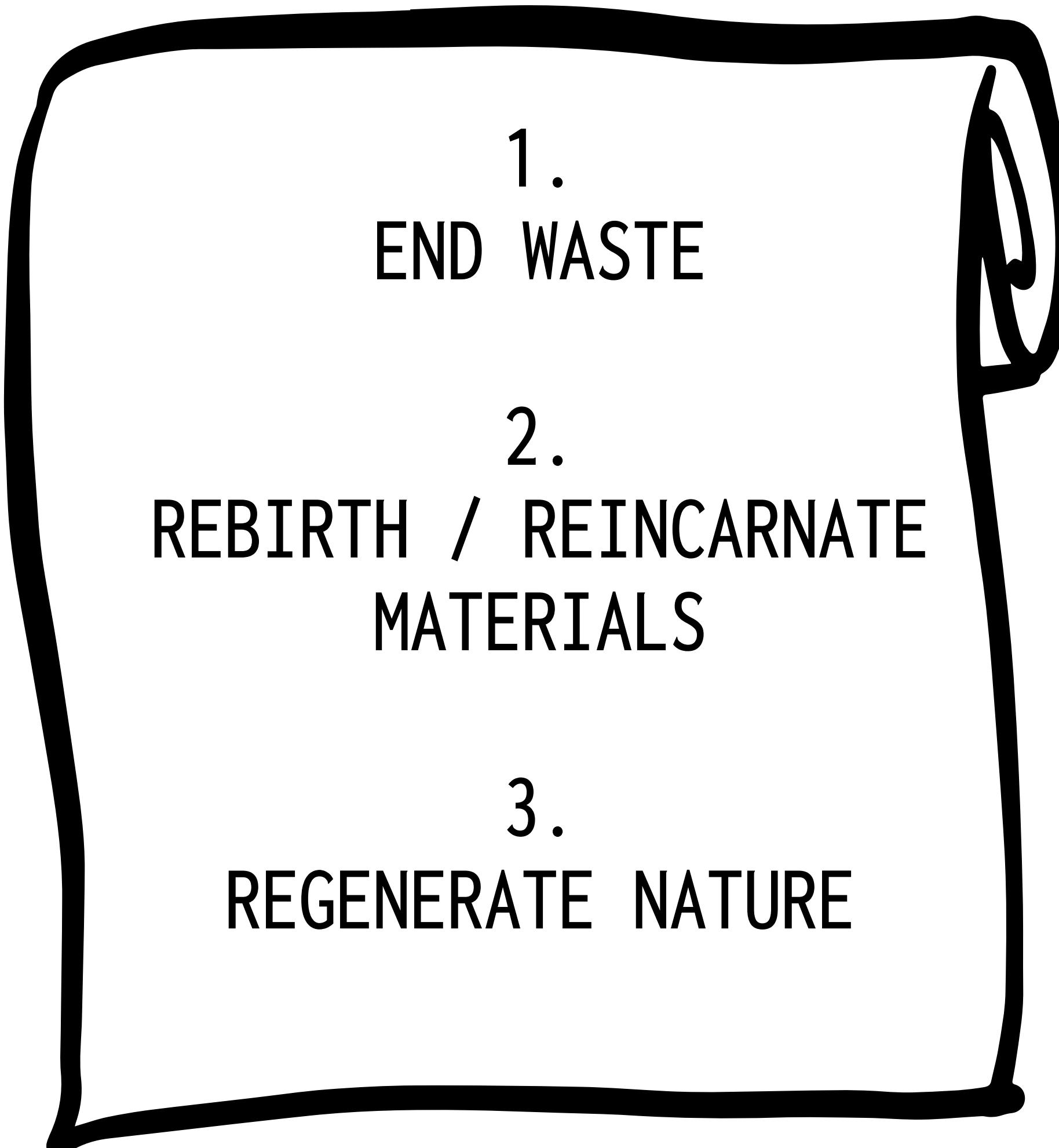
- Roughly 10% of global greenhouse gas emissions<sup>2</sup>
- less than 1% of clothing being recycled<sup>2</sup>
- Around 92 million tons of textile waste<sup>3</sup>

SO, WHAT'S THE **SOLUTION?**

MANAGING WASTE IS NOT JUST ABOUT RECYCLING. IT'S ABOUT CREATING AN INDUSTRY THAT OPERATES WITH THE HIGHEST ENVIRONMENTAL JUSTICE. IT'S ABOUT CREATING SYSTEMS IN WHICH WATER, ENERGY, CHEMICALS ARE REGENERATED. WHERE THE MATERIALS WE USE AND GOODS WE SELL CAN BE RE-USSED, IN A CLOSED-LOOP.

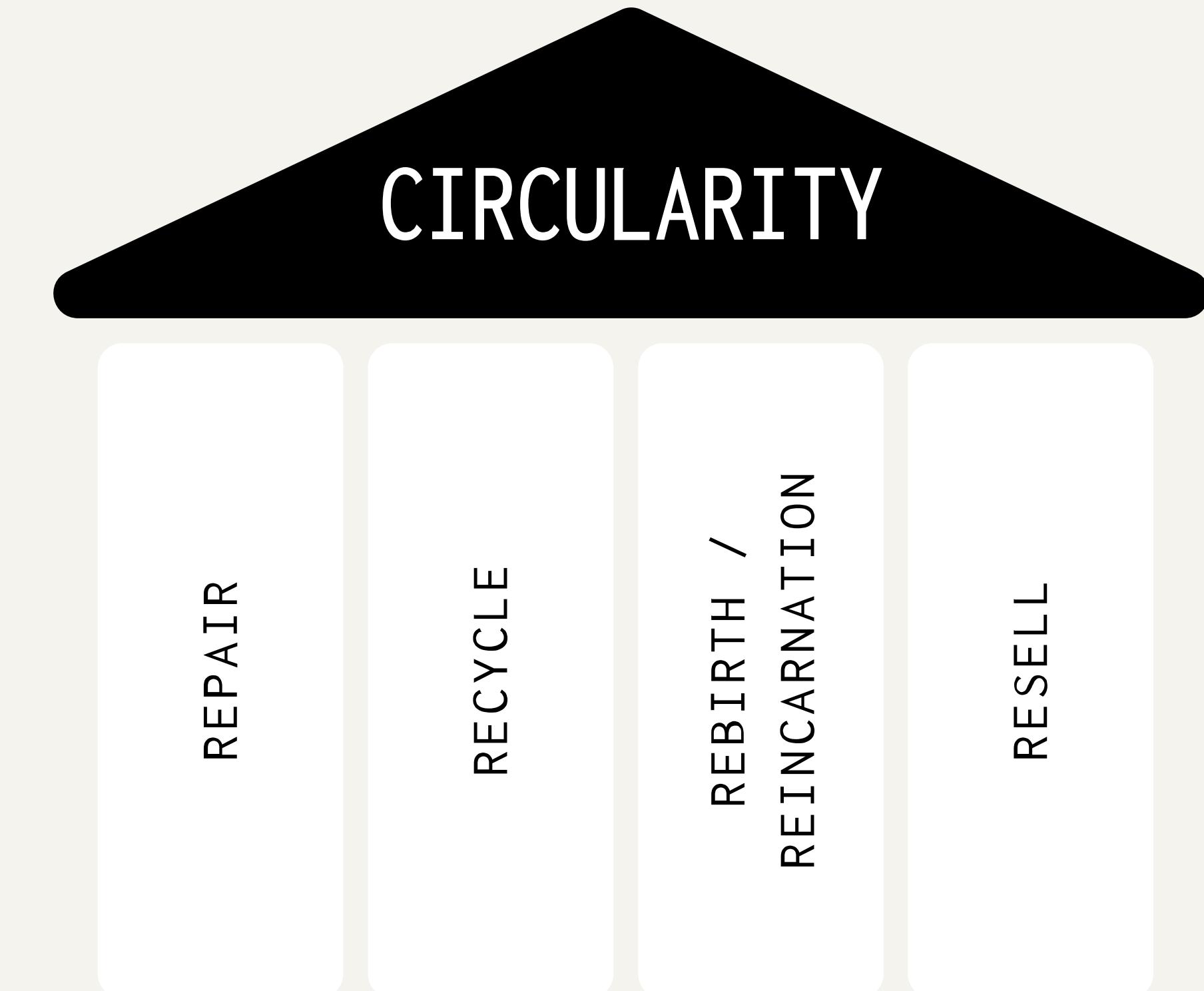
# CIRCULARITY IS NOT A PRODUCT BUT INDUSTRIAL ENLIGHTENMENT

A school of thought, a civilised economic ideology, with three radically rational life-saving principles<sup>5</sup>:

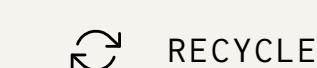


[SEE OUR CIRCULAR PRODUCTS](#)

## LET'S REINVENT THE WHEEL WHICH RESTS ON THE FOUR PILLARS



REPAIR  
TAKE CARE OF THAT WEAR AND TEAR. WHEN THINGS BREAK DOWN - MAKE THEM WHOLE AGAIN. GARMENT'S ARE LIKE PUPPIES - FOR LIFE. CAPEESH.



ALL GARMENTS FAIL/DIE EVENTUALLY, BUT ALL GOOD GARMENTS GO TO RECYCLE HEAVEN TO FULFIL THEIR DESTINY AS PART OF SOMETHING BRAND NEW.



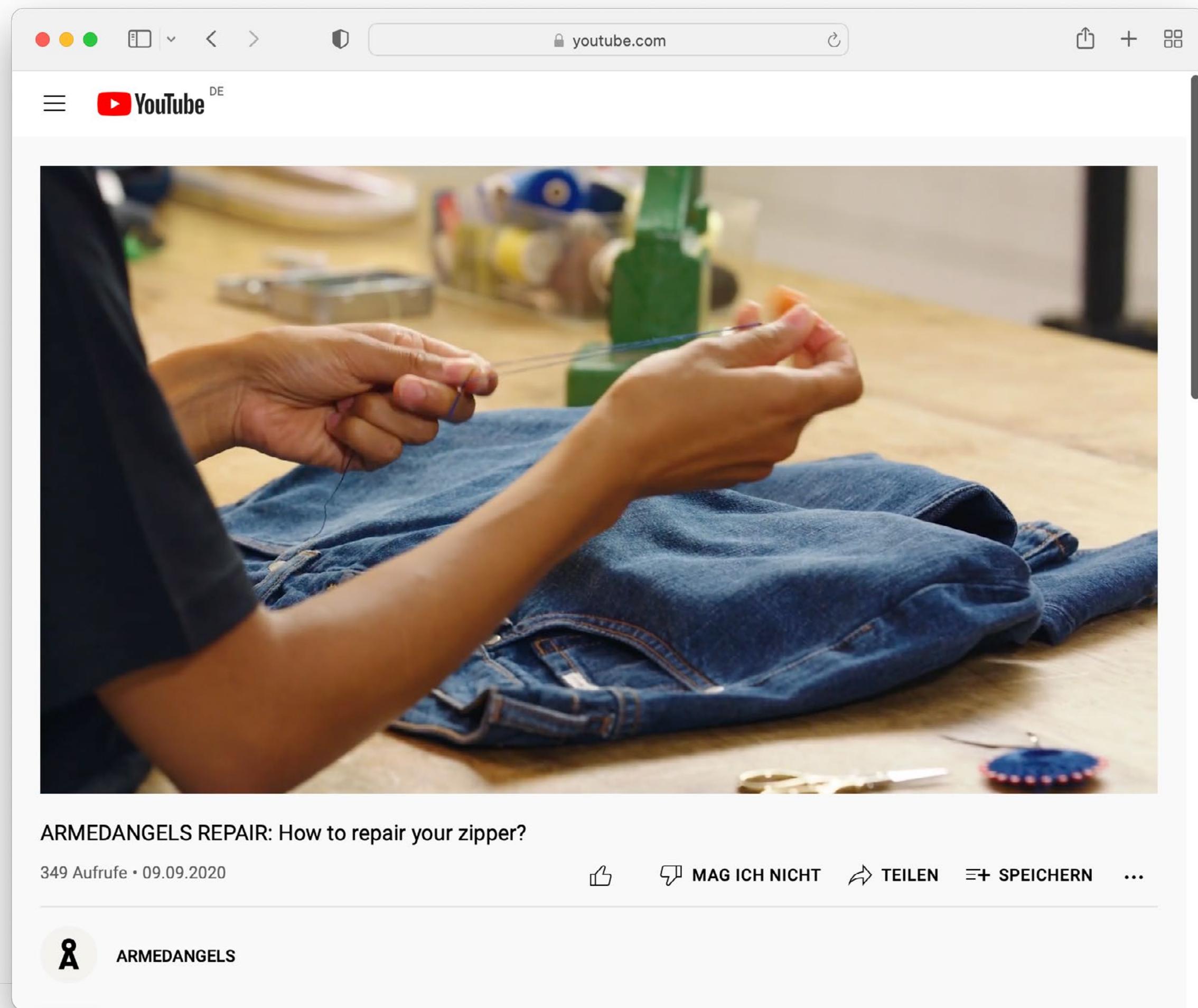
REBIRTH / REINCARNATION

WHAT GOES AROUND COMES BACK AROUND. FASHION IS TRASH. WE TURN TRASH INTO FASHION. SO THAT TRASH IS NOT JUST A PROBLEM, BUT PART OF THE SOLUTION. READY?!



RESELL  
ONE PERSON'S WASTE IS ANOTHER'S MADE TO MEASURE. SO NEVER THROW. RESELL AND LET THAT GARMENT FIND A NEW PARTNER IN TIME. REMEMBER - DEADSTOCK IS FOR DEAD HEADS.

# BE AWARE. TAKE CARE.



**REPAIR**

We believe in the power of a fully circular fashion system. We want to help you keep, wear and live in your garments for as long as possible. To help you do this, check out our Repair Guide<sup>4</sup> ([LINK](#)).

# TRASH TO FASH



**RECYCLE**

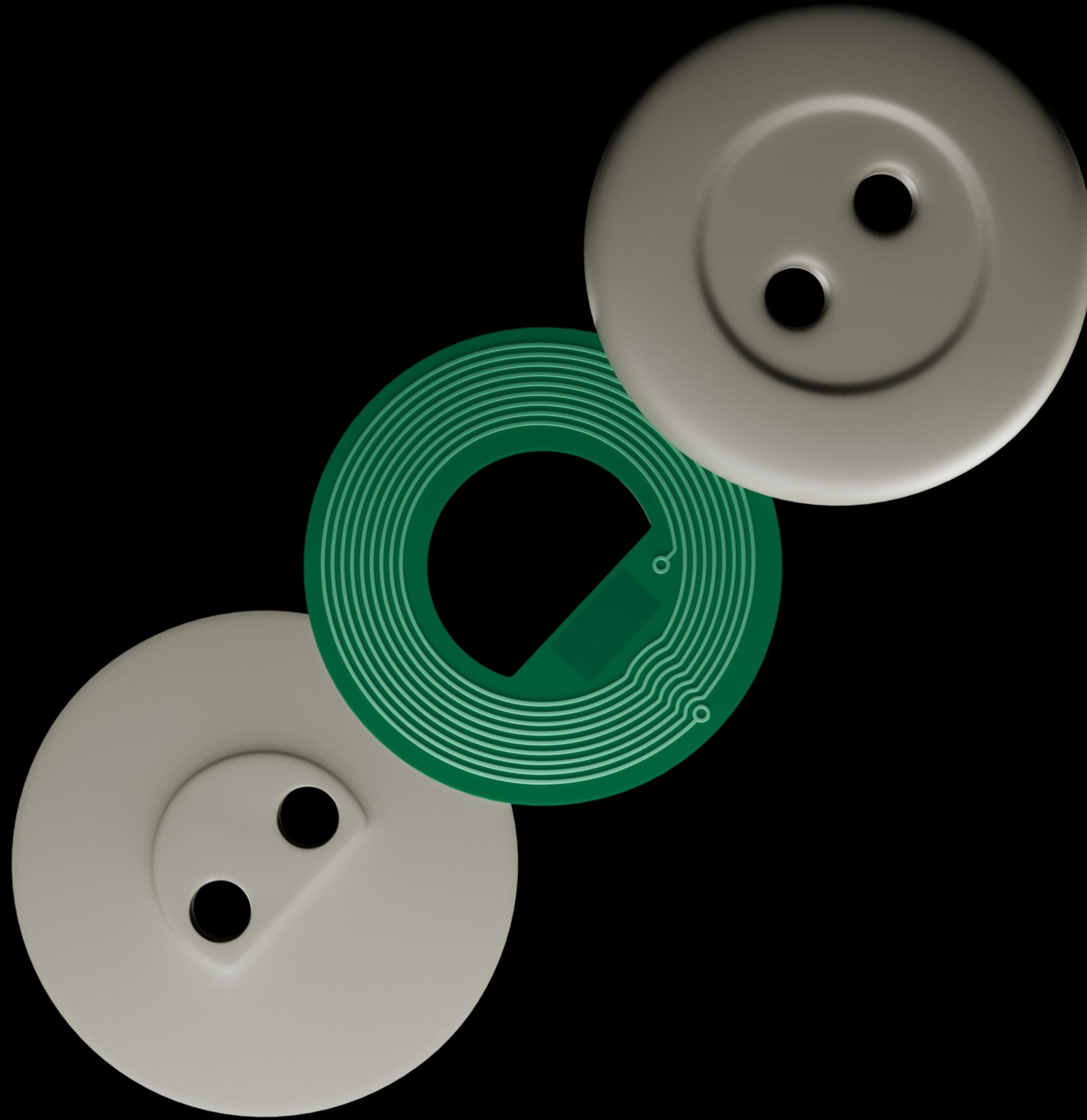
Globally, less than 1% of fibers are sourced from pre- or post-consumer recycled textiles<sup>6</sup>. Increasing the use of recycled materials is not enough - we must also implement systems that help close the loop. Trash is the resource: We started with a modest t-shirt and a radical solution. What goes around comes back around. We'd already been collecting our jersey cutting waste for 2 years. And developed



**REBIRTH / REINCARNATION**

a unique fabric, using our own organic cotton trash blended with TENCEL™ Lyocell (mono-material - so it can get recycled again and again). In 2020 we started to walk the talk and launched our Take-Back-System to also take responsibility at our garments' end-of-life ([LINK](#)). And in 2021, we extended the trash to t-shirt idea to our popular Denim category.

# ANOTHER PROBLEM WITH FASHION - THE GROWING AMOUNT OF UNWANTED CLOTHING



WE'VE GOT AN INNOVATIVE SOLUTION  
USING **CIRCULARITY.ID®**.

# CIRCULARITY.ID®



RECYCLE

REBIRTH /  
REINCARNATION

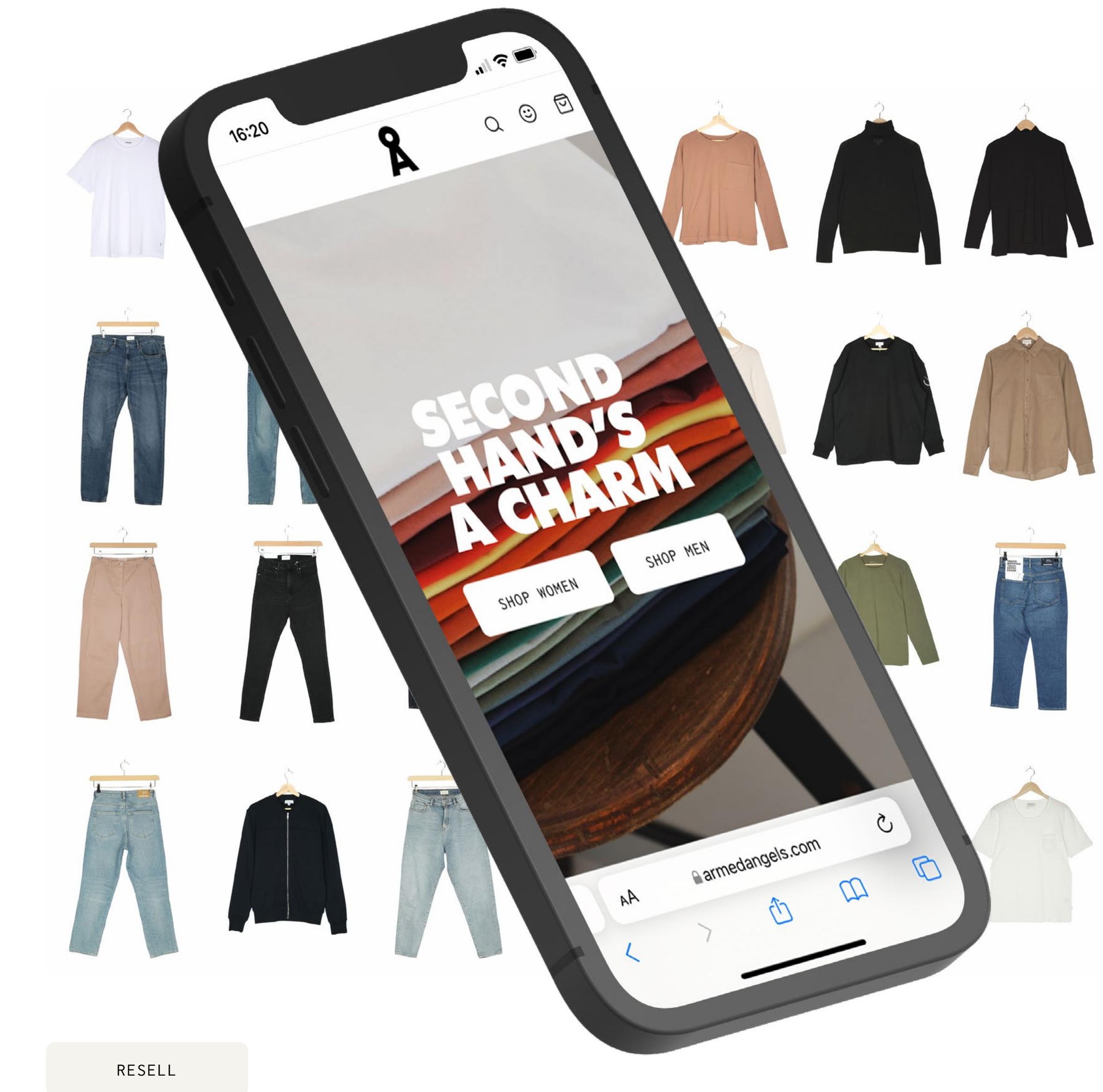
Smart tech is already accelerating the transformation towards circularity in fashion. For example, our new Tees with circularity.ID® come with an NFC-tag sewn into the sleeve. Scan it with an NFC-ready smartphone and get the lowdown on producers and fabric composition. Then, when the time comes, feed it back into the circle. Within a closed-loop project with circular.fashion and Fairwertung e.V.,

we're testing intelligent systems for sorting, resale and recycling in a real-life-setting.

Our goal: testing a closed loop for textiles under real conditions and establishing a circular infrastructure beyond the pilot phase.

## SECOND LIFE

SO, WHAT ARE WE GOING TO DO TO CLOSE THE LOOP IN THE FUTURE?



As part of our mission to become fully circular, we'll implement our very own resell platform, where people can buy and sell pre-loved ARMEDANGELS items. With 'Second-Hand', we're taking a clear stand against the biggest challenges of resource waste: environmental pollution and social impact on producers (as well as consumers). We're also expanding our take-back system. Whereas in the past you

could only send in unrepairable t-shirts and denim, we now take all our products back. We believe in the power of a fully sustainable fashion system. And we believe that if we help our community to take care of their garments, we can keep, wear and love them for as long as possible - and beyond. Stop treating old clothes as waste and start seeing them as a valuable resource!

# MATERIAL MATTERS

WHAT WE'RE MADE OF - MAKES US. NOT ALL MATERIALS ARE CREATED EQUAL. BUT FOR US, ONLY THE MOST ETHICAL MATERIALS WILL DO.

We define sustainable materials as natural fibers, such as organic cotton, organic virgin wool (mulesing-free) or alpaca, sustainable regenerated fibers from Lenzing, recycled materials, such as recycled cotton, recycled linen, recycled wool, recycled polyester and recycled polyamide.

## LET'S TAKE A CLOSER LOOK AND FEEL

### ORGANIC COTTON

WHY IS ORGANIC COTTON SO TRULY ORGASMIC? LET ME COUNT THE WAYS. NO SYNTHETIC INPUTS - DING. LESS ENERGY TO PRODUCE - DING. MAKES SOIL HEALTHIER - DING DING DING. AN EXAMPLE OF HOW LOW-IMPACT ORGANIC FARMING CAN HAVE A POSITIVE IMPACT IN THE FIGHT AGAINST CLIMATE CHANGE. IT'S OUR GO-TO MATERIAL OF CHOICE - IN 2021 WE USED 912 METRIC TONNES.

### RECYCLED MATERIALS

AS WE BEGIN TO TRANSITION INTO A CIRCULAR ECONOMY, OUR USE OF RECYCLED MATERIAL WILL INCREASE. IN 2021, WE USED 16 METRIC TONNES OF RECYCLED MATERIAL IN OUR DENIM AND T-SHIRTS LIKE RECYCLED POLYESTER AND RECYCLED COTTON.

### SYNTHETIC FIBERS

AND, HANDS-UP, WE ADMIT IT, SOMETIMES, FOR PERFORMANCE REASONS, WE USE A TINY AMOUNT OF SYNTHETIC FIBERS AND MOST ARE SOURCED FROM GRS CERTIFIED RECYCLED MATERIAL. NOW THAT'S WHAT WE CALL TRANSPARENCY!

### VIRGIN WOOL AND ALPACA FIBER

FOR SOME OF OUR WINTER WEAR WE USE VIRGIN WOOL AND ALPACA FIBER FROM CONTROLLED ORGANIC ANIMAL HUSBANDRY. OUR AIM IS TO SOURCE ONLY THE MOST SUSTAINABLE AND ANIMAL-FRIENDLY WOOL IN THE WORLD.

### LENZING™ ECOVERO™ AND TENCEL™ LYOCELL/MODAL

WE SUPPLEMENT OUR ORGANIC COTTON WITH OTHER SUSTAINABLE AND REGENERATED MATERIALS PRODUCED USING MAN-MADE CELLULOSE FIBERS, FROM ONLY CERTIFIED RENEWABLE SOURCES. THESE INCLUDE LENZING™ ECOVERO™ AND TENCEL™ LYOCELL/MODAL.

# WE MAY MAKE MISTAKES. BUT WE DON'T WASTE MISTAKES.

SO, THESE KNITS WERE NOT FULLY ORGANIC. AND WE'RE NOT FULLY PERFECT. BUT WE'RE WORKING ON IT.

Sustainability is survival. It's literally the most important thing in the world, so when we make a mistake, it truly pisses us off. And we made one. Some wool knits from our AW21 collection are made of conventional wool and not organic wool as we intended. As organic is and has always been our DNA, this was a big issue for us.

## OKAY, WHAT HAPPENED?

It started out good. We work with a specific partner in Patagonia to source the most sustainable and animal-friendly wool in the world. This wool is certified according to the Global Organic Textile Standard (GOTS) and the fibre level reaches the Responsible Wool Standard (RWS). So it's as good as can be for ecosystems. However, our monitoring was slightly too slow and products with the 'wrong' (i.e. non-organic virgin wool) were produced before we noticed the mistake.

## WHAT WE DID NOT DO

Obviously, we did not hide this from anyone - selling without telling is against everything we believe. This organic supply chain issue has gotten our morals in a twist but we didn't want to waste these knits. We may make mistakes. But we don't waste mistakes. The planet needs a lot of things right now, but more waste isn't one of them. We also did not 'recycle' these new products back into other products, claiming the material as 'recycled'. Because... well that would just be nonsense.

## THE PLAN

At ARMEDANGELS there is only one way, being explicitly honest and making the best of it. So we continued to sell these pieces, while making it clear they are unfortunately not as organic as they should be. And we invested the profit made in a long-term solution to ensure this never happens again.

## HOW DO WE NOT MAKE THE SAME MISTAKE AGAIN?

As of 2020, we tightened our processes to check the traceability of all Lenzing fiber products. Now we apply the same strict checks to wool products too. We digitally track all wool from Patagonia, every step of the way, to ensure the right wool ends up in our products. As an added bonus, we learn even more about our supply chain.

# NOT YOUR CONVENTIONAL COTTON.



At ARMEDANGELS, we rely on organic cotton. We love how it sustains the health of our soils, ecosystems and people (feels great on your skin, too!). But, as we've grown, we've learned: We can't just replace a bad thing with a better alternative. To generate positive impact, we need to profoundly change systems and business practices. Because even today...

LESS THAN 1%  
OF THE WORLD'S  
COTTON



IS CERTIFIED  
ORGANIC.<sup>6</sup>

# HERE'S WHY:

- THE CONVERSION FROM CONVENTIONAL TO ORGANIC COTTON TAKES THREE YEARS. THE SOIL NEEDS THIS TIME TO RECOVER FROM THE ARTIFICIAL PESTICIDES.
- DURING THIS TIME, FARMERS CAN'T SELL THE COTTON AS ORGANIC AND DON'T RECEIVE AN ORGANIC PREMIUM.
- FARMERS ALSO HAVE PROBLEMS FINDING HIGH-QUALITY, GMO-FREE SEEDS.

As a result, more than 50% of smallholders give up on conversion to organic cotton within the first year. The business case for converting to organic cotton simply isn't there. So we asked ourselves: How can we make the

transition to organic cotton not only a good business decision for the farming families, but ultimately show that it's the only way forward for their land and their health?



# A STORY OF SUCCESS



↗ 500

GREW FROM 366 FARMERS TO NOW 500 FARMING FAMILIES IN GUJARAT, INDIA

NOURISHED 993,65 HA OF LAND WHERE OUR COTTON IN CONVERSION IS FARMED AND HARVESTED

INCREASED BIODIVERSITY IN THE SOIL, MEANING ORGANISMS, INSECTS AND ANIMALS HAVE RETURNED TO WHAT WAS ONCE CHEMICALLY TREATED, BARREN LAND

PROVIDED MORE FINANCIAL INDEPENDENCE FOR ALL PARTICIPATING FARMERS: EVERYONE RECEIVED THE ARMEDANGELS ORGANIC PREMIUM - A TOTAL AMOUNT OF 60.457,36€ EUR WAS PAID ADDITIONALLY TO FARMERS

60.457,36€

INSTALLED 55 DRIP IRRIGATION SYSTEMS SAVING OUR FARMERS NOT ONLY TIME AND MONEY, BUT ALSO SAVING THE PRECIOUS RESOURCE WATER

PROVIDED HIGH QUALITY GMO FREE SEEDS FOR FREE AND PROVIDED VALUABLE SUPPORT ON SITE

NO  
GMO

# GREEN FRIDAY LET'S GROW TOGETHER



In November 2021, we celebrated this counter-model to the worldwide phenomenon of Black Friday, where many brands focus on discounting and pushing consumption.

WE DONATED **10€** PER EACH ORDER RECEIVED DURING THIS WEEK TOWARDS THE ARMEDANGELS ORGANIC FARMERS ASSOCIATION.

WHICH RESULTED IN AN INCREDIBLE TOTAL AMOUNT OF

**129,060 €**

This money is used to supply 53 farmers with drip irrigation system, effectively supplying over 56 hectares of land with little droplets of water. The drip irrigation systems will be installed after the final 4th harvesting season and will be ready by June 2022.

# MAKING FRIENDS SINCE 2007



OVER THE PAST 14 YEARS, OUR NETWORK HAS GROWN FROM ONE DIRECT PARTNER IN PORTUGAL TO 15 ACTIVE PARTNERS IN PORTUGAL, TÜRKİYE, TUNISIA AND ROMANIA.

We also planned ahead and started the responsible onboarding process (a lengthy process of pre-evaluating new potential partners, ending in what we strive to be a long-term new business relationship), with three new suppliers in Portugal and Türkiye. And we renewed the business relationship with a prior supplier in China - an unusual arrangement, since this relationship is only set up for one season for the production of outerwear for our upcoming AW22. If you want to know more about our Responsible Sourcing strategy and our Responsible Onboarding Process click ([READ MORE](#)).

# OUR TIER 1 SUPPLIERS

HERE'S WHERE OUR PRODUCTION WAS PLACED IN 2021:

**44%**  
**EUROPE**

**56%**  
**TURKIYE & TUNISIA**

SO-CALLED "HIGH-RISK COUNTRIES"

Within this, 45% of our production volume came from suppliers we have worked with for more than five years. We directly and actively monitor 100% of our partners and their nominated subcontractors for sewing, garment wash and dye, placed printing and embroidery. Knowing our supply chain and safeguarding it is the basis for our work. We only work with partners who we trust to deliver decent wages and workers' safety. We assure best-practice working conditions in 3 easy steps:

- (1) Internal Due Diligence Check (on site and online) and Self-Assessment
- (2) External audits by Fair Wear Foundation (FWF), Global Organic Textile Standard and third-party audits resulting in a Corrective Action Plan (CAP)
- (3) Continuous support to improve social and environmental standards (on site and online) as well as tailored training programs by third parties

## TUNISIA

DENIM AUTHORITY

(DETOX DENIM)

## PORTUGAL

VALÉRIUS TÊXEIS	(JERSEY)
BECRI MALHAS E CONFECCOES	(JERSEY)
J. CAETANO J. CAETANO & FILHAS	(WOVEN)
TMR FASHION CLOTHING	(JERSEY)
ETFOR EMPRESA TEXTIL	(JERSEY)
GOUCAM GOUEVIA & CAMPOS	(WOVEN)
FIORIMA	(SOCKS)
BARCELBORDADOS, NEW IN 2021	(CAPS)
IMPETUS TÊXEIS, ONBOARDING IN 2021, FIRST DELIVERY AW22	(UNDERWEAR)
JF ALMEIDA, ONBOARDING IN 2021, FIRST DELIVERY SS22	(TOWELS)

## TÜRKİYE

BERA TRIKO TEKSTİL  
NARKONTEKS TEKSTİL,  
ÖZCELİK ÖRME SAN  
TEKSİM GIYİM SANAYİ VE TİCARET  
MERGÜ TEKSTİL KONF. SAN,  
SUGLOBAL TEKSTİL KONFEKSİYON  
(DENIM VILLAGE), ONBOARDING IN  
2021, FIRST DELIVERY SS22

(KNIT)  
(UNDERWEAR)  
(KNIT)  
(KNIT)  
(WOVEN)  
(DETOX DENIM)

## ROMANIA

SC READY GARMENT TECHNOLOGY (PANTS)

## CHINA

JIECCO, RENEWED BUSINESS  
RELATIONSHIP IN 2021  
(PREVIOUSLY USED IN 2018+2019)  
FOR ONE DELIVERY ONLY (AW22)

(OUTERWEAR)

# BETTER TOGETHER

ARMEDANGELS always aims for the highest standards in responsible and ethical business. People are the life force of all global supply chains and respect for all human rights is critical to our culture. From the beginning, we integrated our human rights due diligence into our general business and purchasing practices<sup>7</sup> ([LINK](#)) because ethical procurement is key in securing safe and fair working condi-

tions, meaningful climate action and resilient communities. Our social guidelines set forth principles for best practice workplace conditions and we receive further support from The Code of Labor Practices of Fair Wear Foundation ([FWF](#)) and the social principles of the Global Organic Textile Standard ([GOTS](#)) and of the Global Recycled Standard ([GRS](#)). These are our social guidelines in a nutshell:

## TRANSPARENCY

WE KNOW OUR PARTNERS. WE VISIT THEM REGULARLY AT SITE. THAT WAY WE HAVE UNPARALLELED TRANSPARENCY AND TRACEABILITY IN OUR SUPPLY CHAIN.

## EQUALITY

WE TRUST IN EXTERNAL THIRD-PARTY AUDITS TO RECEIVE A NEUTRAL VERIFICATION ON THE STATUS QUO OF EACH FACTORY AND EVALUATE OUR PARTNERS BASED ON EQUAL FAIRNESS AND SOCIAL NORMS.

## TRUE COSTING

WE STOPPED NEGOTIATING PRODUCT PRICES BUT CALCULATE PRICES BASED ON TRUE COSTS ACCEPTING FULL LABOR COSTS AND DEMAND SUPPLIERS TO NEVER PAY BELOW MINIMUM, BUT ENCOURAGE THEM TO PAY ABOVE TO REACH LIVING WAGES. ([READ MORE](#))

## JUSTICE

WE OFFER TRAINING PROGRAMMES AND CONSULTANCY TO OUR PARTNERS. WE ACKNOWLEDGE THAT THE GLOBAL INDUSTRY WILL ONLY CHANGE IN A FRAMEWORK OF SOCIAL, ECOLOGICAL AND ECONOMIC JUSTICE. ([READ MORE](#))

## PARTNERSHIPS

WE RESPONSIBLY SELECT OUR SUPPLIERS WHO SHARE THE SAME VALUES. WE BELIEVE THEY ARE OUR PARTNERS AND THAT IS HOW WE TREAT THEM. TRUST, RESPECT AND UNDERSTANDING ARE THE BASIS OF OUR RELATIONSHIPS. ([READ MORE](#))





STATUS: JULY 2022, SOCIAL FASHION COMPANY GMBH

IN 2021, OUR DIRECT SUPPLY CHAIN PARTNERS RANKED ON AVERAGE 83% IN THE SOCIAL AND HUMAN RIGHTS SECTION AND ON AVERAGE 81% IN THE ENVIRONMENTAL SECTION.



With our Two-in-One guideline and benchmarking system, we seek to rank the performance of our partners in an institutionalized way.

In 2021 we further improved our 'ARMEDANGELS Supplier Self-Assessment' ([READ MORE](#)) tool to bring more transparency into our supply chain.

# HERE ARE SOME MORE LEARNINGS FROM OUR 2021 FROM OUR 19 DIRECT SUPPLY CHAIN PARTNERS:



# SAFETY FIRST!

## SOCIAL STANDARDS

17 of our partners (90%) are audited by at least one internationally recognized ethical and social standard (Fair Wear Foundation, SMETA, BSCI, etc.). Two Portuguese partners (10%) have only been internally audited. Both hold a valid GOTS certification including social standards. Only 1 supplier (5%) did not receive good or exceptional results in the social auditing. No matter the result of social auditing: We are always working with our partners to remediate any findings and to improve social standards overall.

## FAIR PAID

4 direct partners have a complimentary system to pay living wages. All partners pay above minimum wage. On average our partners pay 143% of the legal minimum wage ([READ MORE](#)).

We discuss wages with our suppliers every 6 months to calculate Labor Minutes ([READ MORE](#)) for our open costing system. Our suppliers are very transparent towards us as well as towards their employees. Wage slips are handed out, payment conditions are clear and social contributions are paid.

## REASONABLE WORKING HOURS

1 partner with no overtime at all. 7 partners where overtime is below 10% of regular working time. 9 partners where means are implemented to ensure that working time does not exceed the limits according to legal requirements and contractual agreements and overtime is done on voluntary basis.

On average, our suppliers work on average 6% overtime. All suppliers pay overtime hours with a premium, ranging from 25-100% depending on when the overtime hours occurred.

## SAFE WORKING CONDITIONS

All partner conduct and monitor means to protect workers' health.

## GRIEVANCE MECHANISM

In 2021, we received 3 complaints via the FWF Complaint Hotline ([READ MORE](#)).

# FAIR WAGES FOR ALL.

LIVING WAGES ARE A HOT TOPIC FOR THE FASHION INDUSTRY. BUT ENOUGH TALK. WHAT WE NEED ARE SOLUTIONS.

It's so important to close the gap between legal minimum wages and a fair wage, to fund decent livings. Sadly, the lack of working practices and general excessive demand means the industry is still lagging behind where it needs to be.

We don't pay wages directly to the workers. We don't own any factories. All our partners are individually owned entities. We pay fair prices for the garments we buy from them.

## RADICALLY OPEN

While we offer a high degree of transparency, we also need it from our partners. We've been extremely busy implementing our True Costing Methodology over the past few years, which ma-

kes price negotiations almost obsolete. It's basically a radical open costing system, where we accumulate all information that makes up the price of a piece of clothing. When we take the actual costs for fabrics, accessories, trims, artwork, labelling and packaging as well as labor costs, overhead and profit, there really is no need to negotiate and bargain any more. It's exactly what it needs to be to be fair to workers, management, and us as a brand. One of the big reasons to implement such a radical open costing for all our products, was to make sure that we have transparency in the payment of actual wages and avoid negotiating against wages. We needed to know more about the link between buying prices and wage levels in the factories.

## TRUE PRODUCT PRICE SPLIT

JAAMES  
T-SHIRT MADE OF ORGANIC COTTON  
MANUFACTURED IN PORTUGAL

RETAIL COST & PROFIT	<b>45%</b>
VAT	<b>16%</b>
MATERIAL COSTS	<b>15%</b>
ARMEDANGELS COSTS	<b>12%</b>
LABOR COSTS	<b>6%</b>
SUPPLIER OVERHEAD & COSTS	<b>4%</b>
TRANSPORT & DUTIES	<b>1%</b>
ARMEDANGELS PROFIT	<b>1%</b>

## HOW MUCH IS ONE LABOR MINUTE?

PORUGAL FOR EXAMPLE:



AVERAGE WORKER × 219 DAYS = 78,840 MIN

LABOR MINUTE COST:

ANNUAL WAGE COSTS PER WORKER	14,855.00 €	ANNUAL WORKING MINUTES PER WORKER	78,840.00
÷		=	<u>0.19 €</u>

# LIVING WAGE PROJECT

IT'S ONLY FAIR WHEN IT'S FAIR FOR EVERYONE

We've joined forces with three like-minded brands (and our shared supplier Mergu, in Türkiye) to launch a unique pilot project. The aim: to bring fair living wages to all the production workers at the Mergu factory.

Mergu is highly motivated and has done extensive research to action this project. With collaboration, we can make a real difference

for all its production workers. Why? Because together we have a higher leverage!

This project isn't perfect yet. There are still issues we need to solve and learn more about. But while we figure it all out, we're already paying a mark-up so workers actually receive a fair wage.

## FACTS

- PARTICIPATING BRANDS: NUDIE JEANS, MINI RODINI, KINGS OF INDIGO, ARMEDANGELS
- PROJECT START DATE: DECEMBER 2020
- STATUS OF THE PROJECT: ONGOING
- LEVERAGE OF ALL 4 BRANDS AT MERGU (1ST PAYMENT TERM, BUSINESS YEAR 2021): APPROX. 100%

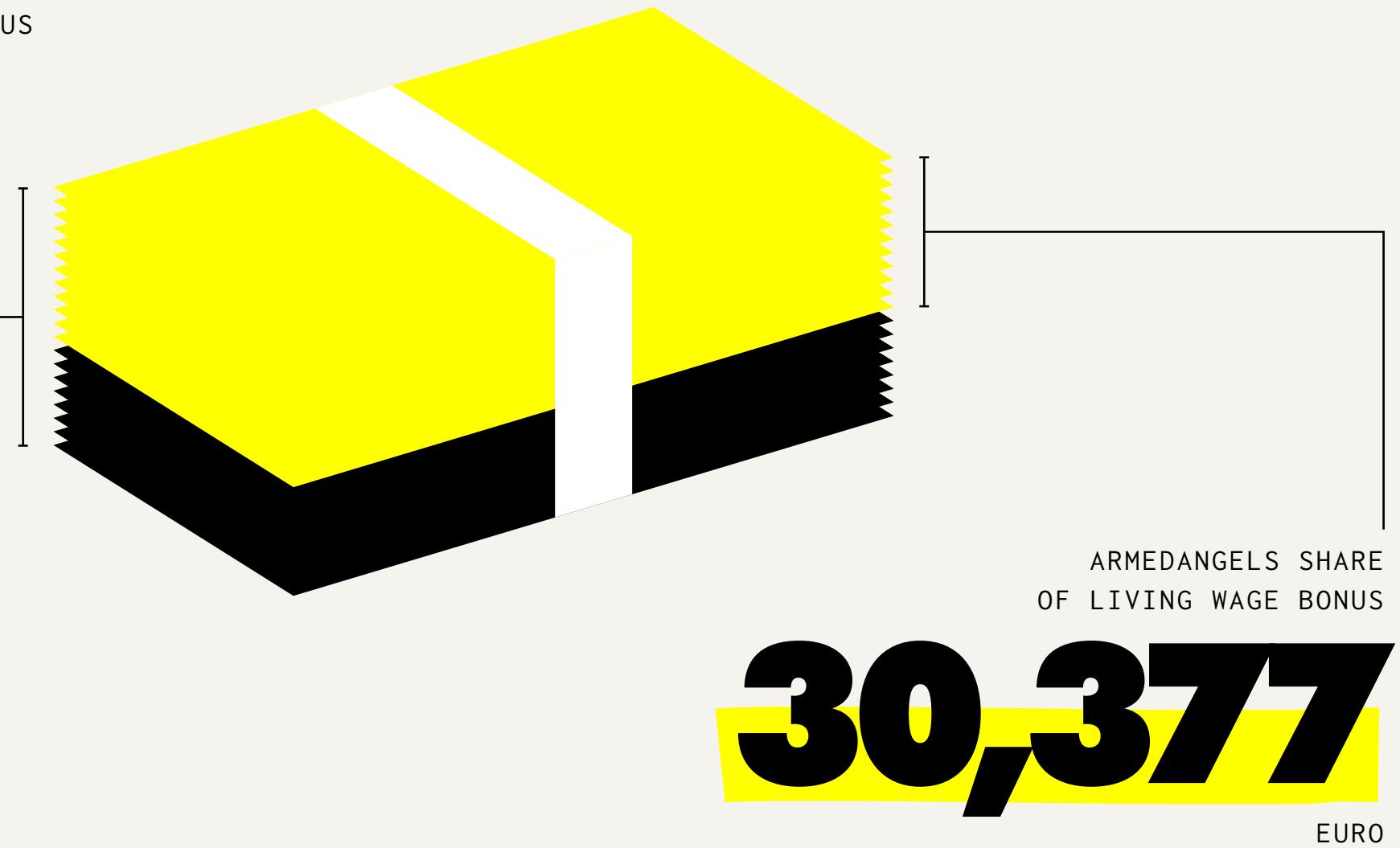


## 1ST TERM LIVING WAGE PROJECT

• FIRST PAYMENT OF A LIVING WAGE BONUS:	DEC 2021 (SS22 COLLECTION)
• LEVERAGE OF ALL 4 BRANDS AT MERGU (SPRING 22 COLLECTION):	100%
• LEGAL MINIMUM WAGE IN TÜRKİYE:	2,557 ₺ NET
• LIVING WAGE BENCHMARK:	3,650 ₺ NET
• WAGE GAP:	42%
• AMOUNT OF LIVING WAGE BONUS PAID BY ALL 4 BRANDS:	50,000 €
• ARMEDANGELS AVERAGE LIVING WAGE BONUS PER PIECE:	1,07 €
• ARMEDANGELS SHARE OF LIVING WAGE BONUS:	30,376.90 € (APPROX. 60%)
• NUMBER OF EMPLOYEES:	120

AMOUNT OF LIVING WAGE BONUS  
PAID BY ALL 4 BRANDS**50,000**

EURO



## NEXT STEPS



# WE'RE ON TEAM EARTH.



IF IT'S GOING TO HARM PEOPLE AND PLANET, IT'S NOT WORTH IT. THAT'S WHY WE ARE MOTIVATED TO

- USE ONLY THE MOST SUSTAINABLE MATERIALS
- BAN HAZARDOUS CHEMICALS (AND MANAGE THEM WITH AN INPUT CONTROL SYSTEM, FOLLOWING SUPER RIGID STANDARDS)
- SEEK OUT INNOVATIVE REGENERATIVE FARMING METHODS THAT RESPECT ANIMAL WELFARE

From our materials, to our manufacturing partners - climate justice is the guiding factor in everything we do.

We've spent years thinking about how to build principles that enable ecologically optimized processes and products. As a further back-up, we get support from voluntary standard and system-based tools of Global Organic Textile Standard ([GOTS](#)), Global Recycled Standard ([GRS](#)) and the Zero Discharge of Hazardous Chemicals Initiative ([ZDHC](#)).

## WE ALWAYS STICK TO OUR ECO-PRINCIPLES:

- **REGENERATIVE:**  
CHOOSE SUSTAINABLE AND LOW IMPACT MATERIALS, FOR THE HIGHEST PRODUCT ECOLOGY AND QUALITY
- **CLOSED-LOOP:**  
AIM FOR CLOSED-LOOP MANUFACTURING PROCESSES THAT REGENERATE WATER, ENERGY, CHEMICALS. RE-USE OUR MATERIALS AND OUR GOODS.
- **ANIMAL WELFARE:**  
NO ANIMALS SHALL BE HARMED IN THE MAKING OF OUR PRODUCTS. IF WE USE ANIMAL PRODUCTS, WE ALWAYS MAKE SURE THE HIGHEST ANIMAL WELFARE STANDARDS ARE FOLLOWED. [\(LINK\)](#)

**10**NATIONAL  
ELECTRICITY**9**

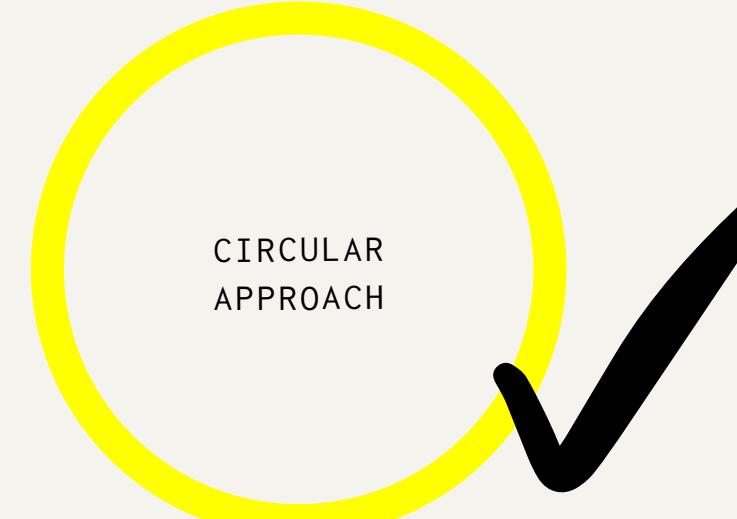
- 9 PARTNERS USE MORE THAN 50% RENEWABLE ENERGIES
- 10 PARTNERS INDICATE THAT THEY USE THE NATIONAL ELECTRICITY MIX

**9**

- WATER SOURCES AND WASTEWATER SOURCES ARE KNOWN, MEASURED AND CONTROLLED
- ALL PARTNERS HAVE A GOTS-COMPLIANT EFFLUENT TREATMENT PLANT (ETP)



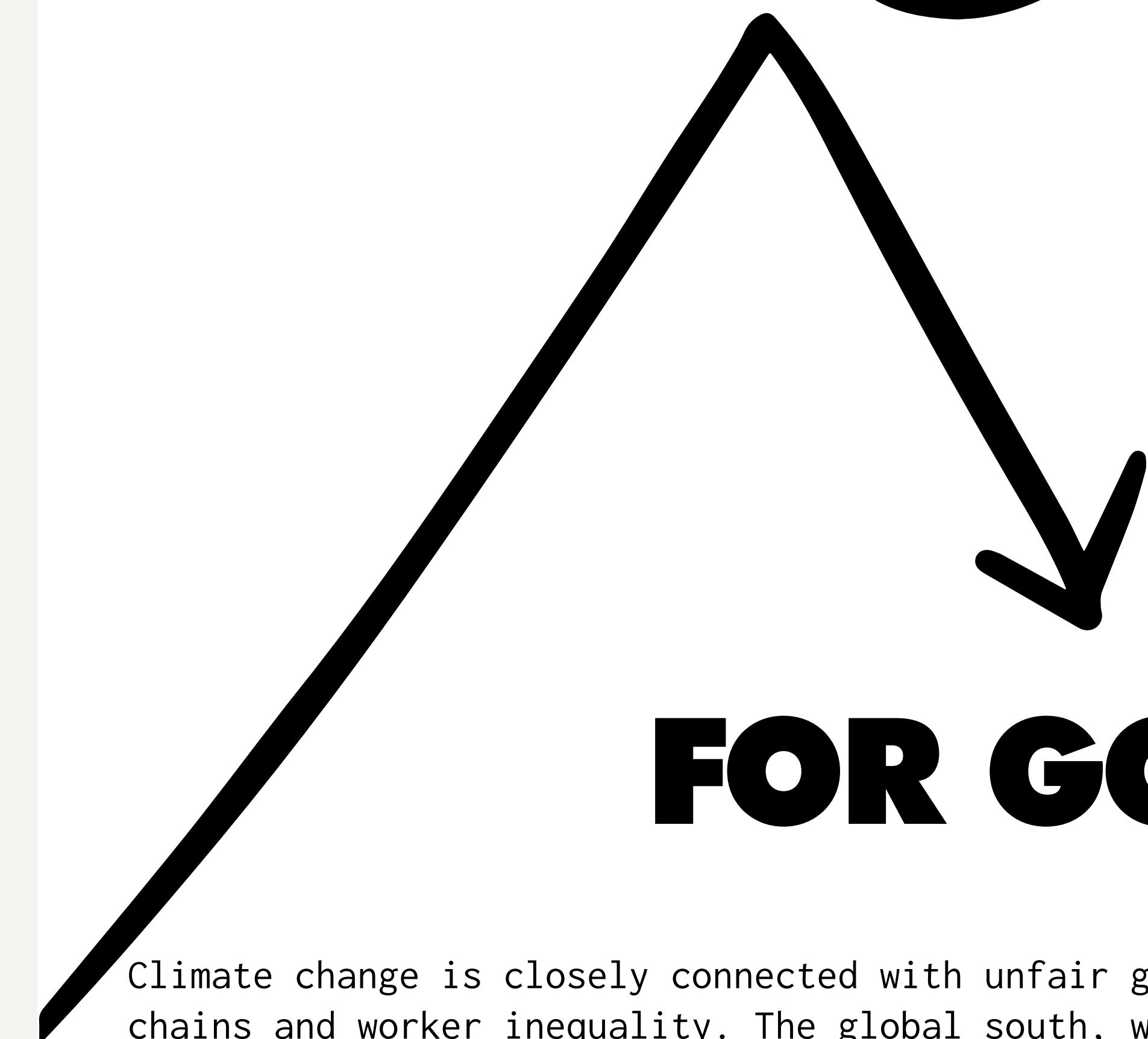
- ALL PARTNERS FOLLOW OUR CHEMICAL INPUT CONTROL SYSTEM
- CHEMICAL USE AND CONSUMPTION ARE KNOWN, MEASURED AND CONTROLLED



- ALL OUR PARTNERS REUSE OR RECYCLE MORE THAN 50% OF THEIR PRODUCTION WASTE
- 14 OUT OF 19 PARTNERS HAVE AN OFFER TO TAKE BACK PRE-CONSUMER/POST-CONSUMER GARMENTS/SECONDARY RAW MATERIALS

CLIMATE ACTION

# CHANGING CLIMATE



## FOR GOOD.

Climate change is closely connected with unfair global supply chains and worker inequality. The global south, which contributes the smallest share of climate-wrecking gas, will be hit hardest and suffer the worst impact of the climate crisis. So how can fashion, as part of a global economy, do something to help?

To stay within a 1.5°C trajectory – achieving 45 percent reduction by 2030 – the sector would need to reduce emissions from 1,025 Gt to 0,564 Gt by 2030.

# 1. MEASURE

# 2. REDUCE

First things first, we took a closer look at our own direct emissions produced by our daily business. We consulted REAL data from our HQ (electricity, heat, water consumption, paper consumption and waste), our daily duty stroke, all business travels, our vehicle fleet, and from our online shop. The result? We emitted 216,566kg of CO<sub>2</sub>-Equivalent in 2020, which serves as the reporting period to take action in 2022.

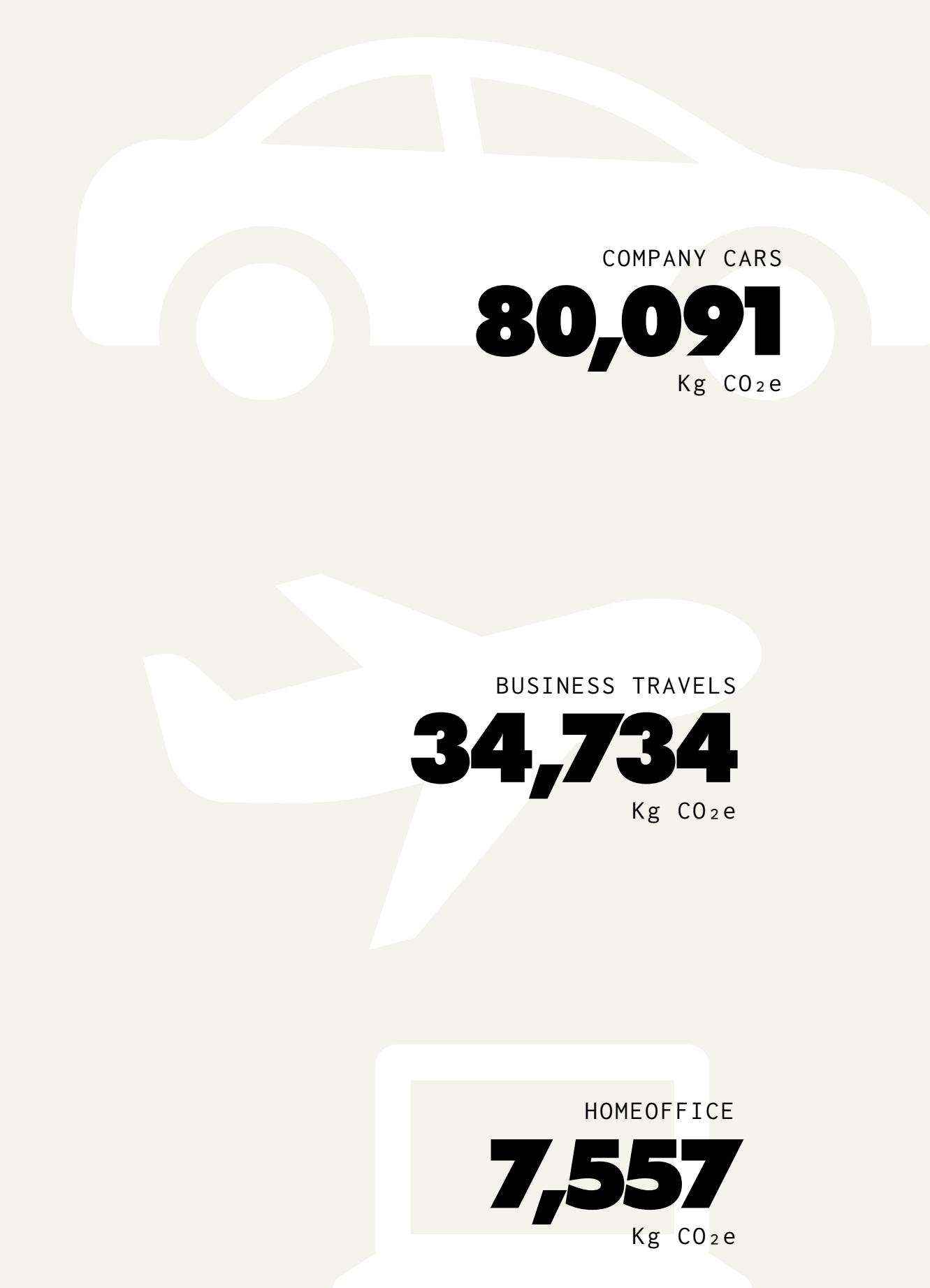
# 3. OFFSET

# 4. ACTION

Next step: offsetting all climate emissions that we can't reduce or eliminate. This means investing in carbon offset projects to save on the same amount of CO<sub>2</sub> emissions. The reduction is implemented through projects that save CO<sub>2</sub> emissions by providing more efficient technology and by supporting renewable energy or approaches that use carbon sequestration (e.g., by reforestation). Shortly: We emit 1 ton of CO<sub>2</sub> equivalent, and a project saves or removes the same amount of CO<sub>2</sub> emissions. We are aware of there being critical aspects to that approach but decided that it's better to do something imperfect NOW than do nothing.

We became a climate neutral company in 2020 when we had direct access and real data on hand. We chose to work with a biogas project in India that uses crop waste for energy production. Why? It produces renewable energy for the local demand. AND supports local communities with excess crop waste by offering a second source of income. A win-win situation.

# OUR EMISSIONS:



**TOTAL AMOUNT**  
**216,566**  
Kg CO<sub>2</sub>e

# INFORMATION IS POWER.

OUR WONDERFUL SUPPLIER, VALERIUS, SHARES OUR BELIEF THAT EVERYONE HAS THE RIGHT TO MEANINGFUL, RELIABLE INFORMATION<sup>8</sup>.

## CARBON FOOTPRINT SPLIT

AADO CIRCULAR  
MADE OF 50% RECYCLED COTTON,  
50% TENCEL™ LYOCELL

LYOCELL FIBERS PRODUCTION	<b>0.0268</b>
RECYCLING FIBERS PRODUCTION	<b>0.615</b>
SPINNING	<b>0.267</b>
KNITTING	<b>0.0262</b>
FINISHING	<b>0.706</b>
CUT AND SEW	<b>0.187</b>
TRANSPORT WITHIN PRODUCTION	<b>0.0685</b>

kg CO<sub>2</sub>e

Due to using recycled cotton, we are able to save an additional 15% of kg CO<sub>2</sub>e when compared to organic cotton

So we teamed up with them to visualize the incredible difference between making AADO Circular t-shirts with 50% recycled cotton vs 50% organic cotton. With their help, we aim to keep sharing qualitative, relevant and informative data with our customers. After all, it's facts that inform change.

### WHY RECYCLED MAKES A DIFFERENCE?

- Virgin organic cotton travels a few thousand kilometres before becoming a t-shirt. Recycled cotton is made from cutting waste which is already at the factory. So no extra transport is needed.
- Second fact: BLABLABLA



WE FIGHT FOR A SHIFT  
OF MINDSET AND USE  
OUR POWER TO SUPPORT  
OTHERS THAT FIGHT  
FOR OUR VISION TO  
MAKE A DIFFERENCE  
FOR OUR PLANET.



GERMANZERO

SOLIDARITY SERIES #1

NOT A GOAL; A MUST: CLIMATE NEUTRAL BY 2035! GermanZero and ARMEDANGELS joined the fight for the 1.5° goal. Together with GermanZero, we are calling for a fairer, more sustainable world.

By using our power to support those on the front lines fighting for this goal and through our radically eco and fairly produced clothing. That's why our 1.5° - tee is a circular tee - designed from our own waste to save resources and emissions at the same time. All profits (9,677.13€) went to GermanZero to assist their efforts to advance climate policy.

TOTAL AMOUNT RAISED

**9,677**

EUROS



SOLIDARITY SERIES #1

IN SUPPORT OF BLACK LIVES! Our Solidarity Series is an ongoing series of T-Shirts to fund those on the frontlines of the fight for a world with a future. The first edition highlighted BLM Activist, Tamika D Mallory, and featured the 'Speech of a generation' she gave after the killing of George Floyd. All profits (5.859,79€) went to Tamika Mallory's organization 'Until Freedom'.



TOTAL AMOUNT RAISED

**5,859**

EUROS

TOGETHER AGAINST THE CRUEL SYSTEM  
CALLED FAST FASHION!

Every year around Fashion Revolution Week, we support the Bangladeshi National Garment Workers Federation. To set an example against textile slavery and to fight this inhumane disaster within our industry, it needs awareness. We used the power of our voices and placed a memorial plaque on social media for 'Rana Plaza'. For every comment on our Instagram Post, we donated 1€ to the NGWF - which negotiates on behalf of the textile workers and pays the workers compensation - and we raised a total of 25,000€ for NGWF. The best way to achieve the greatest impact is to work together, right?

TOTAL AMOUNT RAISED

**25,000**

EUROS



GREEN FRIDAY

**ORGANIC MATTERS**

Less than 1% of the cotton used in the textile industry is organic<sup>6</sup>. We're here to change that. During Green Friday Week we donated 10€ from every order to support Indian small-scale cotton farms. During this week, we donated 129,060€ in total.

The donation is used to support our organic cotton farmers in India and build drip irrigation systems for the cotton fields of the farmers there. Not only does drip irrigation reduce overall water consumption, but with its efficiency it directly benefits the farmers during the daily farming process. Let's grow together.

TOTAL AMOUNT RAISED

**129,060**

EUROS

ABBREVIATIONS

(CR) CORPORATE RESPONSIBILITY  
 (FWF) FAIR WEAR FOUNDATION  
 (GOTS) GLOBAL ORGANIC TEXTILE STANDARD  
 (GRS) GLOBAL RECYCLED STANDARD  
 (SDG) SUSTAINABLE DEVELOPMENT GOALS

FOOTNOTES

- <sup>1</sup> ARMEDANGELS CORPORATE RESPONSIBILITY STRATEGY ([LINK](#))
- <sup>2</sup> EUROPEAN PARLIAMENT: THE IMPACT OF TEXTILE PRODUCTION AND WASTE ON THE ENVIRONMENT ([LINK](#))
- <sup>3</sup> FASHION REVOLUTION: WASTE - IS IT 'REALLY' IN FASHION? ([LINK](#))
- <sup>4</sup> ARMEDANGELS REPAIR ([LINK](#))
- <sup>5</sup> ELLEN MAC ARTHUR FOUNDATION: WHAT IS A CIRCULAR ECONOMY? ([LINK](#))
- <sup>6</sup> ELLEN MAC ARTHUR FOUNDATION: A NEW TEXTILES ECONOMY - REDESIGNING FASHION'S FUTURE ([LINK](#))
- <sup>7</sup> ARMEDANGELS DECLARATION OF PRINCIPLES: RESPECTING HUMAN RIGHTS ([LINK](#))
- <sup>8</sup> VALERIUS HUB: ARMEDANGELS LCA STUDY

**THE END IS  
 THE BEGINNING  
 IS THE END.**

# RESPONSIBLE SOURCING

For us responsible sourcing is about finding the right supplier to build a partnership. It is about purchasing goods and services considering the people, the planet and profits. It is about how our products are made, where they are made and by whom. It is about transportation choices. It is about being fair, transparent and open to all partners. And yes, we also talk about prices, of course about fair prices. We believe that ARMEDANGELS can't make a difference if we aren't leading in responsible sourcing and pricing. Selecting new suppliers is based on our strict Responsible Sourcing Strategy which describes how we mitigate and assess human rights risks and how the outcome of this process influences sourcing decisions. Sourcing is conducted by our supply chain director who reports to the CEO.

## RESPONSIBLE ON-BOARDING

After having sourced or selected a new partner the Responsible On-Boarding Process follows. Whether the supplier is located in a low or high-risk country, we either conduct verification audits ourselves or we review existing auditing reports before even starting the sampling procedure. It is ARMEDANGELS requirement to comply with necessary standards and to know what's going on. This means understanding how the world of work is changing, how that affects our business and how we can contribute for the better.

## RESPONSIBLE PRODUCTION CYCLE

ARMEDANGELS has four collections every year: Spring, Summer, Autumn and Winter. Both, for Men and Women. Good internal production planning and a smooth production cycle are essential to support the factories in establishing fair working conditions. Short lead times, seasonal production and late order changes are

among the main reasons for extensive overtime, increased short-term seasonal work contracts and negligence of personal safety. We, therefore, make it a priority to know our partner's capacity to plan the order volumes and the production times correctly. We stick to twelve fixed delivery dates (or rather delivery windows of two weeks) so that our factories do not have an unbalanced production workload with peak times and low periods. Besides staying reliable to our partners during the pandemic, we concentrated on expanding so-called NOS (never out of stock) articles that were standard in our assortment in 2020. This brings the opportunity to fill the lower seasons at our partners factories with standard productions in order to take out pressure and risk overtime. Our production lead-times vary between 12 to 18 weeks and are dependent on internal planning, the capacity of our suppliers and material lead-times. As we know that some of our materials have long lead-times or might be delayed due to various reasons, we make it a priority to block long-lead time fabrics before placing the order, so that no delays are caused by late material deliveries. Although global supply chains were strongly hit by the pandemic, we could follow our production cycle as planned in 2021, due to our stable and traceable partners. Some of our partners had to close factories again due to Covid-19 lockdowns, but common ground on delivery delays could always be found.

# SUPPLIER RELATIONS

We seek partners who are in it for the long run, who want to be a part of the ARMEDANGELS story and who want to grow with us. Our partners do not change regularly; in 2021, 45% of our purchase volume came from factories with whom we have worked for more than five years. This is how we work with our partners:

## SUPPLIER EVALUATION

Twice per year the ARMEDANGELS Supplier Evaluation is conducted by an internal team. This evaluation takes into account the price-performance ratio, compliance with delivery dates, quality, status quo of social and ecological standards, the social and ecological development of a supplier, the degree of innovation as well as their cooperation and level of transparency.

## BRAND EVALUATION

In our ARMEDANGELS Brand Evaluation, not only we as a brand evaluate the suppliers, but also our partners evaluate ARMEDANGELS bi-annualy in seven key practices to verify the ability to adhere to the terms of our contracts and operate efficiently while providing a safe work environment. We believe that this new and transparent information and analysis about our cooperation practices will change and even tighten our good supplier relationships. Unfortunately, in 2021, due to changes in the team, no brand evaluation took place. However, the system was reviewed and will be implemented again for 2022.

## SUPPLIER SELF-ASSESSMENT

2021 marked the second year of Covid-19 measurements preventing us from visiting our suppliers as much as we were used to in the past. Luckily, the Supplier Self-Assessment, intro-

duced in 2020, is a robust tool where suppliers are able to self-assess their social and environmental performances twice a year. Social standards include, among others, occupational health and safety measures and reasonable working hours. We initially carried this out with our first-tier suppliers. In 2021, we extended it to include subcontractors of our direct partners. This will continue in 2022.

## CHANGES IN SUPPLIER RELATIONS

As we keep on growing for good, we also keep on looking for new partners that share our vision and wish to be part of our community providing us with beautiful products. In 2021 we on-boarded and started working with Barcelbordados, who was already in the past part of our supply chain, however, only as a subcontractor to Valérius Têxteis (one of our long-term Jersey suppliers in Portugal). In 2021, we could acquire Barcelbordados as a new direct partner for the production of our wonderful caps.

# SUPPLIER RELATIONS

We, further, planned ahead and started the responsible onboarding process with three additional suppliers. First test runs have been successful and we are looking forward to fully working with the suppliers in 2022:

- Impetus Têxteis, first delivery AW22 (Underwear)
- JF Almeida, first delivery SS22 (Towels)
- Suglobal Tekstil Konfeksiyon (Denim Village), first delivery SS22 (DetoxDenim)

Furthermore, we restarted working with our old supplier Jiecco in China. This is a rather unusual setup for our company, since it was clearly communicated that Jiecco will only be producing outerwear for ARMEDANGELS for one season (AW22), while we are looking for a new strategic partner for outerwear closer to home. Jiecco was part of the ARMEDANGELS supply chain in 2018 and 2019. In 2020, we did not continue business.

We have a strict Responsible Exit Strategy to ensure that, if we discontinue a business relationship, the exit does not have a detrimental effect on the supplier with whom we have worked. Luckily, this was not necessary in 2021, as we are continuing the business relationship with all our suppliers.

## INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

It is ARMEDANGELS requirement to comply with necessary standards as a minimum. We and our partners in the supply chain are in a continuous improvement process. Internal and external audits by FWF and GOTS as well as reports from social monitoring schemes help us to detect shortcomings in our supply chains and to prevent violations against our business ethics. We support our partners by offering training

sessions and consulting ([READ MORE](#)). Due to our stringent Responsible Sourcing Strategy and the process behind this, in very rare cases decisions like ending a business relationship are made because of human rights risks and violations or poor factory and management performance.

# MANUFACTURING PARTNERS AND THEIR SUBCONTRACTORS IN PORTUGAL

## ETFOR EMPRESA TEXTIL, LDA. - FWF FACTORY ID 3022

Address	Av. Margarida Queiroz 301, 4740-438 Forjães, Portugal
Product Group	Jersey
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes
Energy origin	more than 50% renewable energy
GOTS certified	Yes
GRS certified	Yes
Relationship since	2013
Visited in 2021	Yes
No. of Employee	113
Gender Split	88 female, 25 male
Average Overtime	12%
Fair Paid Level	103% average salary/minimum wage
In Kind Worker benefits	Free annual medical checks
Subcontracted units	Durao & Silva - Confeccoes Lda. - FWF Factory ID 10710 - CutMakeTrim Quinta & Santos Score S.A. - FWF Factory ID 8940 - Garment Wash & Dye Estamperia Pinto, Lta. - FWF Factory ID 9898 - Placed Printing Bordados MA Filhos, Lda - FWF Factory ID 34868 - Embroidery

VALÉRIUS TÊXTEIS S.A. - FWF FACTORY ID 2152

Address R. Industrial do, 4750-078 São Martinho de Vila Frescainha, Portugal

Product Group Jersey

Production Processes CutMakeTrim

Fair Wear Foundation monitored Yes

Energy origin National electricity mix

GOTS certified Yes

GRS certified Yes

Relationship since 2014

Visited in 2021 Yes

No. of Employee 63

Gender Split 40 female, 23 male

Average Overtime 0%

Fair Paid Level 120% average salary/minimum wage

In Kind Worker benefits Free preventive health care

Subcontracted units Quinta & Santos Score S.A. - FWF Factory ID 8940 - Garment Wash & Dye  
Rio Mau Malhas e Confeccoes Unipessoal, Lda - FWF Factory ID 8937 - CutMakeTrim  
Junius - FWF Factory ID 10708 - CutMakeTrim  
Filibranca Artes de Impressao Lda - FWF Factory ID 7273 - Placed Printing  
Erius II Texteis SA - FWF Factory ID 13176 - CutMakeTrim  
Alivana - FWF Factory ID 8938 - CutMakeTrim  
Barcelbordados , Gabinete Técnico de Filmes e Bordados, Lda. - FWF Factory ID 11188 - Embroidery  
Érius Stamping - FWF Factory ID 33380 - Placed Printing  
Érius I (Creixomil) - FWF Factory ID 5657 - CutMakeTrim

BECRI MALHAS E CONFECÇÕES S.A. - FWF FACTORY ID 4883

Address R. do Parque Industrial 60, 4755-539 Alvelos, Portugal

Product Group Jersey

Production Processes CutMakeTrim

Fair Wear Foundation monitored Yes

Energy origin more than 50% renewable energy

GOTS certified Yes

GRS certified Yes

Relationship since 2016

Visited in 2021 Yes

No. of Employee 218

Gender Split 169 female, 49 male

Average Overtime 0%

Fair Paid Level 103% average salary/minimum wage

In Kind Worker benefits Free preventive health care, child care compensation

Subcontracted units BEG - Barbosa Esteves e Gonçalves, Lda. - FWF Factory ID 11176 - Placed Printing  
Guay - Trading Internacional, S.a. - FWF Factory ID 14305  
CutMakeTrim  
Maria Gorete Maia Martins, Lda. - FWF Factory ID 14308 - CutMakeTrim  
Cor Suspensa - Estampagem Lda. - FWF Factory ID 11883 - Placed Printing  
Fast-Bor Bordados, Lda. - FWF Factory ID 33342 - Embroidery  
Quinta & Santos Score S.A. - FWF Factory ID 8940 - Garment Wash & Dye  
Titulos E Rubrica, Unipessoal Lda - FWF Factory ID 14306 - CutMakeTrim  
Leansofi Confeções Têxteis, Lda - FWF Factory ID 34871 - CutMakeTrim

J. CAETANO & FILHAS, LDA. - FWF FACTORY ID 2612

Address	Rua Da Castiça, 18, Aptd. 23, S. Miguel De Paredes, Porto, Portugal
Product Group	Woven
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes
Energy origin	National electricity mix
GOTS certified	Yes
GRS certified	No
Relationship since	2018
Visited in 2021	Yes
No. of Employee	109
Gender Split	98 female,11 male
Average Overtime	0%
Fair Paid Level	128% average salary/minimum wage
In Kind Worker benefits	free meals, free preventive health care, library, christmas basket, transportation
Subcontracted units	Irmaos Vila Nova Sa Lavanderia - FWF Factory ID 14310 - Garment Wash & Dye

TMR FASHION CLOTHING, LDA. - FWF FACTORY ID 14166

Address	Lote 14 Zona Industrial de, R. da Pedreira, 4800-057 Guimarães, Portugal
Product Group	Jersey
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes
Energy origin	more than 50% renewable energy
GOTS certified	Yes
GRS certified	Yes
Relationship since	2019
Visited in 2021	Yes
No. of Employee	35
Gender Split	30 female,5 male
Average Overtime	5%
Fair Paid Level	116% average salary/minimum wage
In Kind Worker benefits	free meals, free preventive health care, Productivity bonus, health insurance to all employees & sons/daughters < 18 yrs old.
Subcontracted units	Quinta & Santos Score S.A. - FWF Factory ID 8940 - Garment Wash & Dye Manufertex, Unipessoal, Lda - FWF Factory ID 14556 - CutMakeTrim FLABRIEL - CONFECÇÃO DE VESTUÁRIO, SOCIEDADE UNIPESSOAL, LDA - FWF Factory ID 33887 - CutMakeTrim

GOUCAM: GOUVEIA & CAMPOS S.A. - FWF FACTORY ID 14165

Address	Recta do Caçador, S/N, Rio de Loba, 3505-577 Viseu, Portugal
Product Group	Woven
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes
Energy origin	more than 50% renewable energy
GOTS certified	Yes
GRS certified	No
Relationship since	2019
Visited in 2021	Yes
No. of Employee	372
Gender Split	359 female,13 male
Average Overtime	1%
Fair Paid Level	106% average salary/minimum wage
In Kind Worker benefits	Free meals, 30% discount at the factory store, 50% discount at the factory store on anniversary, Free work place doctor, free psychology consultations
Subcontracted units	Irmaos Vila Nova Sa Lavanderia - FWF Factory ID 14310 - Garment Wash & Dye LTdye - Lavandaria e Tinturaria, SA - FWF Factory ID 15239 Garment Wash & Dye

FIORIMA SA - FWF FACTORY ID 5585

Address	Rua Quinta da Goja, no 75 , Frossos, 4700-155 Braga, Portugal
Product Group	Socks
Production Processes	Knitting, Linking
Fair Wear Foundation monitored	Yes
Energy origin	more than 50% renewable energy
GOTS certified	Yes
GRS certified	Yes
Relationship since	2020
Visited in 2021	No
No. of Employee	89
Gender Split	65 female,24 male
Average Overtime	1%
Fair Paid Level	149% average salary/minimum wage
In Kind Worker benefits	Free occupational health care
Subcontracted units	-

BARCELBORDADOS, GABINETE TÉCNICO DE FILMES E BORDADOS, LDA.- FWF FACTORY ID 11188

Address Rua Nova do Corujo no. 133, Vila Boa, 4750-784 Barcelos, Portugal  
 Product Group Caps  
 Production Processes Cuting, Sewing, Embroidery  
 Fair Wear Foundation monitored Yes  
 Energy origin more than 50% renewable energy  
 GOTS certified Yes  
 GRS certified Yes  
 Relationship since 2021  
 Visited in 2021 Yes  
 No. of Employee 32  
 Gender Split 10 female, 22 male  
 Average Overtime 10%  
 Fair Paid Level 124% average salary/minimum wage  
 In Kind Worker benefits free preventive health care  
 Subcontracted units -

TEXTEÍS J.F ALMEIDA, SA - FWF FACTORY ID 34110

Address Av. Silvares nº 39, 4815-253 Moreira de Cónegos, Braga, Portugal  
 Product Group Towels  
 Production Processes Vertically integrated: from Spinning to CutMakeTrim  
 Fair Wear Foundation monitored Yes  
 Energy origin more than 50% renewable energy  
 GOTS certified Yes  
 GRS certified Yes  
 Relationship since 2021  
 Visited in 2021 Yes  
 No. of Employee 630  
 Gender Split 225 female, 405 male  
 Average Overtime 5%  
 Fair Paid Level 131% average salary/minimum wage  
 In Kind Worker benefits Free preventive health care, Health insurance; Life insurance; benefits and discounts on partners (health, bank, real estate, gym, shops, telecommunications, fuels...), food subsidy above the CCT level;  
 Subcontracted units -

IMPETUS PORTUGAL - TÊXTEIS SA - FWF FACTORY ID 33900

Address Rua da Fábrica, no. 45, 4740-141 Apúlia, Esposende, Braga, Portugal  
 Product Group Underwear  
 Production Processes Knitting, Linking  
 Fair Wear Foundation monitored Yes  
 Energy origin National electricity mix  
 GOTS certified Yes  
 GRS certified Yes  
 Relationship since 2021  
 Visited in 2021 Yes  
 No. of Employee 605  
 Gender Split 465 female, 140 male  
 Average Overtime 0%  
 Fair Paid Level 136% average salary/minimum wage  
 In Kind Worker benefits Free preventive health car, free sporting activities, Health Insurance; Life Insurance; annual performance award, marriage subsidy, employees childs care support subsidy, university support (for employees and employees sons), others  
 Subcontracted units -

# MANUFACTURING PARTNERS AND THEIR SUBCONTRACTORS IN TÜRKYE

## BERA TEKSTİL TRIKO İMALAT İTHALAT İHRACAT SAN. TİC. LTD. STİ. - FWF FACTORY ID 8413

Address	No. 3 Gencosman Mahallesi, İstanbul, Turkey
Product Group	Knit
Production Processes	Knitting, Linking
Fair Wear Foundation monitored	Yes (last audit: 27 Dec 2021  last training: 1 Apr 2019)
Energy origin	National electricity mix
GOTS certified	Yes
GRS certified	Yes
Relationship since	2015
Visited in 2021	No
No. of Employee	72
Gender Split	41 female, 31 male
Average Overtime	13%
Fair Paid Level	109% average salary/minimum wage
In Kind Worker benefits	Free meals, free preventive health care, free transportation
Subcontracted units	Serdarlar Tekstil - FWF Factory ID 14309 - Knitting Pozitif Triko - FWF Factory ID 6005 - Knitting

STATUS: JULY 2022, SOCIAL FASHION COMPANY GMBH

## TEKSİM GIYİM SANAYİ VE TİCARET LTD. STİ - FWF FACTORY ID 3361

Address	Savas Caddesi Karadal Sokak No:22, 34173 Merter/İstanbul, Turkey
Product Group	Knit
Production Processes	Knitting, Linking, Washing
Fair Wear Foundation monitored	Yes (last audit: 24 Jul 2019 by Sumations)
Energy origin	National electricity mix
GOTS certified	Yes
GRS certified	Yes
Relationship since	2019
Visited in 2021	No
No. of Employee	304
Gender Split	123 female, 181 male
Average Overtime	4%
Fair Paid Level	139% average salary/minimum wage
In Kind Worker benefits	free meals, free child care, Food Benefit, Bonus, Annual Leave Benefit (for travel expenses), Religious Holiday Benefit, Family Benefit, Education Benefit, Married Benefit, Child Benefit, Circumcision Benefit, Death Benefit
Subcontracted units	Novak Konfeksiyon San. ve Tic. Ltd. Şti. - FWF Factory ID 33886 - Knitting, Garment Wash, QC & Packing (last audit 14 Jun 2021 by Sumations). Novak belongs to Texim as a sister company

## ÖZCELİK ÖRME SAN. VE TİC. A.S. - FWF FACTORY ID 5665

Address	Cumhuriyet, Nilüfer Sk. No:18 D:20, 34290 İstanbul, Turkey
Product Group	Knit
Production Processes	Knitting, Linking, Washing
Fair Wear Foundation monitored	Yes (last audit: 09 Nov 2020  last training: 13 Dec 2021)
Energy origin	National electricity mix
GOTS certified	Yes
GRS certified	No
Relationship since	2014
Visited in 2021	No
No. of Employee	93
Gender Split	49 female, 44 male
Average Overtime	20%
Fair Paid Level	133% average salary/minimum wage
In Kind Worker benefits	free meals, free preventive health care, Food supplement, advance money support
Subcontracted units	-

## MERGU TEKSTİL KONFEKSIYON SAN. VE. TİC. LTD. STİ. - FWF FACTORY ID 7421

Address	Dogus Caddesi 3/19 Sk. No: 7 Begos, Buca District, 35160 Izmir, Turkey
Product Group	Woven
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes (last audit: 21 Sept 2021. Last training: 07 Sept2021)
Energy origin	National electricity mix
GOTS certified	Yes
GRS certified	No
Relationship since	2020
Visited in 2021	No
No. of Employee	121
Gender Split	83 female,38 male
Average Overtime	12%
Fair Paid Level	135% average salary/minimum wage
In Kind Worker benefits	free meals, free preventive health care, free transportation
Subcontracted units	Currently in the onboarding process

NARKONTEKS TEKSTİL İHRACAT İTHALAT SANAYİ VE TİCARET A.Ş. - FWF FACTORY ID 33343

Address	Doğuş cd, 3/19 sk, No:12, Begos 35160, Buca, Izmir, Turkey
Product Group	Underwear
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes (last audit: 08 Nov 2021)
Energy origin	More than 50% renewable energy
GOTS certified	Yes
GRS certified	Yes
Relationship since	2020
Visited in 2021	No
No. of Employee	462
Gender Split	391 female, 71 male
Average Overtime	150%
Fair Paid Level	133% average salary/minimum wage
In Kind Worker benefits	250TL bonus for workers in 'line of the months' (35 lines in total), free meal, transportation and a food packages)
Subcontracted units	Narkonteks (Manisa) - FWF Factory ID 34128 - CutMakeTrim, Placed Printing. Narkonteks (Manisa) is part of the Narkonteks Group

# MANUFACTURING PARTNERS AND THEIR SUBCONTRACTORS IN TUNISIA

DENIM AUTHORITY S.A. - FWF FACTORY ID 3690

Address	Boulevard de L'Environnement, Ras Jebel 7070, Tunisia
Product Group	DetoxDenim
Production Processes	CutMakeTrim, DenimFinishing
Fair Wear Foundation monitored	Yes (last audit: 06 Oct 2020. Last training: 28 Jun 2019)
Energy origin	National electricity mix
GOTS certified	Yes
GRS certified	Yes
Relationship since	2018
Visited in 2021	No
No. of Employee	1185
Gender Split	714 female, 471 male
Average Overtime	10%
Fair Paid Level	284% average salary/minimum wage
In Kind Worker benefits	free preventive health care, free sporting activities, Bonuses, excursions, reward to graduated children of employees, bonus for retirement, end of year gift
Subcontracted units	Currently in the onboarding process

# MANUFACTURING PARTNERS AND THEIR SUBCONTRACTORS IN ROMANIA

DENIM VILLAGE / SUGLOBAL TEKSTIL - FWF FACTORY ID 34101

Address	Göçerler Mahallesi Başkomutan Atatürk Caddesi, Saray, Tekirday, Turkey
Product Group	DetoxDenim
Production Processes	CutMakeTrim, DenimFinishing
Fair Wear Foundation monitored	Planned for 2022
Energy origin	National electricity mix
GOTS certified	No
GRS certified	No
Relationship since	2021
Visited in 2021	No
No. of Employee	392
Gender Split	238 female, 154 male
Average Overtime	10%
Fair Paid Level	125% average salary/minimum wage
In Kind Worker benefits	Transportation service, lunch, food packages (every 3 months & on religious holidays), daycare service for kids, medical service in factory, worker suits
Subcontracted units	-

SC READY GARMENT TECHNOLOGY ROMANIA SRL (CIUCULUI) - FWF FACTORY ID 13232

Address	Ciucului Street, No. 149/A, 520036, Sfantu Gheorghe, Romania
Product Group	Pants
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes (last audit: 06 Jul 2021   last training: 11 Apr 2022)
GOTS certified	Yes
GRS certified	Yes
Relationship since	2020
Visited in 2021	No
No. of Employee	286
Gender Split	215 female, 71 male
Average Overtime	2%
Fair Paid Level	189% average salary/minimum wage
In Kind Worker benefits	Free transportation, meal tickets, gifts
Subcontracted units	-

# MANUFACTURING PARTNERS AND THEIR SUBCONTRACTORS IN CHINA

## JIAXING JIEKE FASHION CO LTD (UNIT 2) - JIECCO - FWF FACTORY ID 2802

Address	F2, No, 1493 West Waihuan Rd, Weitang Town, Jiashan zone, 314100 Jiaxing, Zhejiang, China
Product Group	Outerwear
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes (last audit: 16 Sept 2021  last training: 16 Aug 2018)
GOTS certified	Yes
GRS certified	Yes
Relationship since	2015 (no business relationship in 2018+2019). Renewed in 2021 for one season (Autumn 22)
Visited in 2021	No
No. of Employee	50
Gender Split	41 female,9 male
Average Overtime	30%
Fair Paid Level	217% average salary/minimum wage
In Kind Worker benefits	free bus pick-up, free working meal, free preventive health care and free supermarket cards/gifts to celebrate holidays
Subcontracted units	-

# COMPLAINTS PROCEDURE

All our partners have an internal grievance and suggestion system established and additionally have installed the FWF complaints system. We check personally with factory management which complaints have been received and how they have been handled. The complaint system by FWF is a back-up system in case internal systems fail to work. It allows workers, their representatives, including trade unions and civil society organisations to present complaints about working conditions and violations of the FWF Code of Labour Practices at the factories via a complaint hotline. The workers in our supply chain can make use of this external way to file a complaint and we as a brand are asked to actively engage in the remediation of the complaints. Complaints (received internally or via FWF) range from general unhappiness of workers about the work, where they work, or with whom they work. It can include dissatisfaction about the work equipment, about noise level or temperature or about the taste of the food in the canteen. But obviously, it can also shed light on severe human rights violations, such as discrimination against women or minorities, sexual abuse, excessive overtime or failure to comply with legal minimum wages. Most grievances can be settled quickly and informally in the course of everyday working life in a factory. Others need a more formal approach and management systems need to be adjusted and procedures need to be implemented. We feel that it is our responsibility to support our suppliers especially in more serious grievance cases. At ARMEDANGELS the Social Impact Manager is responsible for managing complaints by following the ARMEDANGELS Policy on Complaints Handling.

# TRAINING AND CAPACITY BUILDING

## COMPLAINTS IN 2021

The most important thing about grievance systems is that they are known and accessible to all workers. Therefore, we make it a priority to check that worker information sheets stating the labour standards and the complaint hotline in local languages are prominently hung up at our direct supply chain partners as well as their subcontractors. Receiving complaints via the system is prove that the mechanism is working and is being used. This also shows that each party trusts the other, which is another prove of a stable and trusting relationship. In 2021, we received three complaints from workers via the FWF complaint system. Two of these complaints were received from workers at our Romanian supply chain partner SC Ready Garment Technology Romania SRL (FWF Factory ID 13232; last audit: 06 Jul 2021). The first complaint received touched on internal communication and stress level of supervisors towards employees (resulting in harsh language). Further, the complainant stated that overtime hours are exceeding and entitled days off were not granted. The second complaint was along the same line, also stating exceeding overtime hours as well as the payment of these missing a premium rate. For both complaints we started remediation straight away following our ARMEDANGELS Policy on Complaints Handling. Thanks to very open and transparent communication with the management of our partner, we could solve both complaints quickly. The management was able to train production leaders and supervisors straight away on social dialogue, salary and overtime hours as well as on the roles of worker representatives. New election of worker representatives was undergone and they received trainings on their new role and responsibilities. A FWF training session on all labour standards is scheduled for beginning of 2022.

All issues are further incorporated into the ongoing remediation work and will be followed closely. The third complaint was received by a worker from our supply chain partner Mergu Tekstil Konfeksiyon San. Ve. Tic. Ltd. Sti. (FWF Factory ID7421; last audit: 21 Sept 2021, last training: 07 Sept 2021) stating that daily workers were supposedly employed at the factory informally. Since the supplier is shared with further FWF member brands, this complaint was handled collectively. Factory management and all four brands are working closely together and during investigation, we could not confirm the complaint. The last FWF audit was conducted shortly before receipt of the complaint and could also not verify the claim. However, as part of our remediation work with the supplier, we will continue to monitor this in the future.

## ACTIVITIES TO INFORM MANUFACTURING PARTNERS

All our existing partners are very well aware of our business practices and our commitment towards FWF principles. They are actively involved in keeping with our social and ecological standards and in the case of high-risk countries, such as one of our main production countries Türkiye, they have all participated in audits and trainings done by FWF and the necessary follow-up work. New partners are informed as soon as the first contact is established. Only such suppliers who are passionate about our values as well will be on-boarded following a strict policy. All our first-tier suppliers are personally informed and updated about our philosophy and our work ethics. This always includes an introduction or further trainings on our memberships like the FWF and our certifications like GOTS as well as new projects. Additionally, we use the training sessions offered by FWF in our production countries to further support our suppliers and their employees on specific topics concerning labour rights. The feedback we have received so far on the FWF Workplace Education Programmes was very positive and we feel that this is an important step to increase awareness in the factories, which ultimately is the key to making improvements. We will continue these efforts in 2022.

## ACTIVITIES TO INFORM STAFF MEMBERS

All ARMEDANGELS staff is informed and updated on all Corporate Responsibility related activities in a frequent manner. All new staff is offered a mandatory 2h-training on all related sustainability aspects when starting at ARMEDANGELS. Special training sessions are developed for different departments (e.g. design/product; sales; marketing) with regard to sus-

tainability, as we realised that the different departments have different scopes and must be individually trained and equipped with tailored sustainability aspects to deliver our common mission to the different stakeholders. E.g. the design/product department and sales staff is trained regularly every three months. In 2021 we have installed digital trainings to safeguard the ongoing capacity building. We furthermore have installed a digital and interactive channel within our Microsoft TEAMS activities with information on global sustainability issues, trends and topics. All staff who travels frequently to the production facilities is informing the Social Impact Manager as well as the Environmental Impact Manager whether there are open issues to discuss or look out for. They are all trained in the usage of the FWF questionnaire for Non-CSR staff. Every staff member who travels at site completes the questionnaire when visiting the factories. The questionnaires are gathered, checked on completeness, evaluated and monitored by the Social Impact Manager.

# STAKEHOLDER ENGAGEMENT

## TRANSPARENCY AND COMMUNICATION

For external communications, our website as well as our social media channels and our newsletter are the best ways to keep our customers informed about our latest news and activities. For those who are interested in a deep dive of different topics we offer an extra "Mission"-Page on our website to browse. We make it a priority to show our customers what we stand for: WE ARE NOT HERE TO MAKE FASHION, WE ARE HERE TO MAKE A CHANGE! Our internal communication on all the Impact and Innovation topics is covered by our Sustainability Training, which is happening as part of the onboarding but as well on a regular basis for all employees working with us. Through this, we can make sure that everyone is up to date. Additionally, we communicate little updates, recent reports and happenings on a daily basis. Whether internal or external communication, radical honesty and transparency are our standards in communicating sustainability issues as it's part of our DNA and our core value.

We believe that stakeholder engagement in the form of anonymous surveys, e.g. is not enough. Stakeholder engagement should be a source of value creation for the whole ARMEDANGELS community and is about embracing opportunities and managing risks. In today's business environment, engaging with stakeholders on their terms - transparently, authentically, on eye-level and more frequently - is our way. There is still some work for us to be done and we will focus on this in the next coming years. Through our engagement with different organisations such as FWF, but also GOTS, PETA, Four Paws and Textile Exchange, we have the great opportunity to engage with different stakeholders on the important topic of social and environmental standards in the textile chain. The manifold research papers published by FWF, such as the country studies or the gender fact sheets on [Türkiye](#), [Romania](#), [China](#) and [India](#) are also an important resource that we make use of.