



BRAND PERFORMANCE CHECK

W.A.R.D. GmbH (Iriedaily)

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this report covers the evaluation period 01-01-2018 to 31-12-2018

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

BRAND PERFORMANCE CHECK OVERVIEW

W.A.R.D. GmbH (Iriedaily)

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Berlin , Germany
Member since:	01-01-2016
Product types:	Fashion, Sportswear
Production in countries where FWF is active:	China
Production in other countries:	Portugal
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	94%
Benchmarking score	76
Category	Leader

Summary:

Iriedaily has shown good progress and met most of FWFs' performance requirements. With a monitoring percentage of 94% exceeding the monitoring threshold required for third-year members and a benchmarking score of 76, the brand is in the 'Leader' category.

Iriedaily's supplier base consists of a small number of mostly long-term suppliers within two countries, China and Portugal. This allows Iriedaily to work effectively on improving working conditions.

In 2018, Iriedaily continued its efforts to ensure that its production planning process supports reasonable working hours at its production locations. FWF recommends Iriedaily continuously evaluate the impact of these efforts on audit findings pertaining to overtime and make changes to its approach accordingly.

Iriedaily has mapped out its supply chain in detail and has been able to estimate and track FOB at CMT sub-contractors. The mapping has provided Iriedaily with a more realistic overview of its production locations to further implement measures towards consolidating its supply chain, where possible.

The brand has also engaged with all suppliers to understand the link between its prices and wages at production locations. While the brand has not been able to achieve complete transparency in terms of access to open costing, some key suppliers have shared wage information and 'labour minute costs' for a few styles. This information is being used by the brand to make an informed estimate of its contribution to living wage at some of its production locations.

For the upcoming year, the challenge for Iriedaily will be to obtain more accurate insights into the price composition of its products and how labour costs link to Iriedaily's FOB price. On top of that, a lack of active dialogue mechanisms at production locations in China also makes the process of involving workers to define living wage pay-outs and ensure it reaches them more complex. FWF recommends that the brand continue to focus on addressing issues pertaining to overtime and living wage at key suppliers in China, document learnings to evaluate and define a broader strategy on these issues.

PERFORMANCE CATEGORY OVERVIEW

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

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

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

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

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	83%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: Iriedaily works with a small number of key suppliers in China (9 suppliers and 11 sub-contractors) and Portugal (8 suppliers, 13 sub-contractors). At 13 suppliers, leverage exceeds 10% of production capacity, allowing Iriedaily to influence working conditions more effectively. Of these 10 are the brand's suppliers in Portugal which are mostly small, family-run factories and one of them produces exclusively for Iriedaily. The brand has been investing efforts to consolidate its supplier base. When styles are planned, the existing supplier base is reviewed to see what can be achieved without needing to add new suppliers and sub-contractors.

Recommendation: FWF recommends Iriedaily to increase leverage as much as possible at their key supplier(s) to effectively request improvements of working conditions

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	7%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: The brand sources from 8 production locations (two in China and six in Portugal) where the brand buys less than 2% of its total FOB. In total, these locations account for over 6% of the brand's FOB.

In China, the brand's tail end suppliers are sub-contractors who make small quantities of accessories and knitwear. In Portugal, the tail end suppliers make either one particular style, socks or new a product line or have been working with the brand over the last 15 years.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	88%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Maintaining long-term and stable relationships with suppliers is an important aspect of Iriedaily's approach to business. With suppliers contributing to 88% of their production volume Iriedaily has a business relationship for more than five years and with key suppliers where the brand has close to 50% of production volume, the relationship has been for over 10 years.

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

Comment: In all, the brand added five new production locations in 2018 and all new locations signed and returned the questionnaire with the Code of Labour Practices before first bulk orders were placed.

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

Comment: Currently, Iriedaily works with two production countries, China and Portugal. For China, the brand has identified excessive overtime and lack of freedom of association as risks and for Portugal financial instability and sub-contracting.

To mitigate additional risks and have better insight into their supply chain the brand has consciously decided not to expand production to new countries like Myanmar, though their main supplier/intermediary in China has been offering the brand competitive business prospects.

In 2018, the brand added five new production locations, four sub-contractors in China and one supplier in Portugal. It is rare that the brand adds a new supplier, new production locations are generally sub-contractors used for specific processes. For China, in general, the brand tries to collect existing audit report (where possible), and uses the FWF Health and Safety checklist to make a visual assessment during factory visits. This forms the basis of assessing risks when a new production location is selected.

For Portugal, in 2018, the brand hired a part-time resource (also working for the agent) who visits the factory and makes an assessment report using the FWF Health and Safety checklist and visual inspection. Audit reports are not generally available for Portugal.

The brand has made efforts to introduce due diligence thinking at the design stage of the collection itself. The brand's database system in conjunction with their supplier rating system offers the design team an overview of what the supply chain currently looks like, products linked to production location (both suppliers and sub-contractors) and the production location performance on CoLP. The brand also pushes the design team to use existing supplier base to consolidate their efforts in addressing risks.

That apart, the brand consciously evaluates human right risks at supplier locations based on supplier cooperation and willingness to address issues and takes proactive measures to mitigate risks. For example, the brand decided to end the relationship with two suppliers in China in 2018 for - not willing to work on the CAPs and not allowing FWF teams to conduct WEPs, respectively.

Recommendation: FWF recommends Iriedaily have a formal system in place to ensure that suppliers/ intermediaries/ agents cannot select and place production at new production locations before Iriedaily has completed the human rights due diligence process, especially for subcontractors in China. FWF recommends putting this agreement with the intermediary in writing. Furthermore, FWF recommends the member to develop a responsible sourcing strategy towards the selection of new production locations.

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

Comment: Iriedaily has a database system which provides the brand an overview of their supply chain, each product is linked to the respective production location (both suppliers and sub-contractors). This is constantly updated to ensure all subcontractors are also included.

All suppliers and subcontractors are evaluated based on their compliance on each labour standard of the CoLP, which is based on the information captured in the audit reports. In the case of Portugal where audit reports are not available, factory visit reports and checks by the brand's resource (at the agent) and general risk levels in the country are used for supplier evaluation. The evaluation also includes several other points like the use of subcontractors, transparency, years of cooperation, leverage etc. The computation of scores for each of the categories is mostly perception based except for wages and working hours where the brand has defined indexes to guide the scoring for those categories.

Iriedaily actively uses the result of the evaluation to inform business decisions. The brand consciously moves more orders to suppliers with better ratings, especially when a style at the supplier has reduced orders due to lower sales demand. The results of the evaluations are not yet shared with suppliers.

Iriedaily also uses factory visits to evaluate suppliers on the CoLP. Apart from visual inspection and using Health & Safety checklist the brand reviews the status of CAPs and verifies issues that have been closed. The factory visit report is shared with the factories. The suppliers in Portugal actively react to these reports and engage with the brand to understand expectations but also sometimes debate on the findings.

The brand decided to end relationship with two suppliers in China in 2018 for - not willing to work on the CAPs and not allowing FWF teams to conduct WEPs, respectively. The decision to terminate relationship was taken after considerable engagement with the supplier did not result in any solutions. The exit was phased out to allow for orders already placed in the factory to be completed also providing the factory time to make other arrangements.

Recommendation: With reference to the supplier evaluation, FWF recommends that Iriedaily -

1. Share and discuss the outcome of the supplier evaluation with all its suppliers;
2. Expand its approach used for wages and working hours and develop a 'guidance' to define scores for all categories of the supplier evaluation. This will help in ensuring consistency in interpretation and scoring.

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

Comment: Iriedaily releases three collections annually. The two main seasons are Spring/Summer (43%) and Fall/Winter (53%). A small Cruise collection (4%) is launched in November.

To factor in the lead times for procurement of the fabric and other materials that can play an important role, besides shipping times and the capacities of the suppliers, the Purchasing Manager and CSR Manager jointly analyze the pre-orders and then define a delivery schedule with the supplier. Over the last two years, Iriedaily has changed their production phase; two weeks were added to this phase to allow more time for their suppliers and prevent overtime hours. With this shift, the design and sales department have two weeks less in the whole production cycle. A complete timesheet is discussed with the supplier and fabrics are pre-booked before orders are placed. The production phase for each of the three collections is roughly four months.

While the suppliers indicate the available capacity, the brand cross-checks them based on historic data, because Iriedaily finds that suppliers tend to provide an overestimate and then end up subcontracting or are over- stretched. If the pre-order volume exceeds the capacity of the supplier, orders are passed on to other suppliers who still have free capacities.

The brand does not allow last minute changes to a style in the production phase and provide suppliers with a "Recapitulation Sheet" for each ordered style. All relevant information and any changes are summarized on it. A pre-production sample is produced where needed to support a smooth production cycle.

Other efforts of the brand during product development to support reasonable working hours include:

- Back estimating timelines – starting from when the products are to be delivered, understanding the time needed to manufacture and ship, and then defining when other phases need to start accordingly;
- Fabrics – trying to limit the types of fabric used, leveraging 'greige' stock where possible, using rough estimates to pre-order fabrics which might need more time for delivery.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: One FWF audit conducted at a supplier in China in 2018 showed excessive overtime. The brand engaged with the supplier in detail on this issue. A range of causes that could be contributing to overtime were analysed – worker availability, peak season pressures, number and types of fabrics, short shipping period. Some solutions discussed with the supplier include – urgent deliveries not being placed during November and prioritizing orders, among others. The supplier requested that the brand share information pertaining to pre-orders two weeks earlier than scheduled to help ease out the pressure during peak times by better utilizing idle time prior to the regular production phase.

Recommendation: FWF recommends Iriedaily to continue engaging with the factory management and check how the measures implemented by the brand are helping in addressing the issue and make necessary changes to support resolving the issue. That apart, where possible, FWF recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: Prices are mainly established using insights from the previous years. Iriedaily defines the target price based on the costs of the product and retail price. Iriedaily discusses prices together with factory management. Cost split up provided by the supplier is more at CMT and process level. Iriedaily is not yet aware about the exact labour costs per factory but knows the agent costs. The brand is aware of minimum wages for its supplier locations and uses audit reports to ensure minimum wages are paid to workers at all production locations. The brand also mapped the wages of lowest and highest paid workers at its main supplier locations.

The brand has discussed the importance of open costing and transparency with all suppliers, but the suppliers are not yet willing to share open costing with the brand. In the last year, the brand has engaged with their main supplier in China to receive labour minute costing for two styles as a starting point and hopes to build greater trust and achieve progress in this area.

The price for a product is fixed for one season. In general, minimum payments are agreed with the suppliers specially if there are lower orders. For higher orders, the brand does not ask for discounts.

Recommendation: FWF recommends Iriedaily to expand their knowledge of cost break downs to more styles and product groups and calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: A FWF audit from 2017 at a supplier location in China showed that there were some workers who were paid below the legal minimum wage at that time. This finding was followed up by another FWF member. The factory management shared that the workers referred to in the finding were pensioners from the surrounding area who were looking for some part-time work. The factory has informed the brand that they do not employ these workers anymore and understand that in future if they do employ such workers they need to ensure that the legal minimum wage is paid to all workers.

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

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

Comment: The brand has discussed the importance of open costing and transparency with all suppliers, but the suppliers are not yet willing to share open costing with the brand. In the last year, the brand has engaged with their main supplier in China to receive labour minute costing for two styles as a starting point and hopes to build greater trust and achieve progress in this area. The brand also collected wage and working hours information of workers at the supplier production location. Using all this data, the brand has made an estimate of the wage gap taking the Asia Floor Wage benchmark as a reference and has also estimated its contribution towards closing the gap. The brand has defined that the contribution to wage increase will come from the price of its products.

As a next step, the brand would like to understand how to get the money to the workers. The main challenges they foresee is lack of unions/ dialogue mechanisms to engage workers to get their inputs on this topic.

That apart, over 43% of Iriedaily production comes from factories in Portugal which is a low-risk country, where wages are negotiated through a collective bargaining agreement.

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

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	4	0

Comment: The brand is yet to determine and finance wage increases at production locations.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 32

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	50%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	43%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	94%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: In 2018, the CEO was the main person responsible for FWF membership. The designated CSR staff position was filled at the end of the year and going forward this person will take up the main responsibility working closely together with the CEO.

CAP follow-up is supported by other staff members, including the production, distribution and design departments.

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

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

Comment: In 2018, Iriedaily had one FWF verification audit at a production location in China. In general, when the brand receives an audit report, it is promptly reviewed and then shared with the supplier. Audit findings and timelines for remediation are agreed together with the factory first by email and later also discussed by the CEO with factory management during factory visits. Worker representatives are not actively involved in audit findings or remediation discussions.

Recommendation: Before an audit takes place, Iriedaily is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting. Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

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

Comment: In 2018, Iriedaily had one FWF verification audit at a supplier location in China. The main audit findings were pertaining to Health and Safety, worker representation, wage calculation, overtime, and social security. During the Brand Performance Check Iriedaily could show that corrective actions had been implemented to address most findings. Efforts to address more complex issues pertaining to wage calculation, overtime and worker presentation are still in progress.

Iriedaily reviews cooperation of its suppliers in addressing audit findings, and in 2018 the brand ended relationships with two suppliers in China due to their unwillingness to cooperate and address audit findings.

Recommendation: Iriedaily could consider organizing joint training for their suppliers in China on excessive overtime and social dialogue, to ensure more commitment from the suppliers to remediate these more structural issues and facilitate peer to peer learning.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	81%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Iriedaily visits the majority of its suppliers at least once a year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

Comment: The brand collects existing audit reports to understand issues at their production locations and for due diligence purposes but currently do not assess the quality of the report collected.

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: Currently, Iriedaily produces in two production countries, China and Portugal. For China, the brand has identified excessive overtime and lack of freedom of association as risks and for Portugal financial instability and sub-contracting.

The brand is working closely with suppliers on these issues and adjusting its business approach, production timelines and monitoring systems to better support suppliers address these risks in their supply chains.

Recommendation: For China, FWF encourages Iriedaily to continue to work together with factory management on addressing issues pertaining to wages, overtime and freedom of association.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: The brand has two shared suppliers with FWF members with active CAPs from 2017. At both these suppliers, other FWF members were leading discussions on CAPs but the brand has been kept posted on the developments and where possible the brand has extended support.

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

Comment: Iriedaily sources in Portugal and ensures

1. Up to date information on the labour conditions in the location by regular visits;
2. All production locations are informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
3. Awareness on specific risks identified by FWF;
4. That FWF Worker Information Sheet posted at all production locations.

Additionally, the brand has also started collecting wage information at main suppliers to do a wage analysis.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

Recommendation: FWF encourages members to go beyond the minimum required monitoring threshold and acknowledges members who audit production locations in the tail end as well to mitigate potential social compliance risks.

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

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

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

MONITORING AND REMEDIATION

Possible Points: 27

Earned Points: 22

3. COMPLAINTS HANDLING

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

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

Comment: In 2018, the CEO was the main person responsible for FWF membership. The designated CSR staff position was filled at the end of the year and going forward this person will take up the main responsibility working closely together with the CEO.

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

Comment: Iriedaily ensures that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. The brand checks this during factory visits, takes photos of the same and documents them in the visit report and the supplier folder.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	84%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

Comment: Iriedaily conducted WEP training at four production locations in China in the last three years, of which two WEP trainings we conducted in 2018.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

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

COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 9

4. TRAINING AND CAPACITY BUILDING

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

Comment: Iriedaily organizes a yearly presentation about CSR and FWF membership and information about production sites is also shared with all staff members.

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

Comment: Iriedaily organizes a yearly presentation about CSR and FWF membership and information about production sites is also shared with all staff members. That apart, meetings with specific teams in direct contact with suppliers are organised to discuss important issues, for example, lead times and production discussions with the distribution team.

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

Comment: Iriedaily uses agents for sourcing in China and Portugal. The brand has two main agents for China and one for Portugal and invested time and efforts in discussions and training with these agents pertaining to FWF requirements and COLP. Topics discussed include - introduction to FWF, Health and Safety Checklist, wages and open costing, exit procedures linked to lack of cooperation on CAPs.

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

Comment: Iriedaily only sources in Portugal and China and was awaiting the FWF WEP communication module for China. As this was not available in 2018, the brand has not invested in any other training beyond WEP Basic in China. The brand is also keen on exploring training partners for organizing trainings at production locations in Portugal.

Recommendation: FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills. Training assessed under this indicator should go beyond raising awareness and focus on behavioral change and long-term structures to improve working conditions. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 5

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: Iriedaily has invested a lot of time and effort in identifying all production locations, including subcontractor locations. All subcontractor locations that were identified have been included in their own factory database and in FWF's database and FOB values have been provided for all CMT units. While the base numbers come from the accounting department, to track the production location and associated FOB, the brand uses numbers provided by the distribution team which links to the exact goods produced and shipped. To address the risk of subcontracting in Portugal the brand's agent visits the factories during the production cycle and verifies the location.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: All staff in direct contact with suppliers, including the CEO, Head of Distribution, Head of Production are actively involved in FWF requirements and social compliance. The CEO used the FWF health & safety checklist when visiting production locations and an observations report is shared with the rest of the team. That apart, the supplier ranking system is updated after audits and shared with all teams so that they have the most updated information to support decision making.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

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

Comment: Iriedaily communicates about FWF on its website and social media pages, instagram and Facebook. The Marketing Manager is aware of the FWF communication policy and guidelines and all communication is compliant with FWF's communication policy.

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

Comment: Iriedaily publishes the Brand Performance Check report and social report on its website. In 2018, the brand has opted in for the new FWF transparency policy for 2019.

The brand's social report discusses the audit findings and performance of individual suppliers on the Code of Labour Practices without explicitly naming the supplier but attributing them as supplier A, supplier B etc. The brand has engaged with key suppliers in detail to get greater buy-in on their transparency efforts.

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

Comment: Iriedaily publishes the Brand Performance Check report and social report on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

7. EVALUATION

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

Comment: In 2018, the FWF membership was directly managed by the CEO with the support of other concerned departments and teams.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	50%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: Last year's performance check included two requirements:

1. For a supplier in China, hourly wage of piece rate workers must in all cases at least meet hourly minimum wages - the brand is working closely with the factory and has made progress, but is yet to verify and close this audit finding.
2. Iriedaily to find out the FOB figures for all their CMT subcontractors and include the figures in the factory list in FWF's database - This has been addressed.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

1. FWF should provide greater support on topic of Social Dialogue especially to guide brands who would like to work on living wages suppliers in China.
2. The user experience of the FWF database can be improved, currently is very cumbersome.
3. FWF should offer guidance on alternative training options if WEP communication cannot be made available in China

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	32	47
Monitoring and Remediation	22	27
Complaints Handling	9	9
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	6	6
Totals:	86	113

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

76

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

28-05-2019

Conducted by:

Supraja Suresh

Interviews with:

Daniel Luger - CEO

Isaac Waldvogel - CSR Manager & Customer Service

Patrick Kreßner - Head of Design

Denise Graff - Marketing Manager