



## **Brand Performance Check**

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

**Publication date: July 2020**

This report covers the evaluation period 01-01-2019 to 31-12-2019

## About the Brand Performance Check

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

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

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

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

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

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

# Brand Performance Check Overview

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

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Berlin , Germany.
Member since:	2015-12-31
Product types:	Garments, clothing, fashion apparel;Sports & activewear;Bags;Accessories
Production in countries where Fair Wear 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	98%
Benchmarking score	80
Category	Leader

## **Disclaimer**

*This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.*

*While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.*

*This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.*

*Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.*

## Summary:

Iriedaily has shown good progress and met most of Fair Wear's performance requirements. With a monitoring percentage of 98%, exceeding the monitoring threshold required for third-year members, and a benchmarking score of 80, the brand is placed 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 the brand to work effectively on improving working conditions. Iriedaily has a database system that provides the brand a real-time overview of the supply chain, and each product is linked to the respective production location (both suppliers and sub-contractors). This is constantly updated to ensure subcontractors are also included.

In 2019, a Fair Wear audit at a China-based supplier of the brand indicated the presence of excessive overtime and an issue with recordkeeping pertaining to working hours. The brand discussed both these findings with the supplier, and reviewed payslips to check that overtime was within permissible limits. However, the tracking of working hours continues to be done manually by factory management, and therefore the brand is not able to fully verify if the overtime issue has been completely addressed.

In 2019, the brand engaged with its main supplier in China to receive labour minute costing for all styles as a starting point. The hope is to build greater trust and achieve progress on increasing wage levels. The brand also collected wage and working hours information of workers at this 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 determined that its contribution to the wage increase will come from the price of its products. Through the process, the member realised that it had made a mathematical error in calculating its share of the living wage and is working on addressing it in 2020.

Lack of active dialogue mechanisms at production locations in China makes the process of involving workers to define living wage pay-outs more complex for the brand. Fair Wear recommends that the brand continue to strengthen verification efforts pertaining to findings on wages, overtime and focus improving wage levels 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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

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

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

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

# 1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	82%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** Iriedaily works with a small number of key suppliers in China (7 suppliers and 9 sub-contractors) and Portugal (7 suppliers, 13 sub-contractors). At 11 suppliers, leverage exceeds 10% of production capacity, allowing Iriedaily to influence working conditions more effectively. Of these 8 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:** Fair Wear 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%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

**Comment:** The brand sources from 9 production locations (2 in China and 7 in Portugal) where the brand buys less than 2% of its total FOB. In total, these locations account for over 7% 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:** Fair Wear 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.	86%	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 86% 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 six new production locations in 2019 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 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. 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 2019, the brand added six new production locations, five sub-contractors in China, Portugal and one supplier in China. 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 Fair Wear 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. In 2019, the brand added one supplier in China for a product category where they did not have existing suppliers, collected an existing audit report, but could not visit the facility prior to production due to travel restrictions (disruptions in Hongkong). Around the same time, the factory also moved to a new physical location, hence the audit report information could not be used. The brand visited the factory after production had started, and found the working conditions, especially at subcontractors not meeting standards. That apart, the factory's inability to operate linked to COVID (2020) made the brand decide to exit the factory in 2020 (to be reviewed in the next performance check).

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 Fair Wear 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 recommends the design team to use the existing supplier base to consolidate their efforts in addressing risks.

The brand has signed disclosure agreements with suppliers to seek their commitment and confirmation that they cannot select and place production at new production locations before Iriedaily has completed the human rights due diligence process.

**Recommendation:** If Iriedaily receives an existing audit report it is advised to check the follow-up status of the issues mentioned in the report. This can give an idea about the suppliers' commitment to remediate CAP findings.

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. In 2019, the brand shared the results of this evaluation with suppliers to also share details of how the brand rewards good performance with more business / other initiatives.

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.

In 2019, the brand decided to end the relationship with one supplier in China and one subcontractor in Portugal for lack of willingness to work on the CoLP issues and has informed the supplier. Both these locations were new with low leverage/FOB.

**Recommendation:** With reference to the supplier evaluation, Fair Wear recommends that Iriedaily, expand its approach used for wages and working hours and develop a 'guidance' that explains the scores for 'soft factor' 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 two collections annually- Spring/Summer and Fall/Winter.

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 overstretched. If the pre-order volume exceeds the capacity of the supplier, orders are passed on to other suppliers who still have the capacity needed.

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 in it. A pre-production sample is produced (when 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:** A Fair Wear audit conducted in 2019 at a China-based supplier of the brand indicated the presence of excessive overtime and issue with recordkeeping pertaining to working hours. The brand discussed both these issues with the supplier, and reviewed payslips to check that overtime was within permissible limits. But working hours tracking continues to be done manually by the management, hence the brand is not able to fully verify if overtime issue has been completely addressed. That apart, the brand conducted an overtime survey with its main supplier in China to address 2018 findings and worked closely with another Fair Wear member to make specific changes in production planning activity schedules.

**Recommendation:** Fair Wear 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.

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:** Iriedaily has worked closely with its main supplier in China and key suppliers in Portugal to understand the Labour Minutes for the styles made at those locations.

For China, while the brand has discussed the importance of open costing and transparency with all suppliers, the suppliers are not yet willing to share open costing with the brand. Hence Iriedaily uses the open costing knowledge of its main supplier as a reference (where workers generally have higher wages in comparison to other locations) when working on price development with other suppliers. That apart, the brand currently adds 2% over and above the price developed as a factor to contribute to increasing wage levels. The sourcing team is also informed that they cannot discuss price reductions unless it is linked to reduction pertaining to process/ fabric etc. 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.

For locations in Portugal, the member discussed increasing prices with the supplier based on Labour Minute Value calculation as a proactive measure to account for any upcoming minimum wage increases in the region.

**Recommendation:** Fair Wear recommends that Iriedaily continue to review its knowledge on the link between prices and wage levels at the production locations. Iriedaily could provide suppliers who don't use open costing, training on product costing, and how to quote prices including (direct and indirect) labour costs.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** The Fair Wear audit at one supplier location in China indicated that temporary workers were paid by piece rate, and they were not entitled to paid annual leaves or paid statutory holiday leaves. The brand discussed this finding with the factory checked payslips to ensure minimum wage payments but did not specifically verify this issue pertaining to benefit related payments for temporary workers.

**Recommendation:** Fair Wear recommends that Iriedaily to further strengthen the verification process to review evidence of remediation in specifics with relation to the finding.

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 all styles as a starting point and hopes to build greater trust and achieve progress. 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.

**Recommendation:** Fair Wear 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.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	6	0

**Comment:** Iriedaily has started to finance wage increases, at their main supplier in China. The brand invested time and effort to determine their contribution to living wage at this supplier using the Asia floor wage benchmark. The brand has defined that the contribution to this wage increase will come from the price of its products both from the customer side and business cost. Through the process, the member realised that they had made a mathematical error in calculating their share of Living Wage, and are working on addressing it in 2020.

**Recommendation:** In determining what is needed and how wages should be increased, it is recommended to involve workers at the concerned production location.

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.	32%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	4	6	0

**Comment:** As mentioned in 1.13 the brand worked on paying its share of contribution towards living wage at its main supplier location in China. The first payment was made to workers in 2020, for the 2019 production. The brand reviewed payslips of workers to ensure that this payment also covered temporary workers.

**Recommendation:** To keep this score next year, Fair Wear recommends that Iriedaily address the mathematical error in calculating its share of contribution towards living wage and ensure future payments cover the brand's full share for payment of Living wage at the supplier.

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## **Purchasing Practices**

**Possible Points: 52**

**Earned Points: 38**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	0%	
% of production volume where Fair Wear audits took place.	56%	
% of production volume where an audit took place.		
% of production volume where monitoring requirements for low-risk countries are fulfilled.	42%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	98%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

**Comment:** The CSR manager is designated to follow up on problems identified by monitoring system and works 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

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

**Comment:** In 2019, Iriedaily had two Fair Wear audits at production locations 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, W.A.R.D. GmbH (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	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

**Comment:** In 2019, Iriedaily had two Fair Wear audits at production locations 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 representation are still in progress.

**Recommendation:** The feedback and supportive evidence that is sent by suppliers can be complex and difficult to interpret when unfamiliar with the local laws and expertise. To strengthen verification, Iriedaily can use Fair Wear's local team to verify the supportive evidence incase that is desirable.

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.	99%	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. During the visits, the brand discusses Labour minute costing, audit findings and where possible verifies remediation efforts at their main suppliers. When visiting subcontractors where they do not have a direct relationship the brand uses the Health and Safety Checklists, checks the worker information sheet and distributes the worker information cards.

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 for due diligence purposes but currently does 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 Fair Wear 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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	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 to address these risks in their supply chains.

For China, the brand encourages the factory to address issues pertaining to freedom of association but does not push the factory to take any measures which they deem as a risk, given the sensitivity of the topic.

Though a low-risk country, the brand engages with suppliers in Portugal to understand wage levels and its link to buying prices.

**Recommendation:** For China, Fair Wear 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 three shared suppliers with other Fair Wear members, and at two suppliers Iriedaily led discussions on addressing audit findings. The brand collaborates with other members at shared suppliers through emails, meetings at trade fairs, and calls.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
Member undertakes additional activities to monitor suppliers.	Yes			1	1	0

**Comment:** Iriedaily sources in Portugal and ensures

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

Additionally, the brand has also collected wage information, has discussed labour minute costing at main suppliers to do a wage analysis and ensure preparedness and facilitate wage increases.

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

**Recommendation:** Fair Wear 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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

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

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

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## Monitoring and Remediation

**Possible Points: 27**

**Earned Points: 22**

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### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	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.	1	

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

**Comment:** The CSR manager is responsible for Fair Wear membership and works closely with the CEO to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

**Comment:** Iriedaily ensures that the Worker Information Sheet, including contact information of the local complaints handler of Fair Wear, 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. Additionally, the member also hands out worker information cards during visits and places them in break rooms and next to the time punching machine at production locations.



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.	97%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

**Comment:** Iriedaily conducted Fair Wear WEP basic training at five production locations in China in the last three years, of which two WEP trainings we conducted in 2019.

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

**Comment:** In 2019, one complaint was received concerning a China production location of the brand pertaining to unfair treatment of a worker. The complaint has been addressed in a timely manner and resolved. The brand actively discussed the issue with the factory and other Fair Wear member brands involved. The brand also reviewed the complaint in detail to understand the root cause and concluded that it was an isolated case very specific to the complainant's personal situation and hence could not define preventive measures.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

**Comment:** In 2019, one complaint was received concerning a China production location of the brand. Iriedaily took the lead and actively worked with other Fair Wear brands to resolve the complaint.

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## **Complaints Handling**

**Possible Points: 17**

**Earned Points: 17**

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## 4. Training and Capacity Building

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

**Comment:** Iriedaily organizes a yearly presentation about CSR, Fair Wear membership, where information about production locations is also shared with all staff members. That apart, in 2019 the brand intensified engagement with staff on this topic, with 'sustainability' being given more importance in the development of the collection as well as staff being appraised of Living Wage commitment, approach, and efforts.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** Iriedaily organises a yearly presentation about CSR, Fair Wear 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 supplier evaluations (every season) and other important issues, for example, lead times.

**Recommendation:** Fair Wear encourages purchasing staff or agents to observe factory audits conducted by the Fair Wear audit teams to learn about the audit process and to be able to better follow up on corrective action plans.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	2	2	0

**Comment:** The brand has two main agents for China and one for Portugal and invested time and effort in discussions and training these agents on Fair Wear requirements and COLP. Topics discussed include - Fair Wear requirements, Health and Safety Checklist, wages and open costing, exit procedures linked to lack of cooperation on CAPs, use of subcontractors.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** Iriedaily only sources in Portugal and China and was awaiting the Fair Wear WEP communication module for China. In 2019, the brand also invested efforts in working with Fair Wear teams to develop training material and organise a training at production locations in Portugal.

**Recommendation:** Fair Wear recommends Iriedaily to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural and structural change to improve working conditions. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub. Currently, the Fair Wear WEP modules "violence prevention capacity building" and "communication" as well as the ILO Better Work programme are automatically counted towards this indicator.

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 Fair Wear'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 Fair Wear requirements, and social compliance. The CEO and CSR manager used the Fair Wear health & safety checklist when visiting production locations and an observation report is shared with the rest of the team. That apart, the supplier evaluation system is updated after audits and shared with all teams and also displayed in the office so that everyone concerned has the updated information to support decision making.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**

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## 6. Transparency

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

**Comment:** Iriedaily communicates about Fair Wear on its website and social media pages, Instagram and Facebook. The Marketing Manager is aware of the Fair Wear communication policy and guidelines and all communication is compliant with Fair Wear's communication policy. That apart, stores have an information corner with material about the brand's Fair Wear membership, and staff is trained to respond to questions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

**Comment:** Iriedaily publishes the Brand Performance Check report and social report on its website. The brand's social report discloses supplier locations, discusses audit findings and performance of individual suppliers on the Code of Labour Practices.



Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

**Comment:** Iriedaily publishes the Brand Performance Check report and Social Report on its website.

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## Transparency

**Possible Points: 6**

**Earned Points: 6**

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## 7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** The CEO is fully aware and works closely on a daily basis with the CSR manager on requirements pertaining to the Fair Wear membership.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

## Evaluation

**Possible Points: 2**

**Earned Points: 2**

## Recommendations to Fair Wear

1. Believes in Fair Wear system and happy that Fair Wear offers brands a step by step strategy.
2. Concerned about the changes to indicators and its impact on leader status.
3. Concerned that allowing on garment communication for brands that are not 'Leader' (meaning they don't put in as much effort) can be misleading for the end consumer

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	38	52
Monitoring and Remediation	22	27
Complaints Handling	17	17
Training and Capacity Building	5	11
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	97	122

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

80

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

10-06-2020

Conducted by:

Supraja Suresh

Interviews with:

Daniel Luger - CEO

Isaac Waldvogel - CSR Manager & Customer Service