



ACTION REPORT 2020

STATUS: MARCH 2021, SOCIAL FASHION COMPANY GMBH

ARMEDANGELS

(NO TIME FOR A) FOREWORD

IF THERE WAS, WE'D SAY SOMETHING LIKE:

THE FASHION INDUSTRY IS AN ETHICAL AND CLIMATE-WRECKING DISASTER. WE'RE FIGHTING TO CHANGE IT. 2020 WAS A YEAR LIKE NO OTHER, SO THIS IS A REPORT LIKE NO OTHER. THERE'S STILL A LOT TO DO AND WE'LL KEEP STANDING FOR WHAT'S RIGHT FOREVER BECAUSE THAT'S WHAT OUR PLANET NEEDS AND DESERVES. AND DON'T FORGET: FAIR FASHION IS ONLY FAIR, IF THAT INCLUDES THE PEOPLE CREATING IT.

WE NEED ACTIONS, NOT INTROS.

SO PLEASE READ ON.





CHAPTERS

Click the chapter names to skip directly to that page!

(NO TIME FOR A) FOREWORD

READY FOR ACTION?

COVID-19 ACTION

ACTIVIST ACTION

RESPONSIBLE ACTION

ENVIRONMENTAL ACTION

SOCIAL ACTION

SUPPLY CHAIN ACTION

ACTION FOR ALL



(Or don't skip anything and experience this report in it's full, uncut and action-packed glory!)

READY FOR ACTION?

ACTION NEEDED: DROP

2020 was a year of seismic shifts. It further exposed the inequality deeply embedded in our social and economic structures – from institutional racism targeted by Black Lives Matter, to the imbalance of global supply chains. When lockdown arrived, millions of workers in the global South lost their livelihood overnight. The recession that followed threatened to roll back decades of investment in human capital and poverty reduction. To put it bluntly, we were all screwed. And not in a good way.

For us, 2020 was about taking action

More so than ever before (and yes, COVID-19 was a big factor) we needed to respond with urgency, while sticking to our principles: partnerships on eye-level, transparency, equity, justice, true-costing, regenerative and closed-loop processes and animal welfare. These choices transformed our strategies and plans, as we fought to prioritize wellbeing for people and planet.

There’s a lot to tell you, and very little time. Grab a strong coffee.

EVERYTHING

EXCITED FOR NEXT YEAR’S REPORT ALREADY?

Love your enthusiasm. Stay tuned for 2021, when we’ll discuss our true, measurable impact in a post-pandemic(?) world.

COVID-19 ACTION

HOW WE SLAPPED COVID IN THE FACE

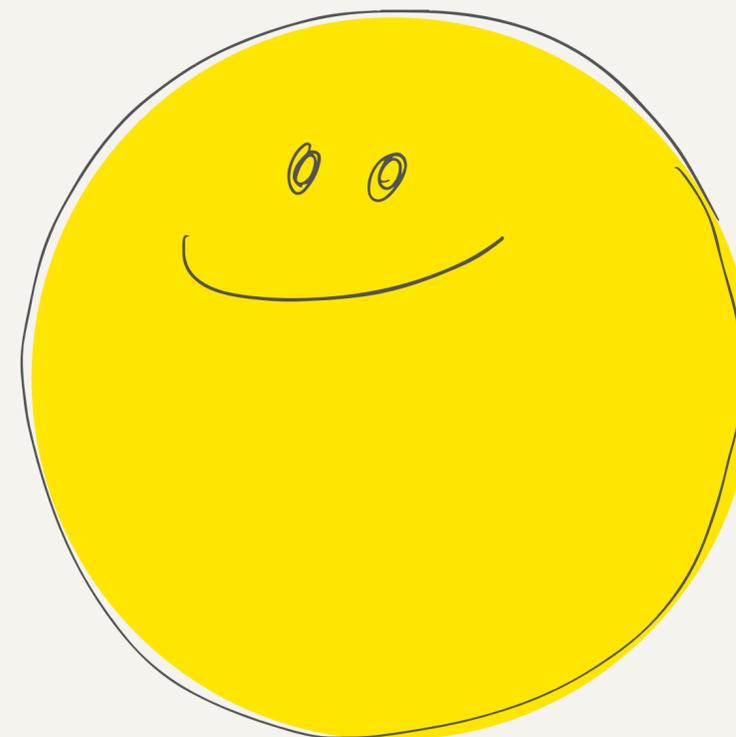
WHEN THE GLOBAL ECONOMY SUNK, OUR COMMUNITY NEEDED A LIFE RAFT.
WE MADE IT OUR #1 PRIORITY TO KEEP OUR PARTNERS AFLOAT.

So, what did we do?

Overhauling lives and livelihoods wasn't enough for COVID-19. It also catapulted the fashion industry's sustainability goals way down the priority list. When they needed to be right at the top. This sector needs to change in a BIG way, for the sake of all life on this planet. At the very least, the pandemic gave us time to think. The trade pause exposed how vulnerable many fashion retail business models are. And gave us a chance to marry up our commercial, environmental and ethical values.

When the shit hit the fan, we pledged to support our partners. We assured our manufacturers and farming facilities we wouldn't cancel any orders. We postponed deliveries to our retailers. We set up safeguards for the ARMEDANGELS community. COVID-19 hit us all, hard. So, although we're normally peaceful pacifists, we happily hit back this time. As a result, we've strengthened our commitment to people and planet. We've sharpened our focus on driving fundamental change.

AMOUNT OF ORDERS CANCELED DURING
THE PANDEMIC IN 2020



■ CANCELED

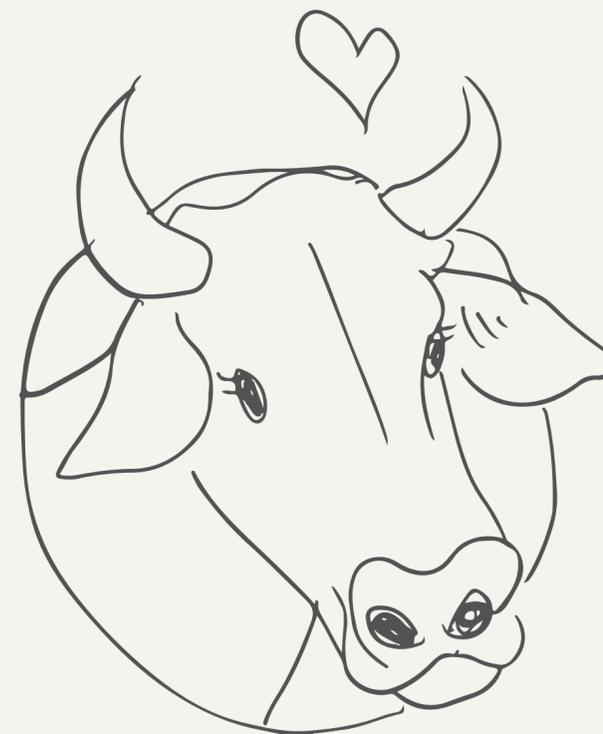
■ NOT CANCELED

☑️ *HOW THIS MADE US FEEL*

**WE STRONGLY
BELIEVE IN
INVESTING
IN THE FUTURE
OF THIS PLANET.
NOW MORE
THAN EVER.**



OUR 2020 COVID ACTIONS



WE PAID UP!

We committed to paying +5% Corona-support, as part of our labor costing methodology. Our partners committed to paying all garment worker wages in full. If layoffs were necessary, severance was paid.

€3,327 FOR BUSINESS HEROES!

Remember when all the shops suddenly closed? That's when ARMEDANGELS Alliance hit the streets. We donated €4,800 to small businesses, as well as solo self-employed retail and gastronomy workers.

€24,466 FOR BANGLADESH!

In Fashion Revolution Week, we sent €24,466 to the Bangladeshi National Garment Workers Federation. The money provided vital support for factory workers and their families during the pandemic.

CASH COWS FOR INDIA!

We gave 85 desi cows to our Indian farmers, as daily income support during the pandemic. This had a meaningful impact, not just on the land where the beautiful, organic fiber is grown, but on the farmers whose livelihoods depend on it.

CLIMATE PROTECTION COMMITMENT!

When the German government reduced VAT by 3%, we passed the savings directly to climate protection organizations. Nothing changed for our customers. We just kept working together to invest in a better planet and raised €200,000.

ACTIVIST ACTION

NO ACTION NO FUTURE

ONLY RADICAL ACTION CAN SECURE A SAFER, FAIRER FUTURE

We believe real progress only happens when civil society, governments, companies, and charities come together. All for one, one for all.





Vote the assholes out

VOTE FOR THE FUTURE

With a limited-edition shirt featuring the quote from Yvon Chouinard "Vote the assholes out", which is aimed at politicians who deny climate change, and a social-media activity, we raised money for the League of Conservation Voters initiative. This brilliant American organisation fights for clean air & water, public lands, and a safe climate protected by democracy.

RAISED:

6,801 €

Green Vote Week

BLACK GOES GREEN

We turned our back on the Black Friday capitalist sham. Instead, we welcomed our community to Green Vote Week. By purchasing ARMEDANGELS goods at regular prices, our community protected 3 tennis court sized areas of the Ecuadorian cloud forest to Rainforest Concern, a British charity that protects threatened natural habitats.

RAISED:

15,000 €

One Million Euro Mask

MASKS THAT HELP EVERYONE

We created a mask that helps in two ways: First, wearing it helps protect your fellow human beings. Second, for every ARMEDANGELS mask sold we donate 2 Euros to Doctors Without Borders. In doing so we support the great work of those who help at the front line, where the virus hits hardest. And guess what?

RAISED:

745,800 €

Verantwortung tragen

RESCUE STATEMENT

We supported the „Verantwortung Tragen“ initiative founded by creative agency DOJO. We created and sold a statement t-shirt that stands for human rights, freedom and peace. All the profits went to Sea-Watch: a non-profit organisation that fights to rescue refugees in the Mediterranean Sea.

RAISED:

15,012 €

WE'RE SO RESPONSIBLE IT HURTS SOMETIMES

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

At ARMEDANGELS, corporate responsibility is not a risk management system. Nor a buzzword we drop to look cool and woke (although for the record, we are 100% cool and woke). It's our DNA. Our core value. It's integrated into everything we do – every decision, every product. We do what we do because we believe business practices have 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.

Our 2030 goals:

1. Water consumption: Zero water wastage
2. Energy emissions: Zero fossil fuels
3. Chemical usage: Zero discharge
4. Waste creation: Zero waste
5. Labor practices: Zero unaccountability
6. Ethical practices: Zero injustice

What about the SDGs?

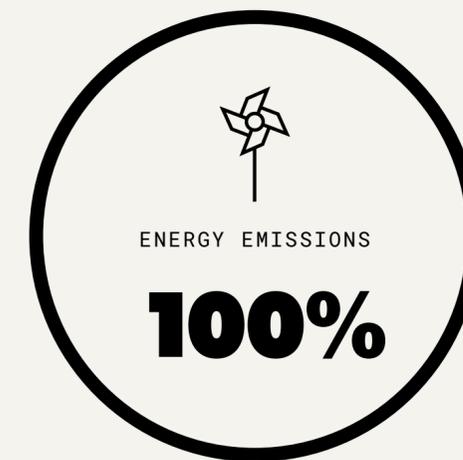
We believe the Sustainable Development Goals defined and outlined by the United Nations are a great framework for businesses to drive social and environmental change. But to keep as focused as possible, we've honed in on six scope areas which tackle precisely 10 out of the 17 SDGs. Take a closer look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

OUR 2020 DREAMS VS. REALITY

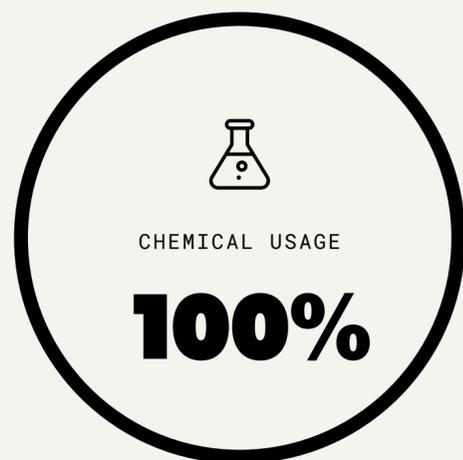
THIS IS THE PROGRESS ON OUR SIX SHORT TERM GOALS FOR 2020



SOURCE ONLY THOSE RAW MATERIALS WHICH HAVE A SUSTAINABLE WATER CONSUMPTION



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



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



IMPLEMENT CIRCULAR PRODUCT LINES



HAVE A TRANSPARENT SOCIAL RATING SYSTEM INSTALLED



HAVE A STRATEGY OF DIVERSITY AND INCLUSION DEFINED AND IMPLEMENTED



DON'T IMAGINE CHANGE. MAKE IT.

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.

ENVIRONMENTAL ACTIONS

GREEN GROWTH OVER NET GROWTH



FROM OUR MATERIALS, TO OUR MANUFACTURING PARTNERS – CLIMATE JUSTICE IS THE GUIDING FACTOR IN EVERYTHING WE DO.

IF IT'S GOING TO HARM PEOPLE & PLANET, IT'S NOT WORTH IT.

We were eco before it was cool

Our commitment to people and planet motivated us to:

- (1) Use only regenerative and sustainable materials
- (2) Ban hazardous chemicals (and manage them with an input control system, following super rigid standards)
- (3) Seek out innovative regenerative farming methods that respect animal welfare

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.

THESE ARE OUR ECO PRINCIPLES:



REGENERATIVE
CHOOSE SUSTAINABLE AND LOW IMPACT MATERIALS, FOR THE HIGHEST PRODUCT ECOLOGY & 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.

HERE'S

THE DEAL

ON

CARBON

IT'S EVERYTHING AND EVERYWHERE. BUT THERE'S A LOT OF BULLSHIT COMMUNICATION ABOUT IT. SO, WHAT THE HELL ARE WE ACTUALLY TALKING ABOUT? TIME FOR FACTS, FACTS, FACTS!

CO WHO?

Carbon dioxide (known to people who prefer abbreviations as CO₂) is a gas released into the atmosphere. Before we humans started meddling with nature, trees, plants, and ocean life would suck in the carbon dioxide released by all life forms. But since the age of industrialization, carbon dioxide in the atmosphere has gone up tremendously. Because of factors like deforestation and the expanding human population, we've run into a serious problem. The soils, oceans and trees can no longer keep up. Each year, we're typically adding 51 billion tons of greenhouse gases into the air. And that number is increasing.

But we can't blame CO₂ for everything

In fact, there are a number of other gases that significantly contribute to global warming. Together, they're quantified in one single metric: CO₂e. And while CO₂ only accounts for carbon dioxide, CO₂e accounts for a bunch of other bad gases too.

CARBON DIOXIDE (CO₂)

NITROGEN TRIFLUORIDE (NF₃)

HYDROFLUOROCARBONS (HFCS)

SULPHUR HEXAFLUORIDE (SF₆)

NITROUS OXIDE (N₂O) (NO LAUGHING MATTER)

PERFLUOROCARBONS (PFCS)

METHANE (CH₄)

Introducing: the Sinister Seven

If we calculate emissions based only on CO₂, we get an inaccurate overall picture. Because we'd be ignoring the impact of all these other gases:

Where do these bastards come from?

Different greenhouse gas emissions are generated a.o. from different human activities. CO₂ enters the atmosphere from burning fossil fuels (e.g. coal, natural gas, and oil), solid waste, trees and other biological materials. Methane is emitted during the production and transport of fossil fuels, as well as from agricultural practices and decay of organic waste.

WTF can we do
to stop earth from overheating
and cooking us all?

Well, without getting too deep into the details of upcoming technology – ARMEDANGELS is on the case.

We're told the global clothing industry contributes about 10% to global CO₂e emissions. And, who suffers the most from the negative impacts of these emissions? The global south, which contributes the smallest share of climate-wrecking gases. Climate change is closely connected to global equity and global supply chains. Coming back to what we do: FASHION in a global economy.

Our task, therefore, is obvious.
We can do something. So we will.

MEASURE! → REDUCE! → OFFSET! → ACTION!

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 flights and business cars, the goods transportation from our first-tier suppliers to warehouse to customers, the provision of our B2B and B2C online shops. And, last but not least, the emissions of our showrooms. The result? We emitted 263 tons of CO₂-Equivalent between May 2018 and April 2019, which served as the reporting period to take action in 2020.

The good news first. Our emissions are comparatively low as we already use renewable energy in our HQ and warehouse, as well as for our internet infrastructure. And we have short delivery routes, as our production partners are all based nearby in Europe, Turkey and Tunisia. But there is scope for further reductions. Our business flights, company cars, individual travel to work and logistics account for most of our total CO₂-emissions. This data supports our decision to offer our staff job-tickets and bike repair services. We're excited to see how this impacts next year's data! Transportation of goods and business flights are trickier, but we're doing what we can to offer compensation. And we're working on a solution for business cars.

Next step: offsetting all climate-wrecking emissions that we can't reduce or eliminate. This means investing in carbon offset projects to save on the same amount of CO₂-emissions. The reduction is implemented through projects that save CO₂ 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 CO₂-equivalent, and a project saves or removes the same amount of CO₂e. We're aware of there are critical aspects of 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 CLIMATE WRECKING EMISSIONS,
RETROACTIVE REPORTING PERIOD 2020

COMPANY CARS AND TRAINS

99,043

KG CO2E

BUSINESS FLIGHTS

52,647

KG CO2E

TRANSPORT / LOGISTICS (INBOUND / OUTBOUND)

50,644

KG CO2E

HEADQUARTER

36,176

KG CO2E

SHOWROOMS

24,033

KG CO2E

E-COMMERCE

26

KG CO2E

TOTAL

262,569

KG CO2E

HOW DO WE MAKE SURE THAT OUR NUMBERS STAY LOW?



PRODUCTION IN EUROPE/TURKEY
-> SHORT WAYS FOR TRANSPORTATION



NO AIR FREIGHT



DHL GOGREEN FOR TRANSPORTATION TO
ENDCONSUMER IN GERMANY



100% SUSTAINABLE ENERGY SOURCES FOR
OUR OFFICE, THE STORAGE FACILITIES AND
OUR ONLINESHOP.

KNOWLEDGE IS POWER

(But only in the right hands)

What about our products and supply chains?

Do you know there's only a handful of software in the world that can actually calculate life cycles and carbon emissions on a verified basis (and according to internationally recognized standards like ISO 14067, PAS 2050 or GHG Protocol)? But that doesn't change the fact base data for CO₂e impact calculation is vague and retroactively conducted. We could have followed up and hired an agency to quickly calculate all emissions on all our products in aggregated ways and then compensate to claim that we are also climate neutral at product level. But we didn't. Because without REAL data, we're not interested. That's why the first time we calculated our emissions, we built our own calculator – verified by ClimatePartner² – along with a proven life cycle assessment tool.

Truth is in the details

In 2020, we conducted an extensive, self-owned study on an example product: our bestseller denim MAIRAA in faded blue. We started to collect data, data and even more data (again, REAL data is key), about all the material flows necessary for the jeans' production. We gathered all relevant inputs (energy, water and raw materials) and outputs (main and by-products, emissions, effluents and waste). These oodles of information were systematically integrated into a life cycle model. Finally, after almost half a year of work, we knew all the relevant environmental indicators of our MAIRAA. The jeans, over their whole life cycle (cradle-to-cradle), result in 15,81 kg CO₂e. According to this study, the relative ecological issues of our MAIRAA are located in dyeing, finishing and use phase.

What's next?

We believe accurate, holistic data and real-time calculations are the building blocks of a better future. We're now researching and looking into different partners, calculators, different data bases, and more. We're comparing carbon off-setting with carbon capture because we're not here to buy ourselves out of this mess. Cutting down global emissions of greenhouse gases to combat global warming won't do the trick alone: we also need negative-emissions technology that can capture carbon dioxide directly out of the air. Watch this space for the technology saviours of tomorrow!



LIFE CYCLE ASSESSMENT: 15,81 KG CO₂E (CRADLE-TO-CRADLE)

ORGANIC COTTON
CULTIVATION

-2,5%

SPINNING

4,8%

WEAVING PREPARATION
(INCL. YARN DYEING)

23,8%

WEAVING

3,9%

FINISHING &
WET PROCESSES

31%

DISTRIBUTION & SALES

0,5%

USE PHASE

35,8%

END-OF-LIFE

1,4%

TRANSPORT
(INBOUND LOGISTICS)

1,9%



DON'T MESS WITH THE ANIMALS

When bad practices are highlighted within a supply chain, brands have choices. All too often the “easy choice” is to remove that material from their supply chain. But what’s the responsible, sustainable choice? We believe it’s to listen, learn, support, and encourage the actors in the supply chain to understand why the malpractice occurred and what can be done to prevent it happening. Specifically, the natural animal fiber industries have come under attack throughout the last years. There are conditions of maltreatment of indefensible cruelty to animals that cannot be condoned. Walking away, however, should not be an option. These animals, and the communities that serve them, deserve help and support. And we are here to make a difference.

Keeping welfare in check

There’s no unambiguous scientific definition of animal welfare and, in all in-use definitions, there are no given criteria to determine whether good animal welfare has been reached. There are numerous perspectives on animal welfare that are influenced by a person’s values and experiences. The way we treat animals is largely dependent upon the moral position we assign them. This determines how much we take their interests into consideration. Due to this lack of criteria and indicators, we defined our own [ARMEDANGELS Animal Welfare Policy](#)³. Within them, we define farm requirements for sheep and alpacas. We address animal welfare, land management and social welfare – and define a systematic compliance check throughout our supply chains.

WE HAVE ZERO TOLERANCE FOR ANIMAL CRUELTY. BECAUSE ANIMALS SHOULD NEVER SUFFER FOR FASHION.

Sheep are brilliant

Since 2015, we've worked with Fuhrmann S.A. in Argentina on the most sustainable and animal-friendly sheep wool in the world. The wool is certified according to the Global Organic Textile Standard (GOTS) and according to the Responsible Wool Standard (RWS) at fiber level. The sheep graze on Patagonian free lands. And there's zero tolerance for mulesing: a cruel practice where large flaps of skin are cut away from the sheep's hindquarters.



We also <3 alpacas

We now have super-soft sustainable alpaca fibers in our products. For too long, alpacas have been part of an unfair supply chain. Underprivileged small-scale farmers in the rural Andes sell their alpaca fiber at informal markets to local middlemen. These traders offer it to much bigger distributors, who gather the fiber. Later, textile companies purchase it. This unfair supply network takes a toll on how much the herders can make, and how they benefit from an imperfect market system. Our partner IncaTops has improved this and made the supply chain fair and traceable. From 2021, our Alpaca wool will even be traceable with blockchain.

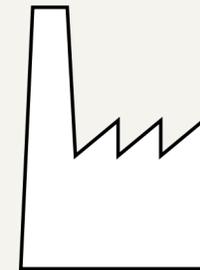
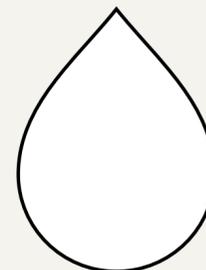


*my spirit animal
is alpaca!*

LET'S TALK MATERIALS

How many toxic chemicals used to grow and extract our alternative and regenerative fibers? Zero. No soil damage. Less impact on the air we breathe. Less energy and water use. And thanks to our input control chemical management system, no contaminating wastewater streams.

BY USING SUSTAINABLE AND REGENERATIVE FIBERS, WE SAVED⁴ (COMPARED TO GENERIC AND CONVENTIONAL FIBERS):



1,298,529,580

LITERS OF WATER

1,322,270

KG CO2E

EQUAL TO

EQUAL TO

519

OLYMPIC SIZE SWIMMING POOLS

39,493

KG BEEF MEAT

MATERIALS WE USED IN 2020

 MATERIALS USED

 MATERIALS SAVED

ORGANIC CERTIFIED COTTON

661 TONS

COMPARED TO CONVENTIONAL COTTON WE SAVED⁵:

1,281,018,000

LITERS OF WATER

548,630

KG CO2E

TENCEL™ LYOCELL

95 TONS

COMPARED TO GENERIC LYOCELL WE SAVED⁶:

10,174,500

LITERS OF WATER

396,150

KG CO2E

LENZING™ ECOVERO™

74 TONS

COMPARED TO GENERIC VISCOSE WE SAVED⁷:

4,528,800

LITERS OF WATER

214,600

KG CO2E

TENCEL™ MODAL

13 TONS

COMPARED TO GENERIC MODAL WE SAVED⁸:

1,560,000

LITERS OF WATER

122,850

KG CO2E

RPET (RECYCLED POLYESTER)

22 TONS

COMPARED TO VIRGIN POLYESTER WE SAVED⁹:

1,248,280

LITERS OF WATER

40,040

KG CO2E

ORGANIC CERTIFIED MERINO WOOL

21 TONS

FAIR ALPACA WOOL

3 TONS

WE DO NOT YET HAVE COMPLIMENTARY LCA (LIFE CYCLE ASSESSMENT) DATA FOR WOOL.

LET'S REINVENT THE WHEEL

THE FASHION WASTE PROBLEM HAS BEEN
GOING ROUND AND ROUND.

Some call it 'the Circular Economy'. Others prefer 'more intelligent and regenerative systems'. To talk truthfully about waste, the whole industry needs to accept that it's not enough to just call it the new 'good thing'. It's not just about recycling. It is about creating an industry that operates with 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-used, in a closed-loop.

So, what did we do to close-the-loop in 2020?

We started with a modest t-shirt and a radical solution. What goes around comes back around. From trash to t-shirt to trash to t-shirt to trash, the end is the beginning, over and over again. We'd already been collecting our jersey cutting waste for 2 years. And developed 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 took things further. We started to walk the talk and launched our first Take-Back-System to also take responsibility at our garments' end-of-life. We launched ARMEDANGELS Repair – a guide on how to care for our garments. 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.

HEY. WHAT ABOUT DEADSTOCK AND UNSOLD INVENTORY?
IT'S KEEPING ME AWAKE AT NIGHT.

We all know this problem exists: mounting piles of deadstock and incinerations of unsold returns. 12.8 million tons of unused clothes are sent to landfills every year. More than 50% of fast fashion produced is disposed in under one year¹⁰.

But this isn't just a fast fashion problem.

Yes, you read right. Even sustainably produced fashion ends up in landfill when brands and governments don't offer solutions. As you know, we're already recycling returned clothes. We've minimized our deadstock over recent years by offering better services to our customers. But there is still a tiny amount of deadstock left. Seven years ago we partnered up with FairWertung e.V. to ensure unsold ARMEDANGELS clothing would never end up on landfill. Of course, there are plenty of players in the used-clothing market. So why FairWertung? Because we share the same values. They work transparently. They're honest. And they're highly engaged in creating social benefits for communities. Win win win.

IN 2020 WE DONATED

5,601 PIECES



SOCIAL ACTION

WE'RE GREAT TOGETHER

At ARMEDANGELS we've always aimed for highly responsible, ethical business practices. Companies have a responsibility to respect human rights in their global supply and value chains, right? And, of course, prevent human rights violations. From the very beginning, we integrated our human rights due diligence into our [general business & purchasing practices](#)¹¹. Why? Because ethical sourcing is key to fair and safe working conditions, as well as improved quality, strong partnerships, meaningful climate actions and a solid & trusty community. Our social guidelines are a set of principles. They aim to establish best practice working conditions. As a further back-up, we get support from voluntary standards: 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).

OUR SOCIAL GUIDING PRINCIPLES IN A NUTSHELL:



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



EQUITY:
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.



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.



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.

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.

And, due to our open and true costing method, we know the exact link between our prices and the wages. It's a tool that we can use to make sure that our prices are fair. We want to push the wage ladder from the bottom up.

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 makes 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.

PORTUGAL FOR EXAMPLE:


 AVERAGE WORKER X
 
 219 DAYS =
 
 78,840 MIN

LABOUR MINUTE COST:

14,855.00 € ANNUAL WAGE COSTS PER WORKER

84,840 ANNUAL WORKING MINUTES PER WORKER

= € 0.19

HERE'S A TRUE PRODUCT PRICE SPLIT OF OUR BESTSELLER SHIRT JAAMES, MANUFACTURED IN PORTUGAL:

RETAIL COST & PROFIT:	45%
VAT:	19%
MATERIAL COSTS:	13%
ARMEDANGELS COSTS:	9%
LABOR COSTS:	7%
SUPPLIER OVERHEAD & PROFIT:	4%
ARMEDANGELS PROFIT MARGIN:	2%
TRANSPORT & DUTIES:	1%

TODAY, WE KNOW THE LABOR COSTS OF EACH OF OUR PRODUCTS, MAKING OPEN COSTING AN IMPORTANT TOOL AND LEVER TO ENCOURAGE SUPPLIERS TO EVEN INCREASE WAGES HOPEFULLY TO SOON REACH LIVING WAGES AT ALL LEVELS.

FROM PLANTS TO PANTS



AT ARMEDANGELS, IT HAS ALWAYS BEEN ABOUT THE WAY WE GROW THE RAW MATERIALS FOR OUR CLOTHES: AS FAIR AND ECO AS POSSIBLE.

PUT FARMERS FIRST

Thanks to organic cotton, farmers earn more money and are no longer exposed to toxic pesticides and hazardous fertilizers. That is why we have been using 100% organic cotton for 13 years. Nevertheless, less than 1% of the cotton used in the textile industry is organic. Why is that? The conversion from conventional to organic cotton takes three years. The soil needs this time to recover from the artificial pesticides. During this time, the farmers cannot sell the cotton as organic cotton and do not receive an organic premium. In addition, they have problems finding high-quality, GMO-free seeds - an essential prerequisite. More than 50% of smallholders give up on conversion to organic cotton within the first year. They cannot do it alone.

Don't accept the system. Change it!

That is why we founded the ARMEDANGELS Organic Farmers Association in April 2018. We started with 366 and are now helping more than 500 small scale farming families in Gujarat, India, to convert 7,040,000 m² of conventional cotton fields into organic & regenerative cotton fields. We are in the final year now - which is super exciting and so important! From the first year of the conversion, the farmers received from us:

- an ARMEDANGELS organic premium
- high-quality GMO-free seeds
- training and technical support from our partner Suminter Organics in India

Covid-19 showed us again: we need to put farmers at the center again. To meet current needs in the Covid-19 situation in 2020 we do not only take action with our partners in industrial production, but also with our organic cotton farmers, as raw material suppliers at the beginning of the textile chain, have always made and will always make their precious contribution. Unfortunately, this has not yet been in focus of the media discussions around the effects of the Covid-19 crisis on the textile industry. The situation was particularly complicated in India, where many people are daily wage laborers. These people's livelihoods were dramatically impacted, and their health, safety, and food security were compromised. It was time for immediate action. We took 20.000 EUR from our own profits, plus donations we generated internally from our dear colleagues. Then invested it in our Corona-Support Program for our farmers. We provided 75 'female farmers' or 'wives of farmers' with a cow: an alternative source of income.

Why cows? The Indian desi cow is an integral part of Indian farming history. Cows (Gau-Dhan) are considered an asset and treated as a family member. They're a source of essential milk (which they can sell for extra income), dung (to coat walls and mix soil) and urine (for natural manure and pesticides).

LET'S BE CLEAR

YOU WEAR CLOTHES EVERY DAY (OR MAYBE YOU DON'T).
BUT HAVE YOU EVER THOUGHT ABOUT WHERE THEY COME FROM?

For us, traceability is a tool. It verifies our product claims, to ensure good practice and respect for people and the planet all the way along the supply chain. COVID-19 has pushed us to look again at our almost fully traceable supply chains and re-evaluate their pain points. Thanks to our precious work over the past few years on gaining insights into all stages of our manufacturing partners, we're one of the few lucky ones who didn't detect major inefficiencies during these crazy times. The pandemic highlighted again the increased need to have insight into what is happening across the supply chain in order to support and create fairness, robustness, and agility. Better insight will help supply chains overcome future challenges, as well as meet industry standards and regulations. Traceability can then aid in analysing crises and finding common solutions. By achieving traceability, supply chains become future-proof – poised to overcome any challenges that arise.

Last year, we went fully transparent and published all our production partners from fiber origin to the final garment at [Open Apparel Registry](#) platform to show accountability as a first step

WE HAVE

100% TRACEABILITY

- INTO GARMENT MANUFACTURERS
- INTO DYEING, WASHING AND PRINTING MILLS
- INTO FABRIC AND YARN MANUFACTURERS

89% TRACEABILITY

- INTO RAW MATERIAL PRODUCERS

74% TRACEABILITY

- INTO FARMS AND FORESTS

CURRENTLY, WE HAVE
A TOTAL OF

96 MANUFACTURING PARTNERS

FROM RAW MATERIAL TO GARMENT

To further address the pressing challenge of a digital solution, together with Lenzing and Schneider Group (the mother company of our cozy, organic wool partner from Patagonia), we joined hands with TextileGenesis™ to create an unprecedented level of traceability. The fiber-to-retail traceability pilots covered 45 garment styles, each containing LENZING™ ECOVERO™ specialty viscose fibers or AUTHENTICO® organic wool from supply chains spanning six countries. Using the innovative Fibercoin™ technology of the TextileGenesis™ platform, we were able to issue digital blockchain assets (or tokens) in direct proportion to the physical shipments of LENZING™ ECOVERO™ and Authentico® fibers. These digital tokens provide a unique fingerprint and authentication mechanism, preventing adulteration and providing a secure, digital chain-of-custody across the entire textile value chain.

Cooperating with TextileGenesis™ and conducting two successful real-time blockchain-based traceability projects showed us that it is not only about sustainability, fraud protection, quantification, and accountability, but also a true return on investment. Plus, the platform provides a true global language for supply chain tracking.



DIGITIZATION,
we are coming
for you!

RISKY 47% COUNTRY

Tunisia



DENIM AUTHORITY (DETOX DENIM)

EU 53% COUNTRY

Portugal



VALÉRIUS TÊXTEIS (JERSEY)
 BECRI MALHAS E CONFECÇOES (JERSEY)
 J. CAETANO J. CAETANO & FILHAS (WOVEN)
 TMR FASHION CLOTHING (JERSEY)
 ETFOR EMPRESA TEXTIL (JERSEY)
 GOUCAM GOUVEIA & CAMPOS (WOVEN)
 FIORIMA, NEW IN 2020 (SOCKS)

ZERO LETDOWNS

WE MADE A VOW TO OUR PARTNERING MANUFACTURERS AND FARMERS:
NO ORDER CANCELLATIONS.

Turkey



NARKONTEKS TEKSTIL, NEW IN 2020 (UNDERWEAR)
 ÖZCELİK ÖRME SAN (KNITS)
 MERGÜ TEKSTİL KONF. SAN, NEW IN 2020 (WOVEN)
 TEKSİM GIYIM SANAYI VE TİCARET (KNIT)
 BERA TRIKO TEKSTİL (KNIT)

Romania



SC READY GARMENT TECHNOLOGY (PANTS)
 ROMANIA, NEW IN 2020

The vulnerability of the whole fashion system – specifically for workers – was exposed to the extreme in 2020. Throughout the pandemic, we focused even more on the stability and wellbeing of our partners. We accepted all completed orders in accordance with their contracts, at the originally agreed terms of payment, paid in full and delivered them to our trade customers. How did we achieve this? Thanks to our awesome partners and the close relationships in our trusted value chains.

During the 13 years of ARMEDANGELS, our network of partners has grown from one direct partner in Portugal to now 14 in Portugal, Turkey, Tunisia and Romania in total. In 2020, 53% of our production was placed in the EU and 47% in so-called high-risk countries (Turkey & Tunisia). 52% of our production volume came from suppliers with whom we have worked for more than 5 years. We directly and actively monitor 100% of our partners and their nominated subcontractors for sewing, washing and dyeing. Hence, 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 worker's safety. We assure best-practice working conditions in 3 easy steps:

- (1) Internal Due Diligence Check & Self-Assessment resulting in a performance report
- (2) Internal Initial Assessment resulting in a Corrective Action Plan (CAP)
- (3) External audits by Fair Wear Foundation (FWF), Global Organic Textile Standard and third-party audits

We ask all our partners to update us in a fixed format bi-annually on the labor costs, transparent supply chain data (incl. subcontracted & nominated units), general company data, standards and certification and also to evaluate us respectively in our ARMEDANGELS brand evaluation.



YES, YOU HEARD RIGHT.

OUR PARTNERS EVALUATE US -
NOT ONLY THE PATRIARCHAL OTHER WAY AROUND.

With our new Two-in-One guideline and benchmarking system, we seek to rank the performance of our partners in an institutionalized way. The average score was at 83%. This is how our 14 direct partners socially performed in 2020:



- ON AVERAGE OUR PARTNERS ARE AT LEAST AUDITED AGAINST 3 DIFFERENT INTERNATIONALLY RECOGNIZED ETHICAL & SOCIAL STANDARDS (FAIR WEAR FOUNDATION, SMETA, BSCI, ETC.)
- IF AUDITS HAVE BEEN CONDUCTED, THE RESULTS ARE IN MOST CASES VERY GOOD, EXCEPTION IS TWO TIMES (OUT OF 32) ACCEPTABLE



- ON AVERAGE OUR PARTNERS PAY 143% OF THE MINIMUM SALARY
- 1 OF OUR PARTNERS PAYS LIVING WAGES AND HAS A COMPLIMENTARY SYSTEM IMPLEMENTED
- ALL OF OUR PARTNERS TRANSPARENTLY EXECUTE WAGES, PAYMENT CONDITIONS AND SOCIAL CONTRIBUTIONS



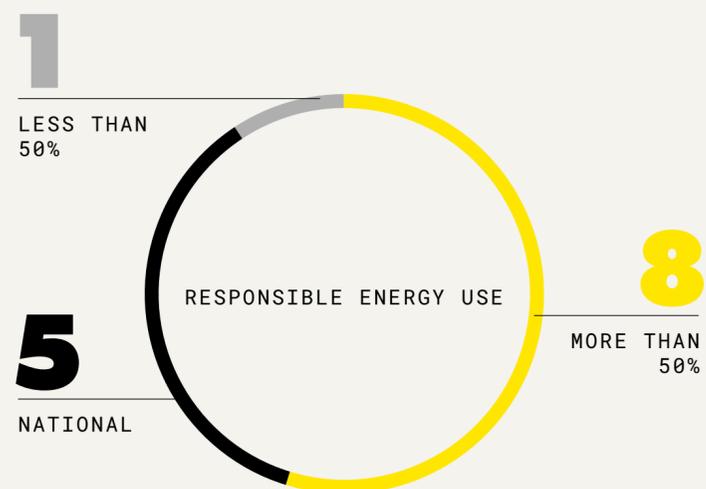
- 5 PARTNERS WITH NO OVERTIME AT ALL
- 1 FACTORY WHERE OVERTIME EXCEEDED 10% OF REGULAR WORKING TIME

SAFE WORKING ENVIRONMENT

NO WORKER WAS LAID OFF DUE TO COVID-19 DISRUPTIONS

- ALL PARTNERS CONDUCT & MONITOR MEANS TO PROTECT WORKER 'S HEALTH
- NO WORKERS WERE LAID OFF DUE TO COVID-19 DISRUPTIONS IN PRODUCTION

2020 was also the year we trashed the controlling and distrusting aspects of sustainability evaluations. To simplify gathering sustainability performance data and to bring even more transparency in our global and common eco & fair requirements, we launched a super-cool new tool called the „ARMEDANGELS Supplier Self-Assessment“.



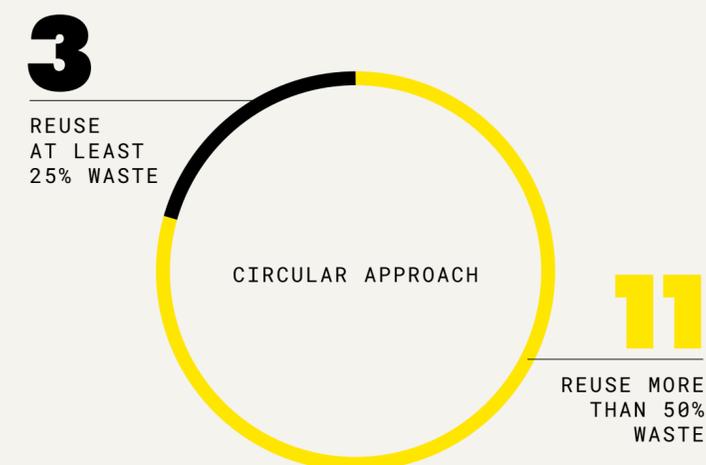
- 8 PARTNERS USE MORE THAN 50% RENEWABLE ENERGIES
- 5 PARTNERS INDICATE THAT THEY USE THE NATIONAL ELECTRICITY MIX
- 1 PARTNER USES LESS THAN 50% RENEWABLE ENERGIES



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



- WATER SOURCES AND WASTEWATER SOURCES ARE KNOWN MEASURED & CONTROLLED
- ALL PARTNERS HAVE A GOTS-COMPLIANT EFFLUENT TREATMENT PLANT (ETP)
- 3 PARTNERS ARE REGENERATING ALL THE WATER USED IN PRODUCTION



- ALL OUR PARTNERS REUSE OR RECYCLE MORE THAN 25% OF THEIR PRODUCTION WASTE
- 11 PARTNERS HAVE ALREADY MANAGED TO REUSE OR RECYCLE MORE THAN 50% OF THE WASTE PRODUCED
- SO FAR 5 OUT OF 14 PARTNERS HAVE AN OFFER TO TAKE BACK PRE-CONSUMER/POST-CONSUMER GARMENTS/SECONDARY RAW MATERIALS

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 & 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 conduct verification audits 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 (that is also why we were prepared when our supply chains got disrupted by Covid-19). We stick to twelve fixed delivery dates 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 opportuni-

ty 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 2020, due to our stable and traceable partners. Some of our partners had to close factories for 2-5 weeks because of Covid-19-measures, but ARMEDANGELS production could run smoothly as other players had cancelled orders and we could fill in. We fortunately had no challenges on receiving materials late due to Covid-19. Only ends of the year we faced minor difficulties blocking organic cotton for 2021 seasons because of the global organic cotton fraud case. The only thing we had to adjust was the delivery of goods to our retail partners as shops were closed during lockdowns.

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 2020, 52% 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-annually 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.

Supplier Self-Assessment

In 2020, due to the lack of on-site monitoring options through Covid-19, we introduced the Supplier Self-Assessment. Now, 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 14 first-tier suppliers. From 2021, the assessment will be extended to the entire FWF scope (all subcontracted units and downstream suppliers).

Changes in Supplier Relations

As we keep on growing for good, we also keep out looking for new partners that share our vision and wish to be part of our community providing us with beautiful products. In 2020 we on-boarded and started working with four new partners:

- Mergu Tekstil Konfeksiyon San. Ve. Tic. Ltd. Sti. – FWF Factory ID 7421
- SC Ready Garment Technology Romania SRL (Ciucului) – FWF Factory ID 13232
- NARKONTEKS TEKSTİL İHRACAT İTHALAT SANAYİ VE TİCARET A.Ş. – FWF Factory ID 33343
- Fiorima SA – FWF Factory ID 5585

We also terminated our business relationships with:

- Bravo Tekstil Uretim lth. Ihr.San. ve Tic.Ltd.Sti – FWF Factory ID 4477

We have been facing regular quality problems with this former partner. We obviously followed our Responsible Exit Strategy to ensure the exit does not have a detrimental effect on the supplier with whom we have worked.

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 & GOTS 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. 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 human rights risks and violations or poor factory & management performance.

Manufacturing Partners & their Subcontractors in Portugal

Portugal is our main producer for Jersey and some Woven. As Portugal is a low-risk country our main monitoring activity is to inform all suppliers about our membership with Fair Wear Foundation and about the respective labour standards. All Portuguese suppliers have conducted social audits by other organisations like Fairtrade, BSCI or companies' code of conduct audits. All suppliers have shared the respective audit reports with us, and we take this as the basis to work on social issues, mainly with regard to workplace safety.

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
GOTS certified	Yes
Relationship since	2013
Visited in 2020	Yes
No. of Employees	107
Gender Split	82female/25male
Maximum Overtime	0%
Fair Paid Level	110% average salary/minimum wage
Worker benefits	Free annual medical checks
Subcontracted units	Durao & Silva - Confeções Lda. - FWF Factory ID 10710 - CutMakeTrim J.Rio & Rio - FWF Factory ID 5604 - CutMakeTrim Quinta & Santos Score S.A. - FWF Factory ID 8940 - Garment Dyeing

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
GOTS certified	Yes
Relationship since	2014
Visited in 2020	Yes
No. of Employees	66
Gender Split	55female/11male
Maximum Overtime	0%
Fair Paid Level	107% average salary/minimum wage
Worker benefits	Flu vaccines, discount for routine doctor's appointments, free transport
Subcontracted units	Alivana - FWF Factory ID - CutMakeTrim Junius - FWF Factory ID 10708 - CutMakeTrim Erius II - FWF Factory ID 13176 - CutMakeTrim Rio Mau - FWF Factory ID 8937 - CutMakeTrim Filibranca Artes - FWF Factory ID 7273 - Printing Barcelbordados - FWF Factory ID 11188 - Embroidery

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
GOTS certified	Yes
Relationship since	2016
Visited in 2020	Yes
No. of Employees	201
Gender Split	158female/43male
Maximum Overtime	0%
Fair Paid Level	100% average salary/minimum wage
Worker benefits	Free transportation, free medical support, 50% of kindergarden
Subcontracted units	Barbosa, Esteves e Goncalves - FWf Factory ID 11176 - Printing Carfetil - FWF Factory ID 10711 - CutMakeTrim Guay - FWF Factory ID 14305 - CutMakeTrim Titulos E Rubrica - FWF Factory ID 14306 - CutMakeTrim Confeccoes Courelense - FWF Factory ID 7500 - CutMakeTrim Maria Gorete Maia Martins - FWF Factory ID 14308 - CutMakeTrim

J. Caetano & Filhas, Lda. - FWF Factory ID 2612

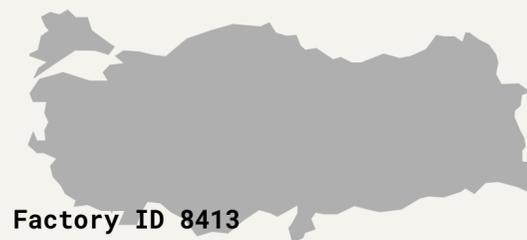
Address	Rua Da Castiça, 18, Aptd. 23, S. Miguel De Paredes, Porto, Portugal
Product Group	Woven
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes
GOTS certified	Yes
Relationship since	2018
Visited in 2020	Yes
No. of Employees	107
Gender Split	98female/9male
Maximum Overtime	0%
Fair Paid Level	122% average salary/minimum wage
Worker benefits	Free transportation
Subcontracted units	Irmaos Vila Nova - FWF Factory ID 14310 - Garment Wash

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
GOTS certified	Yes
Relationship since	2019
Visited in 2020	Yes
No. of Employees	372
Gender Split	357female/15male
Maximum Overtime	0%
Fair Paid Level	107% average salary/minimum wage
Worker benefits	Medical and legal support in the workplace (doctor and lawyer available)
Subcontracted units	Irmaos Vila Nova - FWF Factory ID 14310 - Garment Wash

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
GOTS certified	Yes
Relationship since	2019
Visited in 2020	Yes
No. of Employees	28
Gender Split	25female/3male
Maximum Overtime	0%
Fair Paid Level	118% average salary/minimum wage
Worker benefits	Free lunch on Fridays at the factory, half a day off on birthdays
Subcontracted units	Irmaos Vila Nova - FWF Factory ID 14310 - Garment Wash



Manufacturing Partners & their Subcontractors in Turkey

NEW 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
GOTS certified	Yes
Relationship since	2020
Visited in 2020	Yes
No. of Employees	98
Gender Split	63female/35male
Maximum Overtime	0%
Fair Paid Level	144% average salary/minimum wage
Worker benefits	Free occupational health care

Bera Tekstil Triko Imalat Ithalat Ihracat San. Tic. Ltd. Sti. - FWF Factory ID 8413

Address	No. 3 Gencosman Mahallesi, Istanbul, Turkey
Product Group	Knit
Production Processes	Knitting, Linking
Fair Wear Foundation monitored	Yes (last audit: 06/10/2017, last training: 01/04/2019)
GOTS certified	Yes
Relationship since	2015
Visited in 2020	Yes
No. of Employees	80
Gender Split	45female/35male
Maximum Overtime	13%
Fair Paid Level	203% average salary/minimum wage
Worker benefits	Free meals, free transport, workplace doctor, ramadan food package
Subcontracted units	Pozitif Triko - FWF Factory ID 6005 - Knitting Serdarlar Tekstil - FWF Factory ID 14309 - Knitting Serra Triko - FWF Factory ID 10028 - Garment Wash (last FWF audit: 08/10/2019)

Bravo Tekstil Uretim Ihr.San.Tie.Ltd.Sti - FWF Factory ID 4477

Address	29 Ekim Mah. No:14 35875 Yazibasi, Izmir, Turkey
Product Group	Woven
Production Processes	CutMakeTrim, Washing
Fair Wear Foundation monitored	Yes (last audit: 26/12/2017)
GOTS certified	Yes
Relationship since	2012
Visited in 2020	No
No. of Employees	135
Gender Split	81female/55male
Maximum Overtime	13%
Fair Paid Level	131% average salary/minimum wage
Worker benefits	Free meals, free transport, workplace doctor, ramadan food package
Subcontracted units	None

Özcelik Örme San. Ve Tic. 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: 09/11/2020, last training: 01/04/2019)
GOTS certified	Yes
Relationship since	2014
Visited in 2020	Yes
No. of Employees	83
Gender Split	46female/37male
Maximum Overtime	15%
Fair Paid Level	168% average salary/minimum wage
Worker benefits	Free meals, free workplace doctor, free transportation
Subcontracted units	None

Teksim Giyim Sanayi ve Ticaret Ltd. Sti - 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: 24/07/2019 by Sumations)
GOTS certified	Yes
Relationship since	2019
Visited in 2020	Yes
No. of Employees	280
Gender Split	171female/109male
Maximum Overtime	8%
Fair Paid Level	206% average salary/minimum wage
Worker benefits	Free meals, free transport, free doctor, paying a living wage!!!
Subcontracted units	None

NEW Mergu Tekstil Konfeksiyon San. Ve. Tic. Ltd. Sti. - 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: 06/06/2018)
GOTS certified	Yes
Relationship since	2020
Visited in 2020	Yes
No. of Employees	90
Gender Split	55female/45male
Maximum Overtime	15%
Fair Paid Level	118% average salary/minimum wage
Worker benefits	Free meals, free doctor, ramadan food package
Subcontracted units	Egemen Yikama - FWF Factory ID 9698 - Garment Wash



Manufacturing Partners & their Subcontractors in Tunisia

NEW 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, Türkiye
Product Group	Underwear
Production Processes	CutMakeTrim
Fair Wear Foundation monitored	Yes (not yet audited)
GOTS certified	Yes
Relationship since	2020
Visited in 2020	No (but ends of 2019)
No. of Employees	491
Gender Split	402female/89male
Maximum Overtime	0%
Fair Paid Level	148% average salary/minimum wage
Worker benefits	Free meals, free preventive health care, free home service
Subcontracted units	None

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: 06/09/2017, last training: 28/06/2019)
GOTS certified	Yes
Relationship since	2018
Visited in 2019	Yes
No. of Employees	1300
Gender Split	699female/458male
Maximum Overtime	12%
Fair Paid Level	152% average salary/minimum wage
Worker benefits	Free meals, free transportation, football field for workers
Subcontracted units	None

COMPLAINTS PROCEDURE

Manufacturing Partners & their Subcontractors in Romania

NEW 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
GOTS certified	Yes
Relationship since	2020
Visited in 2020	Yes
No. of Employees	365
Gender Split	272female/93male
Maximum Overtime	0%
Fair Paid Level	116% average salary/minimum wage
Worker benefits	Free transportation
Subcontracted units	None

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 CR Manager is responsible for managing complaints by following the ARMEDANGELS Policy on Complaints Handling.

TRAINING & CAPACITY BUILDING

Complaints In 2020

In 2020 we received two complaints from workers in our supply chain via the FWF complaint system. Both complaints came from the same factory, which we onboarded in 2020: Mergu Tekstil Konfeksiyon San. Ve. Tic. Ltd. Sti. - 7421 (last audit: 06/06/2018, last training: 12/2019)

One worker complained about internal communication. The second complaint was about the fact that some employees felt pressured to work overtime. For both complaints we started remediation right away, hand-in-hand with the other FWF member brands producing at that factory following our ARMEDANGELS Policy on Complaints Handling. Thanks to the transparency and openness of our partner, the management, as well as supervising staff and production workers, we could solve both complaints quickly. The factory has implemented improved communication streams and better consultation on legal working times. All workers have to agree in a written format to work overtime, and not more than 2 hours per day. In addition, it was also jointly decided a "WEP factory dialogue" will take place in June 2021.

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 sustainability, 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 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 Corporate Responsibility Manager.

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 Turkey, 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

STAKEHOLDER ENGAGEMENT

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 2021.

Transparency & Communication

Primarily, we use our website, our social media channels and our newsletter to inform our customers about our latest news and activities. We make it a priority to show our customers right on the landing page what we stand for: ARMEDANGELS = Fashion, with the highest respect for humans and nature. In our webshop our partners' factories and an ecological footprint on fiber-level is disclosed for each and every Item. Our aim is to become even more transparent to our customers and to give them even more insight into our supply chain. Big, radical & circular things are coming up in 2021!

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 and Textile Exchange, we have the great opportunity to engage with different stakeholders on the important topic of social and ecological standards in the textile chain. The country studies on Turkey, Romania and India published by FWF are also an important resource that we make use of.

ACTION FOR ALL

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

SYSTEMIC RACISM IS A THREAT TO HUMAN LIFE. IT'S OUR DUTY AS ONE SPECIES TO STAND TOGETHER, PROTECT EACH OTHER AND DEMAND JUSTICE UNTIL EVERYONE GETS IT.

Resistance against racism

We've always been committed to making ARMEDANGELS a diverse and inclusive business, but there's still much more to do. We all have an ongoing responsibility to listen, learn, unlearn, reflect, and to further take action, so we can be part of the change. We're reviewing everything we do to ensure diversity and inclusion is embedded across all areas of our business and brand.

Immediate steps include (but are not limited to):

- (1) Ensuring all voices continue to be heard within ARMEDANGELS to help educate, challenge and strengthen our actions as a business.
- (2) Carrying out an audit to better understand the demographic of our workforce, identifying where we have imbalances and gaps and formulating an action plan to address them.
- (3) Reviewing how we present ourselves and who we work with externally, from designers to creative talent, in order to be a truly diverse and inclusive brand.
- (4) Reviewing our recruitment processes to ensure a fair and equal opportunity for all. We have stopped our 'refer a friend' scheme.

CHANGE
starts with
AWARENESS

Although we don't have a Diversity & Inclusion team just yet, we've informed and trained our colleagues on critical whiteness. As a member of Fair Wear Foundation, we endorse the Code of Labor Practice. Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship are based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

ABBREVIATIONS

(CR) CORPORATE RESPONSIBILIT
(FWF) FAIR WEAR FOUNDATION
(GOTS) GLOBAL ORGANIC TEXTILE STANDARD
(GRS) GLOBAL RECYCLED STANDARD

FOOTNOTES

- ¹ Have a deeper look at our CR strategy and where we are at: <http://bit.ly/3ckZPe2>
- ² Our certificate from ClimatePartner: <http://bit.ly/3pTcj0V>
- ³ Our Animal Welfare Policy: <http://bit.ly/3dVFy0N>
- ⁴ Note: Due to rounding, performing the calculations given in the equations below may not return the exact results shown.
- ⁵ On fiber (lint cotton) level. These results were calculated by Textile Exchange, Life Cycle Assessment (LCA) of Organic Cotton, PE International. 2014: http://farmhub.textileexchange.org/upload/library/Farm%20reports/LCA_of_Organic_Cotton%20Fiber-Summary_of%20Findings.pdf
- ⁶ On fiber level. These results were calculated using the Higg Material Sustainability Index (Higg MSI) tools provided by the Sustainable Apparel Coalition. The Higg MSI tools assess impacts of materials from cradle-to-gate for a finished material (e.g. to the point at which the materials are ready to be assembled into a product). However, this figure only shows impacts from cradle to fiber production gate. TENCEL™ Lyocell branded cellulose fibers' Higg MSI score was calculated based on Lenzing fibers which are already in the Higg MSI.
- ⁷ On fiber level. These results were calculated using the Higg Material Sustainability Index (Higg MSI) tools provided by the Sustainable Apparel Coalition. The Higg MSI tools assess impacts of materials from cradle-to-gate for a finished material (e.g. to the point at which the materials are ready to be assembled into a product). However, this figure only shows impacts from cradle to fiber production gate. LENZING™ ECOVERO™ branded viscose fibers' Higg MSI score was calculated based on Lenzing fibers which are already in the Higg MSI.
- ⁸ On fiber level. These results were calculated using the Higg Material Sustainability Index (Higg MSI) tools provided by the Sustainable Apparel Coalition. The Higg MSI tools assess impacts of materials from cradle-to-gate for a finished material (e.g. to the point at which the materials are ready to be assembled into a product). However, this figure only shows impacts from cradle to fiber production gate. TENCEL™ Modal branded cellulose fibers' Higg MSI score was calculated based on Lenzing fibers which are already in the Higg MSI.
- ⁹ On fiber level. These results were calculated by Sinterama and are based on their Newlife™ fiber: http://www.sinterama.com/site/app01/lng/eng/public.nsf/content?openagent&grp=3&sec=3&psp=WCNBRAC_000004&act=prd&imp=&&imp
- ¹⁰ <https://sharecloth.com/blog/reports/apparel-overproduction>
- ¹¹ Our Human Rights Declaration: <http://bit.ly/2ZXg9f2>



THANKS FOR READING

If you just skipped to the end for a quick summary, you'll find that at the beginning. The end is the beginning is the end.

So [click here](#) to enjoy the whole thing again. Back and forth, back and forth. Forever.