



# IRIEDAILY SOCIAL REPORT 2021

# CONTENTS

1	Foreword
2	Covid-19 Statement
3	Achievements 2021
8	Goals
12	1. Purchasing Criteria
17	2. Monitoring System
24	3. Complaints Management
26	4. Training & Support
28	5. Transparency & Communication
29	6. Stakeholder Engagement
30	7. CSR



# WHAT A YEAR

## FOREWORD

The past year was once again strongly influenced by the COVID-19 pandemic and confronted us as well as the entire textile industry with major challenges. Particularly, the inequality embedded in social and economic structures became more visible than the years before.

The crisis has shown us how crucial the long-term and trusting business relationships with our suppliers are and how important our strong partnership with the Fair Wear Foundation (FWF) is. Over the past two pandemic years, we have paid special attention to finding joint solutions with all suppliers to maintain business relationships, ensure fair working conditions and, above all, guarantee the health of all workers across our supply chain.

We are very pleased that we have found a collective way to work through the crisis in the spirit of solidarity and flexibility with our partners.

We are aware that we, as a company, are primarily responsible for ensuring that fair working conditions are implemented across our supply chain. Every employee in our supply chain should be treated with respect, dignity and receive a fair wage regardless of origin, gender or sexual orientation. Step by step, we are working to implement these goals in order to contribute to a sustainable and conscious society through our products and business.

We are constantly improving as a company and are happy to present you with this transparent and detailed Social Report providing you insight into our work throughout 2021.

Stay human, Stay different

Daniel Luger & Walter Molt

# OUR WAY THROUGH THE CRISIS

## COVID-19 STATEMENT

The global Covid 19 pandemic continues to keep the entire world alert and on edge. Over the past two years, cohesion, solidarity and solution-oriented actions have been our top priorities. We are very grateful to have our long-term partners and a strong Fair Wear Foundation (FWF) on our side. By adapting internal processes and immediately implementing support measures together with our manufacturers, we have found a way through this crisis. In order to guarantee stable orders and on-time deliveries for our suppliers, trusting business relationships are just as important as a functioning sustainable action designed supply chain.

Nevertheless, we also had to postpone planned projects due to Covid, as our primary focus has been on the safety of all our employees. It is important to us to protect and support all individuals in our supply chain the best possible way. We are in constant communication with our factories and made sure that our suppliers implemented and maintained a solid hygiene concept, that they received their orders earlier and that wages were paid properly and on time. In these challenging times, it was especially important for us to interact with each other in a climate of understanding. From the very beginning, fair cost-covering prices were agreed with the factories and longer delivery windows were accepted.

Thanks to our membership in the FWF, we had the opportunity to receive further training regarding the current situation and human rights conditions in the countries where we produce. The support of the FWF country teams also enabled us to fulfill our due diligence obligations even in times of travel restrictions. Acting responsibly and respecting human rights along our supply chain has always been a top priority for us!

The pandemic has shown us that the global challenges of the textile & garment industry can only be solved together. Therefore, it is important that all companies become aware of their responsibility and stand up for fair working conditions, equal rights and sustainable change of the industry!



# WE PROUDLY PRESENT... OUR ACHIEVEMENTS 2021

## LEADER STATUS

Each year, the Fair Wear Foundation (FWF) reviews our commitment and the work we have undertaken on the basis of 45 specific indicators. This review is known as the Brand Performance Check and focuses on our progress and efforts regarding the implementation of social standards along our supply chain over the past business year.

As a result of the Brand Performance Check, our work towards fair working conditions was rewarded with FWF "leader status" for the 4th year in succession.

95% of our production sites are „under monitoring“ according to the FWF definition. In a "high-risk country" like China, this signifies that compliance with the "Code of Labour Practices" (CoLP) has been verified by means of a factory audit.

We are very pleased that we were able to increase our benchmark score to 81 points. This means we have reached 81% of the points required in the annual Brand Performance Check.

If you would like to find out what we did to achieve the „leader status“, or if you would like to take a detailed look at our FWF assessment, please look here:

[IRIEDAILY Brand Performance Check 2021](#)



# LOWERING OUR ENVIRONMENTAL IMPACT

## TRANSITION TO SUSTAINABLE MATERIALS

We are committed to improving social standards in our factories. However, this is of little use if we ignore our environment. For several years, we have ensured that the majority of our products do not contain animal ingredients and that they are eligible to be labeled vegan. That is why we have been „Peta-approved“ vegan since 2020. The switch to recycled or organically grown materials is in full swing. From 2021, the use of conventional materials will be more of an exception than the rule.

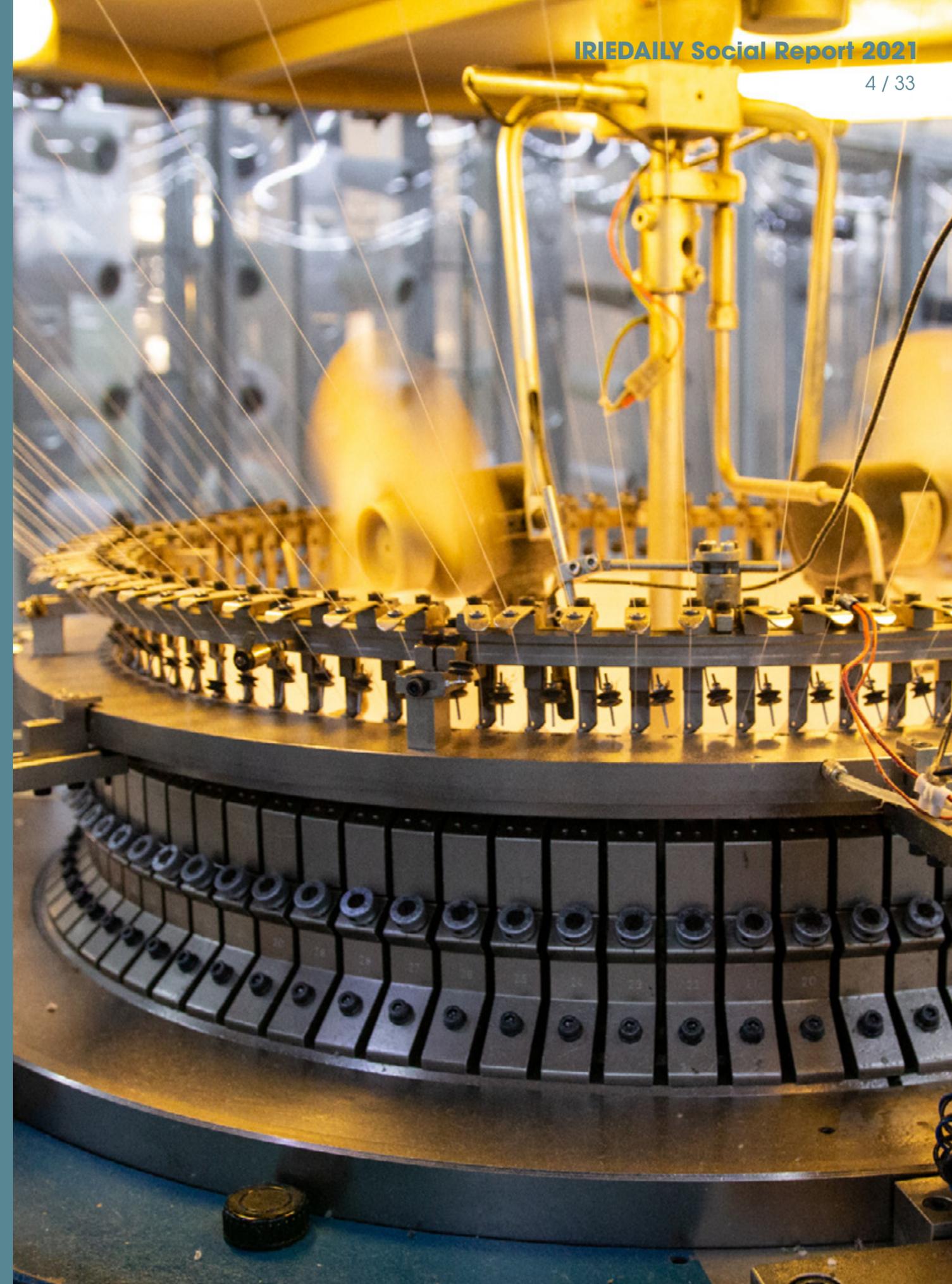
However, this conversion also brought some difficulties last year, as the global demand for organic cotton is steadily increasing. Added to this are supply shortages and our commitment to not allow forced labor in our supply chain. To ensure this, we categorically exclude the purchase of organic cotton from China.

These factors had a major impact on our suppliers: Adjusted sourcing times, as well as increased energy prices resulted in changes to our price calculations. Thanks to the work we had already done in previous years, we succeeded in switching 71% of the Spring/Summer 21 and 77% of the Fall/Winter 21 collection to sustainable or recycled materials. In 2022, we expect this number to 86%. In order to further raise this value in the future, we will increasingly use materials from sustainable production, such as viscose, Lyocell/Tencel (from Lenzing) or organic hemp in the coming collections.

Another advantage of our conversion is that recycled and sustainable materials result in enormous water and CO<sub>2</sub> savings in manufacturing. For example, growing organic cotton saves up to 91% of water and has up to 62% less energy consumption compared to conventional cotton.<sup>1</sup>

We are also proud to announce that all of our items in the 2021 collections are packed with polybags made of recycled polyester.

<sup>1</sup> [Textile-Exchange Quick-Guide-To-Organic-Cotton 2017.pdf \(textileexchange.org\)](https://www.textileexchange.org/Textile-Exchange-Quick-Guide-To-Organic-Cotton-2017.pdf)



# FAIR PAYMENTS - THE MINIMUM IS NOT ENOUGH

## PROGRESS TOWARDS LIVING WAGES

Living wages are a MUST if we want to achieve sustainable change in the garment industry. The payment of fair wages is one of our main topics, which we will continue to address with the highest priority in the future.

We can assure you that all the workers who produce the Iriedaily items earn the statutory minimum wage, based on the laws in force in the country of production.

Thanks to our long-lasting and trustful partnership with our supplier LuckyTop, we are currently able to pay a living wage for 50% of our production in China. However, the corporate structures of each of our suppliers are different, there is no common practice that can be applied to them all. To change this, the Fair Wear Foundation has developed a tool that enables suppliers to calculate a unit

price per item that already includes the costs for living wages by entering all values to be calculated. This so-called „fairprice app“ was officially introduced at the end of 2021 and can be used free of charge by all interested parties. Our main supplier is involved in testing the beta version and a further test phase with another brand is currently underway. If the app proves to be efficient, we are planning to introduce it to other suppliers.

We realize the fair payment of our workers through a special payment at the end of each production phase. By working transparently with this supplier, it is possible to determine exactly what the real wage of each worker for every production phase is, based on the wage slips and attendance lists. We then calculate the difference between this value and our living wage benchmark, which was

defined in consultation with the workers. We have chosen to base our definition of a living wage on the internationally recognized Asia Floor Wage. There are various living wage benchmarks for different regions in China, which are based on factors such as the cost of living and a food basket. With our value of 4547RMB (approx. 660€ - March 2022), we are about 17,5% higher than the comparable standard from „Global Living Wage Coalition“, which is 3875RMB (approx. 562€ - March 2022) for this region.

# CHECK THIS OUT

## EXPANSION OF OUR RESPONSIBILITY WEBSITE

Transparency is a very important topic for us! Not only with our suppliers do we want to be open and honest. Our customers should also have the opportunity to know how we work.

At the end of 2021, we published videos from our Portuguese factories to provide insights into the manufacturing process of our supply chain. Next to each item on our online shop, we publish the name and address of the factory where the article was produced. We are currently updating this section and plan to include photos and a more detailed description of each production site.

Since 2018, the menu item „Responsibility“ on our website has been continuously updated with a lot of new information.

Here, everyone can find interesting information about our history, our corporate responsibility, the Fair Wear Foundation, but also about the production and textile chain of our products.

You can view and download all our social and Brand Performance Check reports from previous years on our website. Links to our CSR (Corporate Social Responsibility) blog posts and fundraising engagement can be found here, as well as information about the sustainable and recycled materials we use in our products.

<https://www.riedaily.de/responsibility>





# ALWAYS UP TO DATE

## CSR TRAINING

It is important to us that all our employees and representatives are familiar with the topic of sustainability and our CSR strategy. Therefore, our CSR manager gave a live video presentation to all employees in the office, in the stores and in the field service. In doing so, he educated about Corporate Social Responsibility and his field of activity. The aim was to create a greater understanding of the Fair Wear Foundation, multi-stakeholder initiatives, the FWF Code of Labour Practices, living wages, the Brand Performance Check and the resulting leader status.

We can only successfully accomplish this new chapter in the company's history, if everyone has the same goal in mind.

In order to meet new challenges, our CSR team has undergone external training. Even in times of crisis, when travel restrictions make it difficult to visit factories, it is important that human rights and the safety of our workers remain guaranteed. Therefore, it was important for us to attend every training session and to expand our knowledge on how to behave responsibly in this pandemic. The content of these Fair Wear Foundation and OECD (Organization for Economic Co-operation and Development) workshops was, among other things, how we continued to fulfill our due diligence for example.



# GOALS - A LOOK INTO THE FUTURE

## TRAINING IN PORTUGAL

Portugal is considered a “low-risk country” by the FWF because, as part of the EU, it implements European labor rights and thus the risk of non-compliance with the Code of Labor Practices (CoLP) is lower. The Fair Wear Foundation is not active in most “low-risk countries”, which means that we cannot book official training courses through the FWF at the production sites there.

We want to change this situation and find possibilities to further educate our workers and provide training. Together with our agency in Portugal, we gathered information about potential training service providers. However, we quickly realized that there was no partner that met our requirements. In 2019, we started developing and designing our own training concept for Portugal. However, due to the Covid situation this concept was not a top priority. To change this, we laid the foundation during our 2021 visit for upcoming training, so that the program could be implemented in 2022.



# BRINGING SOME LIGHT INTO THE DARKNESS



## DEEPER MONITORING OF OUR SUPPLY CHAIN

For the coming years, we have set ourselves the task of recording every single station in our supply chain. The goal is to know exactly which different suppliers are part of our textile chain, from raw material extraction to fabric sourcing. In the previous two years, we have started to collect and evaluate all textile-related information we receive from our producers every season. Based on these fabric certificates, it was possible to monitor our recycled and sustainable fabrics. All these textiles are certified by an independent inspection body (Control Union), which confirms that, for example, a certain proportion of recycled yarns is included, or that the cotton comes from organic cultivation.

With the certificates of these control institutions, we can determine who the last processors of the fabrics were and trace back the textile chain. In most cases, however, our producers have their own partners where they spin or weave our special fabric requests. In this case, we can start with the spinning mills of our suppliers to determine the origin of the raw material.

In 2021, we were able to visit some of our suppliers in Portugal. For the current and upcoming year, we hope that travel restrictions will be loosened and we will be able to visit more manufacturers across our supply chain. We collect all information and findings in a factory overview and enter them into our database.

# LET'S GET CERTIFIED

## OBTAINING AN ECOLOGICAL SEAL

At the moment, we are striving for an ecological certification of our products. Although we can assure you that all of our new sustainable and recycled materials have been demonstrably and independently tested, by for example the certifier Control Union, an ecological seal requires a more in-depth examination of our company and our producers. For the coming year, we are planning to have selected article groups certified. In the future, we want to steadily expand our seal-tested product portfolio.

We have already achieved success with some of our suppliers in Portugal and China. Our top production sites are already GOTS certified. For our Iriedaily Brand we are planning a certification process in 2022.

# FOR A BETTER FUTURE

## ADVANCING OUR SUSTAINABILITY STRATEGY

The three pillars of sustainability, ecology, economy and social responsibility are the cornerstones of our actions. Through our Fair Wear membership and leader status, we fulfill many aspects of the social and economic pillars. We are committed to fair and just conditions, sustainable management and transparency along our supply chain.

Thanks to the switch to sustainable and recycled materials and the expansion of our sustainability ambitions, we also fulfill the third ecological pillar.

However, we do not want to rest on our achievements! We have a responsibility and want to set a good example for other global brands! That is why we will continue to inform you transparently about our production sites, the conditions on site and our work. We are convinced that we can all make a difference by acting responsibly. With the help of a responsible business policy, we will firmly anchor this conviction in our company philosophy, in the upcoming year. We will also include detailed risk analyses in which we will evaluate our actions, our suppliers and our impact in order to consciously minimize risks and continue to guarantee fair, sustainable working conditions.



## 1.1. PURCHASING CRITERIA AND PRICE STRATEGY

We have pursued the same strategy in the procurement of our products for over 20 years now.

We can only achieve continuous quality and stable delivery times if we maintain a collaborative relationship with our suppliers. Therefore, mutual trust and a reliable planning process have always been the key to success when it comes to manufacturing high-quality products fairly.

For our producers this means that they must invest extensive time and effort in having their operations verified, regarding the implementation of fair working conditions and ecological criteria for our production. Understandably, our partners are only prepared to do this if they can rely on us in the long term. Therefore, in addition to the assurance of orders, the punctual payment of our suppliers is a matter of course for us.

The production of our designs is split between two countries according to the product group. Items such as jackets, trousers, shirts, shorts, accessories and knitwear are produced by three suppliers in China. T-shirts, tops, dresses, sweatshirts and hoodies are made in Portugal by five different suppliers.

The FWF classifies Portugal as a “low-risk country”, as there are clear legal requirements regarding workers’ rights and functioning trade unions exist there. Thanks to having worked with our textile agency M.C.L., which represents our interests locally, for over 20 years, all producers are well informed about the FWF guidelines.

Maintaining long-term partnerships with our suppliers also lead to stable price

levels. The producers know our quality requirements, our order volume and the anticipated breakdown of sizes. This helps them like us in pricing calculations. Based on the approximate comparative figures of previous years, we can estimate fairly accurately how expensive a product is likely to be.

Last year this workflow was disrupted. The blockade in the Suez Canal and rising petrol and raw material prices, especially for organic cotton, increased the costs for our suppliers. Normally, our prices are fixed once we have reached an agreement with a producer. This means that our suppliers have a price guarantee, regardless of the number of pieces they produce, and they can be sure that we will not subsequently negotiate prices that would lead to a reduction in costs. This year, however, our producers had to increase their prices retrospectively because they could not cover their costs due to the changed circumstances. It was important for us, as a reliable partner, to accept as far as possible all the increased prices of our producers, as far as possible, even if this meant a significant reduction of our margin.

In order to ensure fair prices and living wages in our factories for the future, we are working step by step on an open-costing system with our partners, starting with a transparent cost calculation. However, due to the business secrets of many suppliers, such a disclosure of their price structure is difficult. Therefore, we have been comparing wages of our workers for years in order to draw first conclusions. We are continuously working on creating more transparency with our direct business partners and intermediaries.

# 1. PURCHASING CRITERIA



## 1.2. SOURCING DEPARTMENT STRUCTURE

Our “Head of Design” is responsible for the planning and the size of our collection. While the collection is being developed, he roughly determines what styles are to be produced by which suppliers. He prepares his development proposal in close cooperation with our CEO, who is responsible for the procurement of goods. Our CSR manager is also involved in the final planning of the collection development. Together they discuss in which factories our different styles should be developed and later produced. In addition to taking into account our internal rating of factories, the progress made in implementing fair working conditions is also given due consideration.

### 1.3. PRODUCTION CYCLE

Iriedaily launches two collections per year, Spring/Summer and Fall/Winter, which make up 45% and 55% of the production volume.

Many suppliers face the problem that the standard cycles in the fashion industry are the same for most fashion brands. This means that they must complete a large part of their production in a relatively short time frame. We are well aware of this conflict, yet we must also comply with the demands of the market. We seek individual solutions in this respect by means of intensive discussions with the management of our main suppliers.

One measure resulting from these talks was to bring forward the delivery of our pre-orders by two weeks. Especially smaller producers have shown that they have difficulties in delivering larger orders on one to three dates. In these cases, we have switched over to accepting weekly deliveries. This helps the suppliers with financing and stretches out the production phase for them.

### 1.4. SUPPLIER RELATIONS

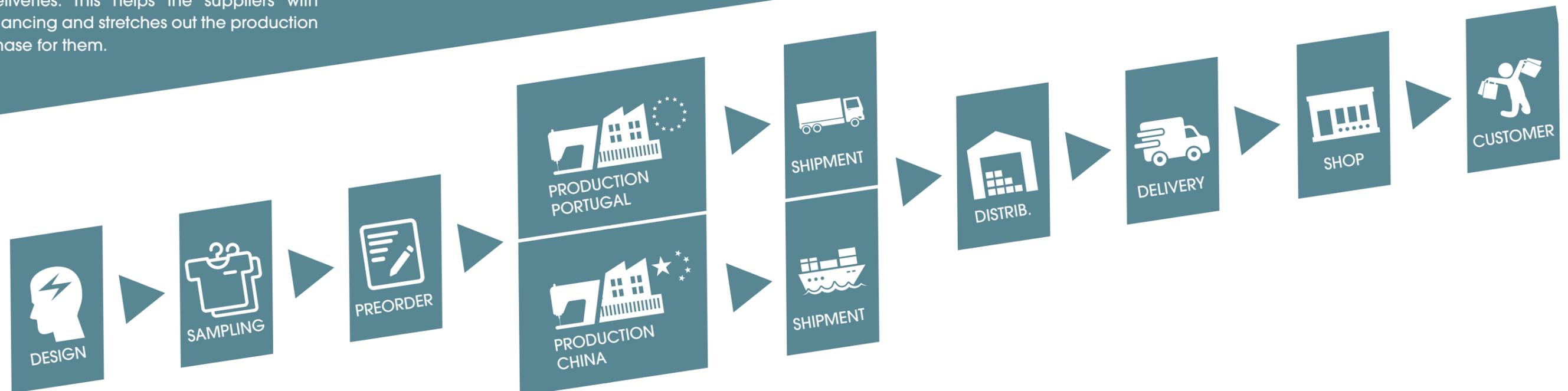
Especially in times of a global pandemic, it is more important than ever to be able to depend on your partners. We are very grateful that we have been working with our key business partners for more than 10 years and with the majority of our suppliers for more than five years. These trusting business relationships are the cornerstones of our success and have enabled us to constructively manage new challenges.

We saw the need to give our producers the security to write stable orders despite the difficult situation and to support them financially if necessary. For example, due to the constantly rising prices of raw materials, we bought materials for our suppliers at an early stage in order to give them price stability in their production.

We consider ourselves as partners to our suppliers and also feel to have a common sense of responsibility for them and their workers. That is why it is important for us that they too feel that they can rely on us as their business partner.

In the fashion industry it is particularly easy to obtain better prices for one or two seasons by changing suppliers in rapid succession. We have always rejected this practice as it not only results in fluctuating quality levels, it also leads to a mistrustful relationship with suppliers. The foundation of a successful, long-term business relationship is trust!

Only in these longer relationships does it become possible to establish and maintain close contact with our suppliers. When developing a collection with our designers or negotiating delivery periods and capacities, it is important to take into account the individual situation of the supplier and to understand any problems in order to be able to solve those fairly and successfully.



## Portugal

Ever since the Iriedaily brand was founded, we have been producing in Portugal. For the first ten years our complete collections were produced exclusively there, meanwhile about 45% of our production volume is manufactured there.

Due to the financial crisis, Portugal suffered a period of stagnation in wage levels lasting several years. Fortunately, however, in recent years there has been a continuous increase in the minimum wage. Even if this leads to a corresponding increase in our article prices as a logical consequence, we welcome this development.

There were two changes in our supply chain in Portugal last year. The subcontractors of two of our suppliers who were responsible for the sewing process left. This also meant that we were able to cut our so-called „tail-

end“, meaning suppliers that contribute less than 2% of our production volume. As our influence and the understanding of these factories for the need of improvement is limited, this is an important step towards an even more sustainable supply chain. We are very pleased that our producer Felmac now handles this process step itself.

Due to the size and limited production capabilities of our second supplier MAP Texports, it is increasingly difficult for this producer to find subcontractors as well as suppliers who accept such small quantities. As a result, the management of this factory had to find a new partner to take over the sewing process for MAP. The weak order situation of this producer means that our goods are not prioritized by their business partners and as a result, their deliveries are usually delayed.

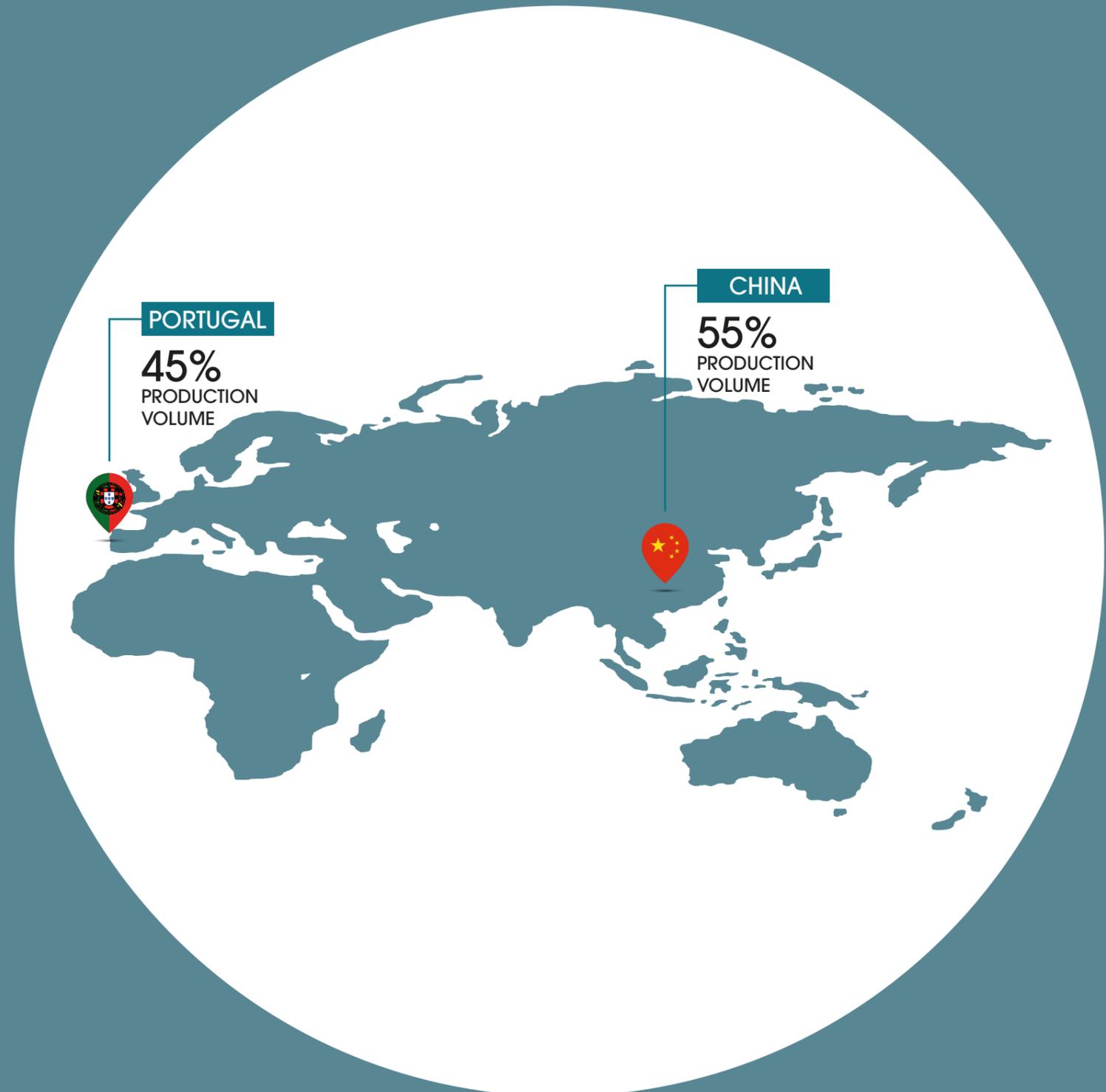
## China

China is currently our strongest production country. Last year, 55 % of our products were sourced from there. The country has developed at an incredible pace over the last ten years, but it has also undergone major changes. As a result, the standard of living has risen in recent years, especially in the urban centers. This has led to an increase in the cost of living. While wages have also increased, a discrepancy still remains between the statutory minimum wage and a living income. Although our producers often pay more than the minimum wage, improving the level of wages is one of our most important tasks there.

During discussions with our suppliers, we

have learned that they have difficulties in finding new, motivated employees. Due to China’s “one-child policy”, which was in place for many years, there is now a shortage of young workers. We noticed this repeatedly during our factory visits, as we mostly encountered older workers. We have also learned that it is becoming progressively less attractive for young people to work in the textile industry. This is why it is even more important to create incentives, such as the payment of living wages.

Our supply chain in China is stable. Last year, there was a factory relocation to a new site there due to the expansion of our accessories manufacturer.





## 1.5. INTEGRATION OF SOCIAL STANDARDS

Through the regular training of our suppliers, intensive consultation with partners, internal trainings and Fair Wear audits of our factories, we are able to monitor and constantly improve the working conditions in our production facilities.

Thanks to permanent contact with our agencies and regular factory audits, deficits in compliance with the Fair Wear Code of Labour Practices can be identified at an early stage. Good working conditions are our top priority. Therefore, we categorically

will not cooperate with suppliers who are not willing to work with us to drive forward a continuous improvement process. Since we rely on long-term partners, it is rare that new factories are added to our supply chain. However, if this does occur, we make sure that the supplier is informed about our Fair Wear Standards in advance and that there are no violations of human rights. After each factory audit or training, the findings are openly communicated with our supplier. As a result, we invest a lot of time to implement corrective measures within

a strictly regulated time frame. However, we demand immediate action from our partner if violations of occupational health and safety are found. In order to implement deeper structural changes at management level, clear action plans are defined that are linked to conditions. Only if a supplier shows understanding and guarantees to implement improvements, we see them as a reliable long-term partner.

To enable a company-wide overview of our suppliers, we maintain an internal factory rating tool that records and evaluates all positive/negative findings, audits, progress, but also soft factors such as communication & transparency efforts. We share this rating with our suppliers once a year, giving them the opportunity to improve their performance.

# 2. COHERENT SYSTEM FOR MONITORING AND REMEDIATION

As an FWF brand and ecologically conscious company, we have control of our due-diligence. In order to fulfill this obligation in accordance with the applicable FWF requirements, we audit our production sites in regular intervals. These audits are carried out by an independent FWF audit team operating at local level and show us the specific strengths and weaknesses of a supplier in its current state.

The resulting audit report contains suggestions for improvement and is shared with our producers immediately upon receipt. The next step is to prioritize the remedial actions to be taken according to urgency. In order to be able to accurately assess any risks found for the workers we include country studies. The corrective actions that are taken in cooperation with the factory, are intended to improve any issues found. During factory visits and in constant exchange with our local agents, we check on the progress and successes achieved.



## 2.1. PRODUCTION FACILITIES PORTUGAL

For over 25 years we have been producing our textiles in Portugal, therefore we have a long and close relationship with our main manufacturers.

Our supplier structure in Portugal mainly consists of small, family-run businesses. They have existed for 20-30 years and are specialized in handling smaller orders. The workers are mostly locals from the surrounding area. The Portuguese laws on work safety are observed in all operations and payment of the minimum wage is guaranteed. As usual in Portugal, the wage is paid 14 times a year to the workers.

We have been together with a textile agency that represents our interests locally, for more than 25 years.

As our demands in the context of our FWF membership have become increasingly labor-intensive, we now have an employee at the agency who is increasingly involved in monitoring all FWF processes.

Especially in the last two years, she was a great help to us, as visiting our factories was only possible in October 2021 due to the pandemic. Most of our producers work in small workshops and to minimize the risk of infection, only workers and our agent had access. Of course, we regularly informed ourselves about the conditions and challenges of our partners and provided assistance where possible.

During the several pandemic waves, single employees of our factories occasionally were isolated. The resulting delivery delays were openly communicated so that we could adjust our planning at an early stage.



## 2.1. PRODUCTION FACILITIES PORTUGAL

### SOCISILVAS CONFECÇÕES- IMPORTAÇÃO E EXPORTAÇÃO, LDA



Rua D. Antonio Castro Meireles 313, 4425-637 Maia

Product group: Knitwear - Organic Cotton  
Process: Cut Make Trim - CMT

FWF monitored: yes - country with low risk of human & labour rights violations

Supplier since: 2008  
Last visit: 2021  
Nr. of workers: 9  
Gender split: (F) 8 - (M) 1  
Leverage: 100 %

Subcontractors:

- Desejo Original, Confecao Unipessoal, Lda / Sewing
- Estamparia Jorsan Lda / Printing
- Novoli / Printing
- Bordados Joaquim Oliveira & Oliveira Lda / Embroidering

This producer has been supplying us for 25 years. It is a small, very well organised company that specialises in simple T-shirts or sweatshirt products. In 2021 we interviewed the factory owners about their production site, as well as our partnership and filmed the factory. The video can be found on our [website](#) and on [YouTube](#).

### EUROSÁS CONFECÇÕES, LDA.



Rua Penedo Redondo 93, 4755249 Góios Barcelos - Braga Region

Product group: Knitwear - Organic Cotton  
Process: Cut Make Trim - CMT

FWF monitored: yes - country with low risk of human & labour rights violations

Supplier since: 2011  
Last visit: 2021  
Nr. of workers: 24  
Gender split: (F) 20 - (M) 4  
Leverage: 50 %

Subcontractors:

- Lopama Confecções, Lda / Sewing
- Novoli / Printing
- Estamparia Rodrigues & Abreu, Lda / Printing
- Cor Suspensa - Estampagem Lda / Printing
- Pereira & Filhos - Borbados, Lda / Embroidering

We have been working with this supplier since 2000 - but after a merger with another supplier, it has been operating under a new name since 2011. The factory is a small, family-run business. In 2021 we interviewed the factory owners about manufacturing in Portugal and filmed the factory. The video can be found on our [website](#) and on [YouTube](#).

### MAP TEXPORTS, LDA.



Rua Industrial Do Corujo 10A, 4750-538 Lijo Barcelos

Product group: Knitwear - Organic Cotton  
Process: Cut Make Trim - CMT

FWF monitored: yes - country with low risk of human & labour rights violations

Supplier since: 2013  
Last visit: 2021  
Nr. of workers: 6  
Gender split: (F) 5 - (M) 1  
Leverage: 60 %

Subcontractors:

- Linhas & Remates Lda / Sewing
- Cor Suspensa - Estampagem Lda / Printing
- Bordados Joaquim Oliveira & Oliveira Lda / Embroidering

As with our other partners, we particularly appreciate the warm and family-like atmosphere between the workers and owners here. Due to decreasing orders, the factory is finding it increasingly difficult to get adequate production slots, which leads to a huge delay in our deliveries. In 2021 we interviewed the factory owner and filmed the factory. The video can be found on our [website](#) and on [YouTube](#).

### FELMAC, MALHAS E CONFECÇÕES LDA.



Rua das Cardosas, 614, Zona Industrial de Amorim, 4495-125 Póvoa do Varzim

Product group: Knitwear - Organic Cotton  
Process: Cut Make Trim - CMT

FWF monitored: yes - country with low risk of human & labour rights violations

Supplier since: 2017  
Last visit: 2021  
Nr. of workers: 42  
Gender split: (F) 36 - (M) 6  
Leverage: 15 %

Subcontractors:

- Lurdes Barros Confecoes Unipessoal , Lda / Sewing
- Tigerbor / Embroidering (New - Since the previous factory has decided to shut down business. Tigerbor is GOTS certified)

The contact to this supplier was established by an employee of an insolvent producer. She told us that some of the customer advisors, tailoring experts and sewers affected by the insolvency have founded a new company. We find these initiatives worthy to support, as Iriedaily was also born out of the „do-it-yourself“ spirit. In 2021 we interviewed the factory owner about her journey and filmed the factory. The video can be found on our [website](#) and on [YouTube](#).

## 2.1. PRODUCTION FACILITIES PORTUGAL

### GOMES & FERNANDES BARBOSA, C.I.T., LDA, TROFA



Lantemil- S.Tiago de Bougado, Apartado 235, 4786-909 Trofa

Product group: Socks  
Process: Cut Make Trim - CMT

FWF monitored: yes - country with low risk of human & labour rights violations

Supplier since: 2017  
Last visit: 2019 - due to Covid-19  
Nr. of workers: 51

Gender split: (F) 26 - (M) 25  
Leverage: 0,65 %

Subcontractors:  
- none

Gomes & Fernandes Barbosa is specialised in the production of socks and has been part of our supply chain since 2017. With about 50 employees, the factory is relatively large compared to our other suppliers in Portugal, considering that the production of socks has an almost fully automated manufacturing process.

### CONCEIÇÃO PEREIRA & CARVALHO, LDA



Rua da Boavista, nº 145, 4765-036 Bairro

Product group: Knitwear - Organic Cotton  
Process: Cut Make Trim - CMT

FWF monitored: yes - country with low risk of human & labour rights violations

Supplier since: 2018  
Last visit: 2021

Nr. of workers: 50  
Gender split: (F) 44 - (M) 6  
Leverage: 11 %

Subcontractors:  
- Rodrigues & Jorge Oliveira Lda / Printing  
- Motivos & Relevo Unipessoal Lda / Embroidering (New - as cooperation with previous partner was terminated due to lack of transparency)

CPC is a relatively new producer for us. In 2018, we started to develop the first products with this supplier. The producer has decided to handle the sewing process, which in Portugal is mainly done by a subcontractor, in the factory itself. This can lead to delivery delays in individual cases, depending on their order volume. 2021 interviewed the factory owner and filmed the factory. The video can be found on our [website](#) and on [YouTube](#).

## 2.2. PRODUCTION FACILITIES CHINA

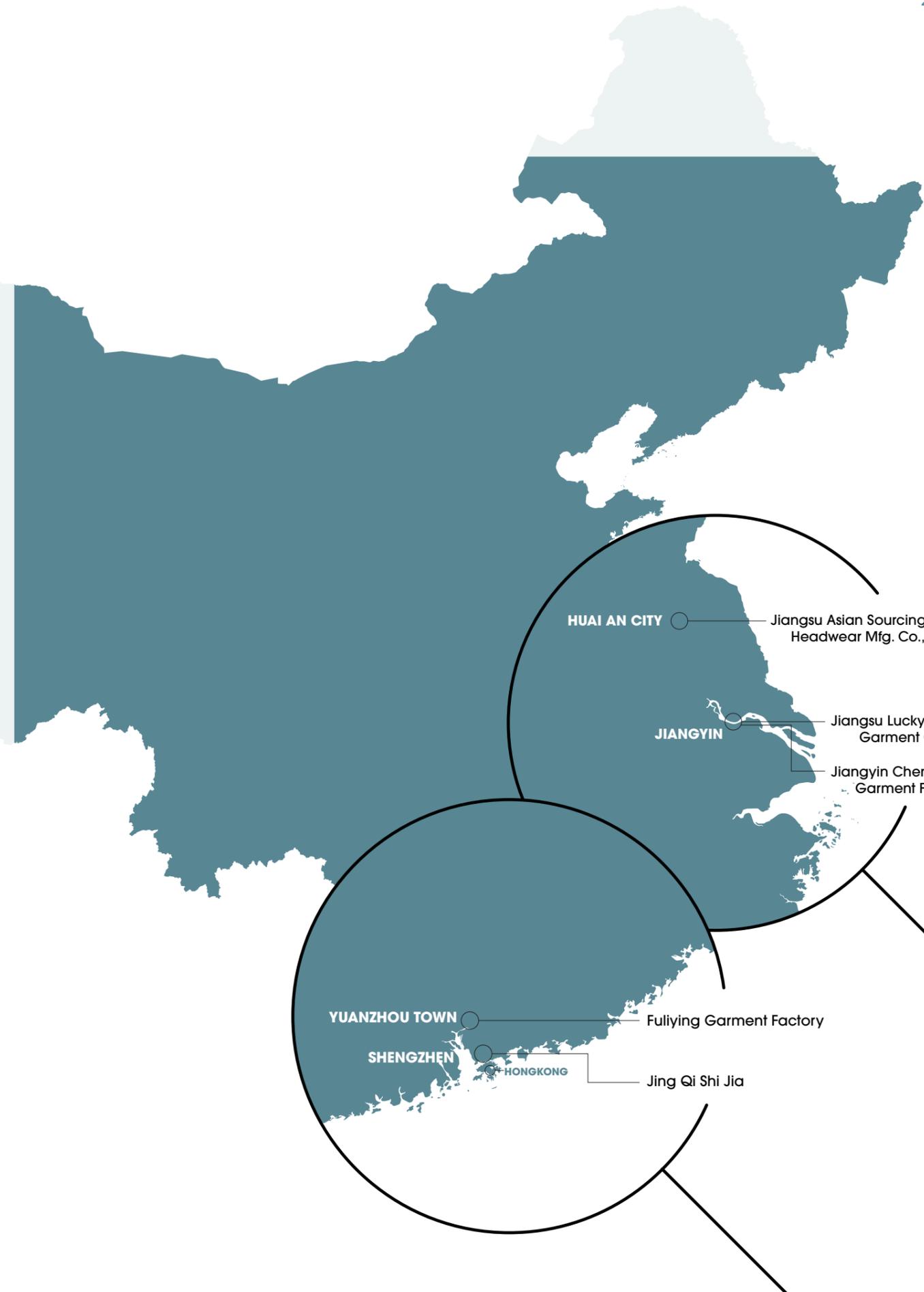
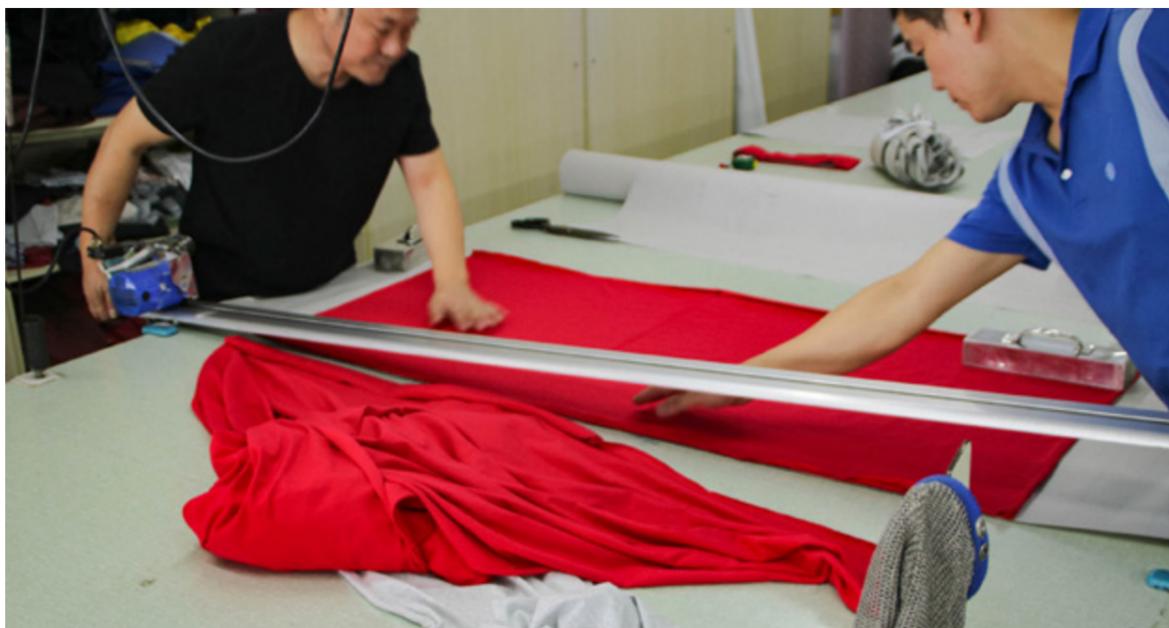
More than ten years ago, we relocated a part of our production to China. For us, this represented a major step which involved growth and also entailed a great deal of responsibility.

While China remains a difficult country in political matters, we are witnessing rapid change and growth – also in areas including social issues, environmental concerns and associated regulations. We maintain long-term and trusting business relationships with our suppliers. We are very much aware that we have to play our part if we want to make a difference in the fashion industry, which is why we are constantly working to improve the local working conditions on site.

The outbreak of the Covid pandemic has had a major impact on the workflow with our Chinese partners for the past two years.

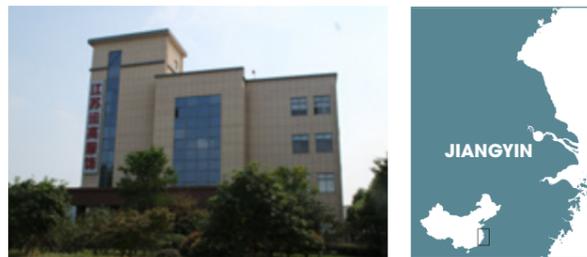
In view of the entry restrictions, it was not possible for us to organize factory visits. As a result, any information had to be obtained from our partners and agents. Of course, travel restrictions make it difficult to monitor our fair and humane factory requirements. Therefore, it was important for us to send independent auditors and trainers to the production sites to know about the conditions on site.

Together with our suppliers, we have been able to handle the challenges so far. We are happy that our partners have stable orders again and that the excessive utilization of production capacity has leveled off again after the lockdowns in neighboring countries came to an end.



## 2.2. PRODUCTION FACILITIES CHINA

### JIANGSU LUCKYTOP GARMENT CO.,LTD



No 98 Beiguo Xingyuan Road Gushan Twon Jiangyin - 214414 - Jiangyin Area

Product group: Woven, knitwear, fleece - recycled yarns & organic cotton  
 Process: Cut Make Trim - CMT

FWF monitored: last audit 2021  
 last training 2020  
 Supplier since: 2008  
 Last visit: 2019 - due to Covid-19  
 Nr. of workers: 52  
 Gender split: (F) 22 - (M) 30  
 Leverage: 32 %

Subcontractors:  
 - Jingyin Changjing Jinbo Garment Processing Co / Printing  
 - Huitai Washing Company / Washing

Main factory of our supplier LuckyTop, where about 50% of our production is made in China. We produce together with another FWF member, whereby we have the lead in communication. In addition to FWF audits, the factory was also inspected by BSCI and GOTS. During the Corona pandemic, there was partly an excessive amount of overtime due to lockdowns in other countries, but this has now stabilised again.

### JIANGYIN CHENGFENG GARMENT FACTORY



181-2, Ludong Avenue, Huashi Town Jiangyin Area

Product group: Woven, knitwear, fleece - recycled yarns & organic cotton  
 Process: Cut Make Trim - CMT

FWF monitored: last audit 2020  
 last training 2021  
 Supplier since: 2018  
 Last visit: 2019 - due to Covid-19  
 Nr. of workers: 64  
 Gender split: (F) 56 - (M) 8  
 Leverage: 20 %

Subcontractors:  
 - Huitai Washing Company / Washing

Chengfeng is a partner factory of Lucky Top, which covers the complete cut-make-trim process. We produce together with another FWF member who has the lead for the factory. The factory has a democratically elected workers' representation and employs mainly older local workers who would otherwise have problems finding a job. Since the last audit, the factory has improved in many ways.

### JING QI SHI JIA



Blgd C, Pinglong West Road, Pinghu Town, Longgang D, 518111, Shengzhen - Guangdong Area

Product group: Bags, Wallets, Accessories - Kork  
 Process: Cut Make Trim - CMT

FWF monitored: last audit 2020  
 last training 2019  
 Supplier since: 2016  
 Last visit: 2019 - due to Covid-19  
 Nr. of workers: 10  
 Gender split: (F) 8 - (M) 2  
 Leverage: 14 %

Subcontractors:  
 Jing Qi Shi Jia is a partner factory of LuckyTop, covering the complete cut-make-trim range for accessories. No other subcontractors.

We produce together with another FWF member in this factory, whereby we have the lead regarding FWF topics. The supplier is specialised in the production of bags, purses, belts and other accessories. As the factory was operating at full capacity, there was a change of location to ensure the possibility of expanding the business. After initial difficulties in recording working hours correctly, a digital fingerprint time recording system was installed. After training, we can now guarantee an accurate timekeeping for all workers.

### JIANGSU ASIAN SOURCING HEADWEAR MFG.CO.,LTD



No.2 Guangzhou South RD, 223005 Huai An City, Jiangsu Area

Product group: Caps, Hats - recycled yarns & organic cotton  
 Process: Cut Make Trim - CMT

FWF monitored: Verification audit 2019  
 Verification audit 2020  
 Supplier since: 2009  
 Last visit: 2019 - due to Covid-19  
 Nr. of workers: 1102  
 Gender split: (F) 983 - (M) 119  
 Leverage: <1 %

Subcontractors:  
 - Huaian Yuan Tong Headwear MFG CO.LTD. / Printing + Embroidering

The supplier specialises in the production of caps. We produce here together with other FWF members from the outdoor sector. For the last two years we had the „lead“ for this factory but handed it over in the beginning of 2021. This means that another brand took care of the communication and implementation of the FWF requirements on behalf of everyone. Two complaints were reported in the factory in 2021, but could be closed quickly.

## 2.2. PRODUCTION FACILITIES CHINA

### FULIYING GARMENT FACTORY



WuFeng Road No.1, 3rd Floor, YuanZhou town, Bolou, 516123 HuiZhou City - GuangDong Area

Product group: Knitwear - recycled yarns & organic cotton

Process: Cut Make Trim - CMT

FWF monitored: last audit 2020  
last training 2019

Supplier since: 2011

Last visit: 2019 - due to Covid-19

Nr. of workers: 35

Gender split: (F) 23 - (M) 12

Leverage: 5 %

Subcontractors:

- Xingda Knitting Company / Knitting
- Yacai Print Factory / Printing
- LiFangDa Embroidering / Embroidering

We have been working with this supplier since 2011. Previously, the factory was called YongTai or Yingya. Due to the drop in orders during the pandemic, our supplier had difficulties. In order to remain in business, the factory was merged with a local partner and became FuLiYing Garment Factory. All employees as well as the management level could stay employed. Our supplier is also a shareholder, so we were able to agree to production there after consultation with FWF. After the merge, the factory was audited twice in the same year.

At some times, the factory has too high a capacity utilisation. We try to improve these circumstances by regularly exchanging information and adjusting our workflow. However, as we only account for 5 % of the production volume, we only have limited influence on this.

## 2.3. EXTERNAL PRODUCTION

We have no external production facilities.

# 3. COMPLAINTS MANAGEMENT

O manuseamento é efetuado por funcionários formação nos mesmos.

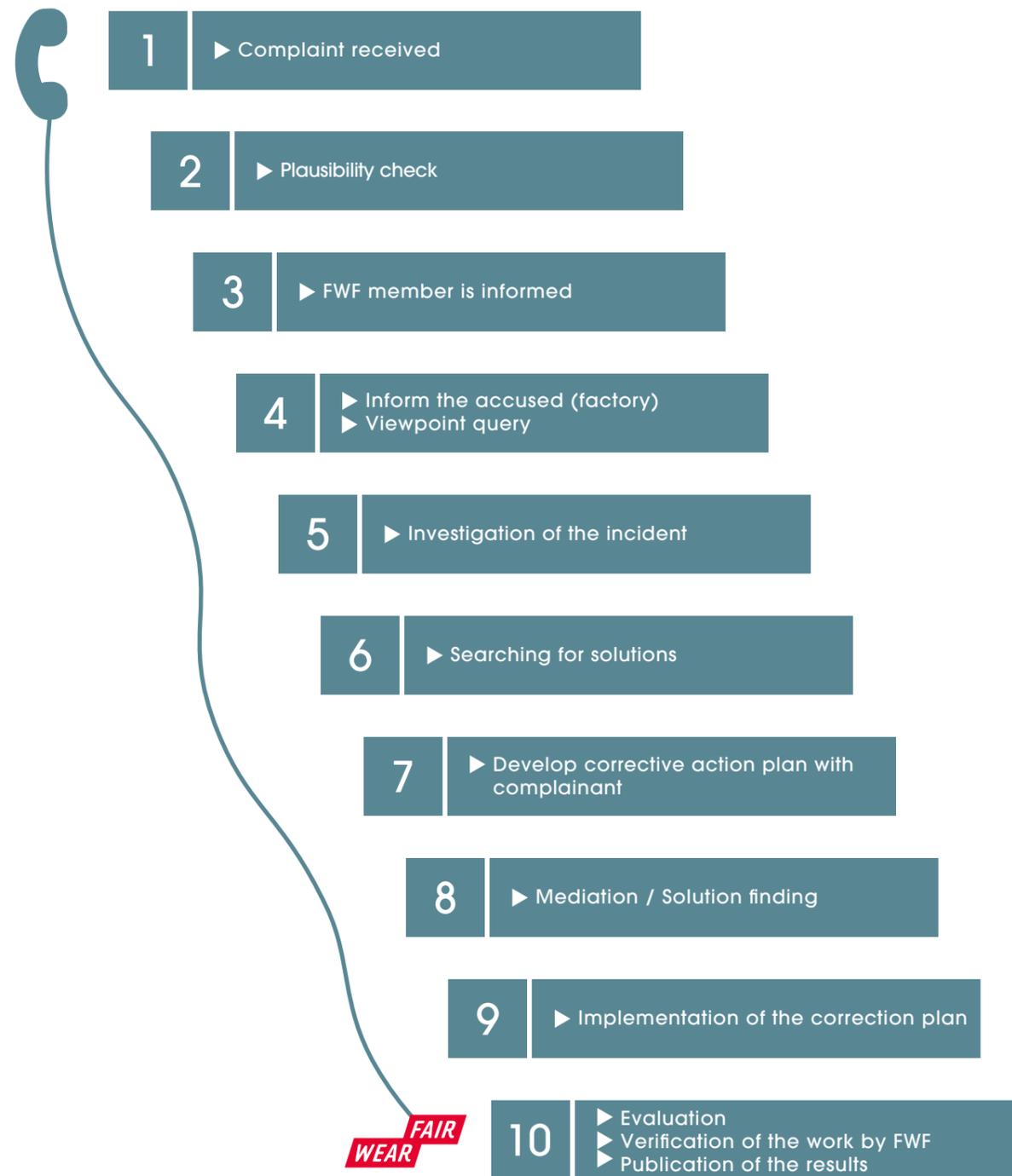
Formação e Autorização Interna  
Técnico: Joaquim Ferreira

**FAIR WEAR** Tem alguma **QUESTÃO** sobre o seu salário, horário de trabalho ou qualquer uma das questões abaixo?

 1 Emprego e escolhido	 2 Liberdade de associação e direito de negociação colectiva	 3 Não existência de discriminação no emprego	 4 Não existência de exploração de trabalho
 5 Pagamento de um salário mínimo	 6 Horário de trabalho adequado	 7 Condições de trabalho seguras e saudáveis	 8 Relação de trabalho legal

- Se desejar mais informações ou se sentir que não foi tratado de forma correcta:
- 1 Se possível, fale com o seu supervisor
  - 2 Fale com o seu representante se houver uma comunidade de funcionários
  - 3 Obtenha aconselhamento do sindicato ou de uma associação
- Se nenhuma destas opções funcionar, poderá contactar...

## Complaint Investigation and Resolution Protocol by Fair Wear



The FWF offers a complaint system, which includes a complaint hotline for all our production countries. Workers can call this hotline anonymously and talk to a local representative in their respective local language. This complaint hotline number is printed on the Worker Information Sheets that inform workers about their rights and every supplier is obliged to post it in a public area of the factory.

If a “Worker Education Program” (WEP) is held at a supplier, special attention is then also drawn to the complaint hotline and the workers are encouraged to make use of it, if required. As soon as a complaint is received via the hotline, the FWF forwards the complaint to the member. The FWF member brand is then obliged to contact the factory and clarify the situation. The most important thing is to check if the complaint could be a result of, for example, poor or too tight production planning from our side, or if it is something that is within the factory’s responsibility. Either way, we endeavor to solve the problems together with the factory management and will find out what has led to the complaint. Steps taken to resolve the complaint are reviewed and communicated transparently by FWF.

In 2021, we received two complaints that could be independently associated with one supplier. This is our cap manufacturer, which we share with other FWF members. Until the beginning of 2021, Iriedaily had the lead for this factory and was therefore responsible for all communication and the handling of concerns on behalf of all FWF brands. However, we passed this lead on after two years, so that the handling of complaints was taken over by another FWF member.

The content of the first complaint was that a supervisor had taken caps home without permission. These were then embroidered privately by members of the supervisor’s family and brought back to the factory for quality control. The complainant was then supposed to check the quality without being paid for it. According to the complainant, this had a negative impact on his/her monthly wage. The audit of all wage records did not show any significant wage variations. A statement from the factory also said that in order to meet delivery deadlines, individual embroidering processes had been outsourced due to high production capacity utilisation. Accordingly, it was suspected that this was a misunderstanding. After further questioning, the complainant was unable to provide any evidence for his or her thesis. The complaint was therefore assessed by FWF as having been dealt with and closed.

Another complaint was made in August 2021, when a complainant stated that the normal working time had been extended by 60 minutes due to an earlier start and a shorter break.

We requested a statement and attendance records from the factory. According to the factory management, no working hours were adjusted, which was also confirmed by the personally signed working time overviews of different months.

Workers can also voluntarily decide if and when they want to work overtime, as they have to register themselves on a list every day.

After further investigation of the issue by the FWF country team, no conclusion could be drawn as to whether the complaint was justified or not. As more than 10 attempts to contact the complainant remained unanswered, the case was closed at the end of September.

# 4. TRAINING & SUPPORT FOR SELF-HELP

## 4.1. ACTIVITIES TO INFORM STAFF MEMBERS

Every single employee at Iriedaily is aware of the importance of what we do. That's why we are in constant communication with each other to exchange the latest projects, discoveries and ideas.

In our weekly company meeting we have enough time for discussing this, because we think that all our departments contribute to our sustainable actions.

Our CSR manager regularly shares upcoming events with the colleagues and reports on the latest insights and measures that are being implemented.

All information about our corporate responsibility, our sustainability, the fair working conditions in the factories and the work done as a Fair Wear member is transparent and freely accessible to all Iriedaily employees on our servers and in an internal database. Furthermore, we have created an internal ranking of our suppliers, which gives every employee involved in the process the opportunity to see and compare the quality of our production sites in terms of workers' rights at a glance.

New employees receive intensive training from our CSR manager and, due to our flat corporate hierarchy, always have the opportunity to seek direct personal contact.

We also inform our sales agents about the current status of our measures, progress and goals at semi-annual retreats.

At the management level, there is ongoing dialogue between our CSR manager and CEO.



## 4.2. ACTIVITIES TO INFORM AGENTS

Agents are the interface between Iriedaily, our general agency in Portugal, three agencies in China and the factories where we produce.

Especially in the last years, which was marked by the pandemic, our agents were crucial in fulfilling our due diligence. Due to the travel restrictions, we were in constant communication with our agents and were always informed about the latest developments, regulations and measures. All changes to workflows and normal business operations could be adapted and realised by mutual

agreement, thanks to our strong and close relationship with our suppliers.

Agents generally assume a mediator position and assist us in the communicative and concrete implementation of FWF requirements at a national level. They are therefore indispensable in the implementation of corrective measures following factory audits and help us to actively improve labor standards. Our agents also conduct regular factory visits and accompany our CEO or CRS manager on their business trips.



## 4.3. ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

The FWF code is the basis for sustainable cooperation with our suppliers. The guidelines, also known as the “Code of Labor Practices” (CoLP), inform workers and management about their labor rights.

Any new supplier wanting to work with us must agree to comply with and implement these labour practices.

We ensure that information sheets, so-called “Worker Information Sheets”, are hung up and displayed in central locations in all factories before the first production starts, in order to raise the general awareness of our work towards fairer working conditions.

In order to create ongoing awareness among workers, we conduct internal factory training sessions, so-called WEPs, in cooperation with the FWF. For example, workers are taught about the independent

complaints system and the benefits of the FWF’s work. To provide training for as many employees as possible, such sessions are held at regular intervals.

Naturally, we strive to talk to the workers personally during our visits, so that we can gain a better picture of the working atmosphere on site. In addition to the “Worker Information Sheets”, we also distribute “Worker Information Cards” which contain information about the FWF Code of Conduct as well as details regarding the local complaint’s mechanism.

In order to ensure that every employee is informed, we also instruct the workers’ representatives chosen by the workers, enabling them to provide further information if questions arise. After a factory audit, we also involve them in the follow-up, as representatives of the workers’ interests.

Transparency is the basis for trust. This not only applies to our business relationships with our suppliers, but also to our communication with our end consumers.

General information about our FWF membership, as well as our progress in improving labor standards, can be found in our annual Social Report and the Brand Performance Check report. These documents are freely available to everyone on our website, as well as on the official FWF homepage.

Further information about the organization and its work can also be found at [www.fairwear.org](http://www.fairwear.org).

To further highlight our development in sustainable materials, as well as our FWF membership and actions in terms of our CSR, we introduced #fairwednesday on our social media channels last year.

Under the hashtag, we educate people about our sustainability efforts and newly developed items. We also plan to communicate more about our work in the future. With information videos, as well as blog posts, we want to reach as many of our end consumers as possible.

In 2021, we have already started sharing videos from our production sites in Portugal. Videos from our suppliers in China will follow as soon as it is possible to visit our suppliers there again.

Once a year, we report in detail about all production sites and subcontractors in our Social Report. This was only possible because all suppliers have signed a disclosure agreement with us, in which they confirm that they agree to the publication of their contact data.

This gives us the opportunity to achieve even more transparency for our customers. With the publication of our SS2020 collection on our website, it is now technically and legally possible for us to indicate exactly where and in which factory each item was manufactured. This information is visible for everyone beside the product description.

We are currently working on also linking a photo and a factory description next to each item to disclose our supply chain even more transparently.

We have integrated a “Responsibility” subpage on our website. Here, we provide information on our brand philosophy, our production countries, the manufacture of our products, CSR measures and, in particular, our FWF membership.

The “Social Report” and the “Brand Performance Check” are also available as pdf downloads.

<https://www.iriedaily.de/reports>

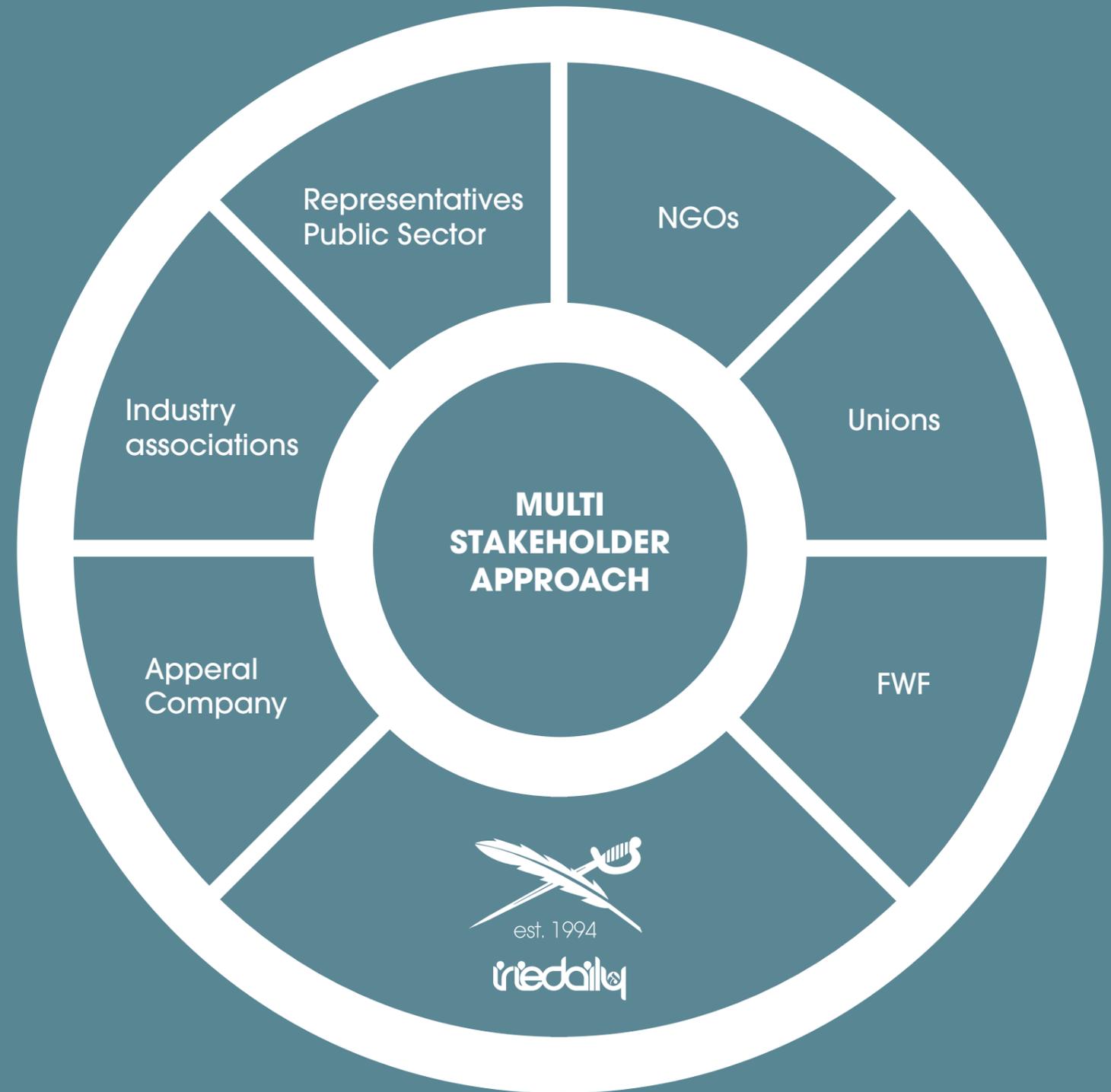
## 5. TRANSPARENCY & COMMUNICATION

# 6. STAKEHOLDER ENGAGEMENT

We are proud of our FWF membership and are delighted to be working with the Fair Wear Foundation. Thanks to the resources provided, such as country studies, health and safety checklists, templates and other tools, we are able to continuously educate ourselves and improve our work to ensuring fairer working conditions in all our factories.

FWF regularly organizes stakeholder meetings with representatives from the public sector, NGOs, trade unions and industry. At these meetings, our CEO and CSR manager discuss current issues with their professional colleagues, present insights and successes, and constructively explore how the major challenges facing our industry can best be tackled. The external input from various stakeholders is extremely valuable and helpful in implementing best practices throughout our supply chain.

Especially in times of the pandemic, it helped us to find an individual way of dealing with the new challenges.



# 7. CORPORATE SOCIAL RESPONSIBILITY

CATENACCIO  
GEGEN  
RASSISMUS

All of us at Iriedaily stand up against gender-based violence, discrimination and any kind of racism. Fairness, tolerance, equality and an understanding of values are the basic requirements for a conscious coexistence!

As a company based in the Kreuzberg district of Berlin, we also assume social responsibility in other ways. In addition to supporting sponsoring, we are also actively involved in various local projects and campaign days.

Fashion Revolution Week was held during the week of April 19 - 25, 2021. Fashion Revolution Day was introduced as a Global Day of Action after Rana Plaza, one of the largest textile factories, collapsed in Bangladesh on April 24, 2013, killing 1138 people. The annual day of action has been expanded into an entire week of action to ensure more transparency and more „fair fashion“ in the fashion industry.

The English organization Fashion Revolution campaigns for change and improvement throughout the year, and has triggered a worldwide movement.

The annual Fashion Revolution Week also features the #whomademyclothes campaign, which encourages brands and producers to respond with the hashtag #imadeyourclothes and demonstrate transparency in their supply chain.

2021 Fashion Revolution Germany encouraged people to wear their clothes inside out on Fashion Revolution Day to show the label „Made in...“. We were also involved in the campaign and asked some of our staff to contribute photos to the campaign.

Especially in these difficult times, it's important to show that everyone has a voice that needs to be heard. Let's value the people who make our clothes!

<https://www.riedaily.de/blog/fashion-revolution-week/>

On World Clean-up Day (18.09.2021), we also organised a rubbish collection campaign in our neighbourhood.

With rubbish bags, rubbish tongs and gloves, our participants were sent out to independently clean streets and parks in Kreuzberg from trash.

<https://www.riedaily.de/blog/world-cleanup-day-riedaily-heinrichplatz-berlin/>

All our staff are encouraged to participate in the political process and we are free to take time off work for demonstrations. Last year we were able to take part in climate demonstrations, the global climate strike day and Fridays for Future demonstrations.

As with the last years, we decided to rename „Black Friday“ into a „Green Weekend“ again. We donated 20% of the net sales from our Brand Store in Berlin and our online store to the tropical forest foundation OroVerde. The campaign raised a total of €4,000, which we used to support a project in the Bocas del Polochic biosphere reserve in Guatemala.

<https://www.riedaily.de/blog/no-black-friday-its-green-weekend/>

Some of the projects we support are also relatively small and more discreet. For example, we donate winter jackets to the „Berliner Stadtmission“ for homeless people, send clothing donations directly to an aid organization for Nepalese school children (<https://kenkmannfond.de>), and also support a private project of Berlin-based photographer Daniel Reiter,



who supplies clothing and skateboard hardware to assist young skateboarders in Addis Ababa, Ethiopia.

<http://danielreiter.de/ethiopiaskate>

We were also able to support another and very new project with clothing donations. Project Wings. The young pioneers and idealists want to make the topic of environmental protection socially acceptable. Each of their projects is designed to leave behind self-sustaining systems run by local people.

One of their current projects is to build the largest recycling village in the world from 250 tons of plastic waste in Sumatra. The GmbH is financed purely by private donations.

<https://www.project-wings.de>

Together with the musician and IRIE-MEMBER „Das Bo“, we donated 5 euros per sold fan box to Mitra Kassai's project Oll-Inklusiv ([www.oll-inklusiv.de](http://www.oll-inklusiv.de)) on the occasion of the release of his new album. The non-profit initiative is committed to the inclusion of senior citizens in current affairs.



<https://www.riedaily.de/das-bo-live-young-die-old-ep-release-box>

Since January 2020, we have been supporting the „Stark wie ein Baum“ (Strong as a Tree) project of the Hof Grüneberg Foundation and the Caritas Children's Hospice Service. By supporting the „Stark wie ein Baum“ project, however, we are not only supporting an important nature conservation project, but also helping families with a seriously ill child or youth. Since the beginning of 2020, we have been tree sponsors for tree 1105 (Pear Williams Christ) and tree 406 (Apple Roter Gravensteiner). Half of the money we pay for the sponsorship goes to the children's hospice service of Caritas. A third of the amount goes to the Hof Grüneberg Foundation, which also uses it to support seriously ill children or disabled people and their families, and the rest goes as a grant for tree care to the Hof Grüneberg Foundation, which also supports nature conservation. A great project, which we are happy to support!

<https://www.riedaily.de/blog/stark-wie-ein-baum>



Monetary donations have also been made to support the following organizations, among others, in their work:

- 1. Berliner Skateboard e.V. <https://www.skateboardverein-berlin.de>
- Amnesty International <https://www.amnesty.de>
- Ärzte ohne Grenzen e.V. <https://www.aerzte-ohne-grenzen.de>
- S.C. Berliner Amateure Jugend <http://berlineramateure.de>
- Civilfleet-Support e.V. <https://civilfleet.org>
- Dieter Kenkmann Foundation <https://www.kenkmannfond.de>
- Drop In e.V. <http://www.dropin-ev.de>
- FSV Hansa 07 e.V. <https://hansa07.de>
- Mensch Mensch Mensch e.V. <https://menschmenschmensch.de>
- Seebrücke <https://seebruecke.org>
- Opferperspektive e.V. <https://www.opferperspektive.de>
- Sea-Watch e.V. <https://sea-watch.org>
- Skateboard e.V. Hamburg <https://skateboardev.de>
- Skateistan <https://www.skateistan.org>
- SO36 <https://so36.com>
- Stiftung Hof Grüneberg <https://www.hof-grueneberg.de/stiftung>
- SUPR Sports (Sit'n Skate) <https://www.sitnskate.de>
- Zukunftsstiftung Landwirtschaft <https://www.zukunftsstiftung-landwirtschaft.de>



# DO YOU HAVE ANY QUESTIONS?

Feel free to contact our CSR manager Isaac!

[isaac@iriedaily.de](mailto:isaac@iriedaily.de)