



Brand Performance Check

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

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This report covers the evaluation period 01-01-2022 to 31-12-2022

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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

Scoring overview

Total score: 106

Possible score: 188

Benchmarking Score: 56

Performance Benchmarking Category: Good



Foundational system's criteria

100%



Sourcing strategy

76%



Identifying continuous human rights risks

60%



Responsible purchasing practices

54%



Quality and coherence of prevention and remediation system

20%



Improvement and prevention

56%



Communication, transparency and evaluation

78%

Summary:

W.A.R.D. GmbH (hereafter Iriedaily) has met most of Fair Wears' performance requirements. With a total benchmarking score of 56, the member is placed in the Good category.

In the past financial year, Iriedaily conducted a comprehensive country risk scoping and factory risk assessment. The brand assessed the risks in its two production countries, China and Portugal, including a gender analysis. In addition, the brand has analysed the risks related to its business model and purchasing practices. The member has also assessed the severity and the likelihood of each risk.

The brand's sourcing strategy is focused on long-term business relationships. However, no contracts with suppliers are signed.

Iriedaily privileges suppliers already committed to improving working conditions and favours freedom of association and social dialogue. Iriedaily relies on audits and visits as its main monitoring tools. As the country risk scoping and risk assessment showed fewer human rights risks in Portugal, the brand did not conduct any audits there and works with an agent to monitor human rights in the production locations. In the last financial year, Iriedaily has onboarded a new supplier in China. The brand assessed the factory risk profile and conducted a Fair Wear audit before placing the first order.

Iriedaily has developed basic action plans to follow up on the assessed risks at its suppliers. As such, the new supplier was enrolled in the Fair Wear Workplace Education Programme - Basic as a preventive measure.

The brand started to discuss the topic of living wages with some of its suppliers. However, many Chinese suppliers are not transparent on this topic and are not willing to share wage data. Nonetheless, the brand has set its target wage at one Chinese supplier responsible for 34% of its FOB.

In the last financial year, the brand exited one supplier based in China who was unwilling to truly cooperate and remediate audit findings. Iriedaily followed its responsible exit strategy and informed the suppliers with a five months' notice before exiting.

Fair Wear advises Iriedaily to draft written contracts supporting the implementation of human rights due diligence with its suppliers. The brand should also improve its follow-up programmes by including a gender lens and promoting freedom of association and social dialogue; in addition, the brand shall secure an appropriate budget to follow up on the proposed actions. Fair Wear strongly recommends the brand to remediate all the findings related to wages below legal minimum wages at its Chinese factories. Eventually, Fair Wear encourages Iriedaily to discuss the topic of living wages with all its suppliers and set a target wage also for Portugal.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because this is a transition year, Fair Wear lowered the scoring threshold for this year only.

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.

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

Member company information

Member since: 1 Jan 2016

Product types: Garments, clothing, fashion apparel, Bags and Accessories

Percentage of CMT production versus support processes 100%

Percentage of FOB purchased through own or joint venture production 0%

Percentage of FOB purchased directly 6%

Percentage of FOB purchased through agents or intermediaries 65%

Percentage of turnover of external brands resold 0%

Are vertically integrated suppliers part of the supply chain? No

FLA Member No

Number of complaints received last financial year 0

Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? Yes

Production countries, including number of production locations and total production volume.

Production Country	Number of production locations	Percentage of production volume
China	12	59
Portugal	17	41

Layer 1 Foundational system's criteria

Possible Points: 8

Earned Points: 8

1.1 Member company has a Responsible Business Conduct policy adopted by top management.: Yes

Comment: Iriedaily has a solid Responsible Business Conduct Policy in place. The brand has also adopted additional policies, such as a sourcing strategy and homeworkers policy, to complement its Responsible Business Conduct.

1.2 All member company staff are made aware of Fair Wear's membership requirements.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.: Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: Yes

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

Comment: Iriedaily discloses 94% of production locations internally through Fair Wear's information management system.

1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes

Comment: Iriedaily discloses 94% of production locations externally on Fair Wear's transparency portal.

1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes

Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

Possible Points: 90

Earned Points: 58

Indicators on Sourcing strategy

Comment: Iriedaily has a sourcing strategy addressing influencing labour conditions. Iriedaily's sourcing strategy explicitly focuses on increasing influence through consolidation and active cooperation with other clients who are also Fair Wear members.

The member has 29 active suppliers. 96% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. Almost 2% of the production volume comes from suppliers where Iriedaily buys less than 2% of its total FOB. This is a significant improvement compared to the previous year.

Comment: Iriedaily has a sourcing strategy that focuses on maintaining long-term relationships. 86% of the member's total FOB volume comes from suppliers with whom Iriedaily has a business relationship for at least five years.

However, the member does not sign written contracts with any of its suppliers; therefore, Iriedaily's sourcing strategy does not commit to long-term contracts.

Recommendation: Iriedaily is advised to embed long-term contracts in its sourcing strategy and to commit to long-term contracts with its suppliers.

Comment: Iriedaily conducted a comprehensive risk scoping. It includes the risk factors for the eight international labour standards as included in the Fair Wear Code of Labour Practices, the business model, and the purchasing practices. In relation to its business model, the brand has identified a very high risk of excessive overtime due to the different styles. In addition, the member has determined the likelihood and severity of each risk in its supply chain and has coherently established the priorities to prevent and/or mitigate those risks. The member has not included its products in its risk scoping. In addition, Iriedaily has yet to include input from workers, suppliers and stakeholders.

The risk scoping includes a gender lens. The member has used the Fair Wear gender fact sheets and gender analysis of the Code of Labour Practices to determine the risks that women workers face in the supply chain. However, the brand has yet to conduct a gender analysis for the product risks, the business model and its purchasing practices.

Based on the brand's risk scoping, the main risks in China are child labour, excessive overtime, discrimination, lack of occupational health and safety, limits to freedom of association and social dialogue, unauthorised subcontracting and undeclared use of homeworkers. While it is generally known and accepted that China presents high risk of forced labour and wages below the living wage, Iriedaily has scoped forced labour as low risk and missed the payment of living wage as very low risk.

In Portugal the brand has identified only few low risks: discrimination, occupational health and safety, unauthorised subcontracting and undeclared use of homeworkers. The brand has yet to include living wages in its risk scoping for this country.

The member adjusts its sourcing strategy based on the risk scoping, as the outcomes of the risk scoping are included in decision-making regarding countries where to source from. In particular, the brand has decided not to add Chinese suppliers from the next financial year due to the human rights risks and the political instability in the country. While the brand has decided to only source from Chinese suppliers where freedom of association is not prohibited or limited by factory management, Iriedaily's sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively.

Recommendation: The member is urged to assess the risk of forced labour and wages below living wage in its supply chain. Fair Wear also recommends Iriedaily to include product risk factors in its risk scoping.

In addition, Fair Wear strongly recommends Iriedaily to privilege countries where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

Eventually, the member is also recommended to include input from workers, suppliers, and other stakeholders in its risk-scoping exercise.

Comment: It is the standard process for Iriedaily to inform new suppliers about Fair Wear membership by sharing the Fair Wear Code of Labour Practices, the questionnaire, the health and safety checklist, and the Worker Information Sheet. This process has been followed for the new Chinese supplier that was added in the assessed financial year. The brand usually visits new suppliers and discusses Fair Wear's requirements in person. As Iriedaily was not able to visit the new supplier last year due to Covid-19 travel restrictions in China, the brand organised video calls and exchanged follow-up emails with the new Chinese supplier to share and discuss Fair Wear requirements and the onboarding process.

Comment: Iriedaily collects human rights information of potential new suppliers by collecting self-assessments, existing audit reports, organising Fair Wear audits and selecting suppliers shared with other Fair Wear members. Moreover, Iriedaily's sourcing strategy privileges suppliers where workers are free to form a trade union and/or bargain collectively. However, the brand does not yet investigate whether an internal grievance mechanism exists and/or if it is functioning.

Iriedaily followed this process to select a potential new supplier in the last financial year. Based on the human rights information collected through this process, the member adjusted its sourcing decisions and onboarded one new Chinese supplier willing to cooperate with the brand on human rights due diligence and who accepted to implement the improvement plan based on the audit findings.

Recommendation: Fair Wear recommends Iriedaily to investigate whether an operational grievance mechanism exists.

Comment: In the previous financial year, Iriedaily added one new supplier in China. The brand has thoroughly followed the onboarding process described under indicators 2.4 and 2.5.

In particular, Iriedaily has shared information about Fair Wear's Code of Labour Practices (CoLP) and the complaints helpline within the first year of doing business, and the Worker Information Sheet has been posted. The brand has also asked the supplier to complete the occupational health and safety checklist.

In addition, the member has enrolled its new suppliers in the Workplace Education Programme (WEP) Basic, which Fair Wear organises. This training consists of onboarding sessions for workers and factory management. The main goal of this onboarding is to raise awareness about Fair Wear's CoLP and the complaints helpline. However, the brand did not discuss the topic of social dialogue and freedom of association with the factory management.

Recommendation: Fair Wear recommends Iriedaily to actively raise awareness of social dialogue and freedom of association with the factory management within the first year of starting a business with a new supplier. The brand could use Fair Wear's brand guidance on social dialogue to start addressing the topic.

Indicators on Identifying continuous human rights risks

Comment: Iriedaily has a systematic approach to identifying human rights risks in its supply chain and has assessed the risks for its production locations. It has determined the appropriate monitoring tools and frequency per production location. However, the brand has not actively monitored factories where no orders were placed last financial year, even if the member will source from them in the next financial year.

Some monitoring tools do explicitly include worker, stakeholder and/or supplier input (e.g., Fair Wear audits).

Iriedaily monitors its main suppliers in China with Fair Wear audits, factory visits, and by requesting pictures of production locations. In addition, the brand has also investigated the risk of forced labour in its supply chain and followed up where appropriate. However, the brand relies on its main suppliers to monitor subcontractors.

As the country risk scoping and risk assessment showed less human rights risks in Portugal, the brand did not conduct any social audits in this country and mainly works with an agent to monitor human rights in the production locations. Factory visits and telephone calls are also used as monitoring tools for Portuguese suppliers. However, due to a lack of social audits or additional monitoring activities (as wage verification) and the fact the brand mainly relies also on its agent to monitor human rights in Portugal, there is a risk that potential harms to human rights may not be detected.

Recommendation: Fair Wear recommends the brand to assess whether Iriedaily causes, contributes or is linked to the identified risks. In addition, the brand could diversify its monitoring tools for its Portuguese suppliers by conducting social audits to crosscheck the findings with its risk assessment and adapt its monitoring tools in case needed. Iriedaily could also integrate worker, supplier, and stakeholder input in its monitoring tools in Portugal.

Comment: Iriedaily has mapped the risks to freedom of association in all its sourcing countries and can explain the main risks per country, including the risks to women workers.

According to the members, freedom of association and social dialogue are protected only on paper in China. Workers are able to join only one trade union, which was founded by the government and is under its control. Workers are not able to organise differently, or they would put their lives and job at risk. In Portugal, freedom of association and social dialogue are protected by the state, and workers are free to join trade unions if they want. Based on the brand's information, workers are not at risk of retaliation if they exercise their rights.

The brand assesses and monitors the risks to freedom of association and social dialogue via Fair Wear full-audits. Occasionally, the CSR team interviews worker representatives in China during factory visits. However, the translator is not considered independent as the factory management pays them.

In addition, the brand does not yet engage in in-depth discussions with factory management on social dialogue and is not familiar with Fair Wear's guidance on freedom of association and social dialogue.

Recommendation: Iriedaily is recommended to become familiar with Fair Wear guidance on freedom of association and social dialogue. In addition, the member could use the Supplier Questionnaire from Fair Wear's FoA Guide to assess and understand the risk regarding violation of FoA at its suppliers.

Comment: Iriedaily has included gender in its risk scoping for each Code of Labour Practices. The member could show it understands the main gender risks for its sourcing countries. Iriedaily identified hiring practices and overtime as important risks prevalent in China. According to the member, job segregation across different genders is the main risk in Portugal. Additionally, Iriedaily actively collects gender data per factory. The brand has collected gender disaggregated wage data at its main Chinese suppliers. At the same time, the member drafted a survey to collect gender data and other information from its main suppliers in China and Portugal. Iriedaily has started to analyse the collected gender-disaggregated data at the factory level. The main conclusion so far is that there is strong job segregation in Chinese factories, meaning that hiring practices are discriminatory. In particular, the better-paid jobs are dominated by men. The sewing department is prevalently dominated by women who earn more compared to men. In departments where there is no strong job segregation, the brand did not find any evidence of wage discrimination. The member has not yet specifically looked into how its business practices affect gender equality at its suppliers.

Recommendation: Fair Wear recommends the member to start analysing the gender data collected at country and factory levels and connect them. In addition, the member should collect gender-disaggregated data at the factory level per each Code of Labour Practices. Fair Wear's gender instruments can be helpful.

Comment: Iriedaily has a strong and systematic evaluation system for assessing suppliers' human rights performance. Based on the findings collected with the selected monitoring tools, the brand's supplier evaluation system is based on the eight Code of Labour Practices, the level of transparency and the use of open costing. The brand does not yet include the existence and the effectiveness of internal grievance mechanisms in its evaluation. Suppliers' human rights performance is evaluated systematically every year. In addition, the brand shares the outcome of such evaluation with its suppliers and follow up plans to improve and remediate. However, the brand has yet to share the supplier's evaluation system with factory representatives. Occasionally, the outcome of this evaluation influences purchasing decisions. In particular, Iriedaily exited one Chinese supplier that was not willing to improve working conditions and used subcontractors without informing the brand. However, the brand has not included all its suppliers in its risk assessment; as such, some of them were not monitored and their human rights performance was not evaluated.

Recommendation: Fair Wear recommends Iriedaily to include all its suppliers in the evaluation system.

We recommend to Iriedaily to also include the existence and effectiveness of grievance mechanisms in its already comprehensive supplier evaluation system.

The brand should share and discuss the outcome of the supplier evaluation with worker representatives.

Eventually, Fair Wear recommends the member to ensure that the evaluation of the human rights performance of its suppliers is systematically considered in purchasing decisions.

Comment: Iriedaily uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. Based on the audit findings of one Chinese supplier, there was evidence of unauthorised subcontracting. While the brand has added it to the database, Iriedaily exited the main supplier as the factory management did not comply with the action plan drafted by the member.

To date, the member has taken active preventive measures. In particular, Iriedaily has a subcontracting policy, knows the production capacity and the skills of its main suppliers, asks the factory management to take pictures of its products. In addition, the brand conducted factory visits in Portugal.

Recommendation: Fair Wear strongly suggests Iriedaily to visit its production locations in China.

Comment: Iriedaily has included homeworkers in its risk scoping and factory risk assessment for most of its suppliers. According to the brand, there is a high risk of homeworkers in China and a lower risk in Portugal.

Iriedaily has assessed that there is a very low risk of homeworkers being used by its suppliers. In particular, the CSR managers checked with the design team what products and processes are typically executed by homeworkers and asked its main suppliers if they would use homeworkers. The interviewed suppliers answered that the brand's products and processes are not suitable for homeworkers. In addition, none of the three Fair Wear audits revealed the risk of the homeworkers.

However, the brand knows the production capacity only for its main suppliers and does not know those of the subcontractors. As such, the risk of homeworkers cannot be completely excluded from its supply chain.

Recommendation: Fair Wear recommends Iriedaily to conduct a capacity analysis of all its suppliers and subcontractors, looking into specific production processes to validate the suppliers' statements that no homeworkers are used.

Indicators on Responsible purchasing practices

Comment: Iriedaily does not use contracts with any of its suppliers. The member has only verbal agreements with its suppliers in China and Portugal. The brand shares with them the Suppliers Code of Conduct, where the brand requires its business partners to comply with the Code of Labour Practices. The payment terms and liability are not clearly stated. However, the invoices showed that Iriedaily pays its main suppliers once the order is placed and after the goods are shipped. The brand does not directly pay the subcontractors as the main suppliers pay them. As such, the brand does not know the payment terms for subcontractors.

Requirement: Iriedaily needs to use written contracts with all its suppliers that include shared responsibilities and support the implementation of human rights due diligence.

Recommendation: Fair Wear strongly recommends Iriedaily to include the shared responsibility of Code of Labour Practices implementation in its contracts, including fair payment terms. Iriedaily is also advised to draft these contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

Comment: Iriedaily actively shares relevant CSR information with other departments. There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. All the Iriedaily departments meet every week to discuss about various topics, including sustainability and human rights. The member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with (Key Performance Indicators) KPIs supporting good sourcing and pricing strategies.

Recommendation: Iriedaily could adopt KPIs that support good sourcing and pricing strategies within its sourcing, purchasing and design departments. Iriedaily could include responsible business practices in its job role competencies of sourcing and purchasing staff.

Comment: Iriedaily releases two collections annually: Spring/Summer and Fall/Winter.

In order to prevent overtime, the brand has introduced longer lead times and define a delivery schedule together with the main suppliers. Lead times are determined based on the time needed for the procurement of the fabric and other materials, shipping and the capacities of the suppliers (if known). A complete timesheet is discussed with the supplier and fabrics are pre-booked before orders are placed. The production phase for each of the collections is roughly three months.

From its Portuguese suppliers, the brand knows what is the weekly maximum capacity per location. For its Chinese suppliers, the brand has less detailed information and mainly relies on the indication of the supplier itself. The brand cross-checks the capacities given with 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 that still have the capacity needed. However, the production planning is not yet evaluated with suppliers.

Based on the business model risk scoping, the brand has set internal deadlines to design products and therefore ensure that lead times are not reduced due to internal inefficiencies. As such, deadlines for each step in the process are updated by means of a traffic light system so that everyone is aware. When a certain step in the process is delayed, staff is requested to find alternative ways to either meet the deadline or work around it.

Recommendation: The member is encouraged to evaluate with the supplier the production process after each season and, where needed, adapt its future planning.

Comment: Iriedaily has a basic understanding of the wage levels at its suppliers and connects this understanding to its own buying prices. 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, the brand has discussed the importance of open costing and transparency with all suppliers. So far, the suppliers are unwilling 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 compared to other locations) when working on price development with other suppliers. That apart, the brand currently adds two per cent above the price developed as a factor to contribute to increasing wage levels. The sourcing team is informed that they cannot discuss price reductions unless it is linked to reductions in 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 suppliers based on Labour Minute Value calculation. The factories are generally unwilling to start working with the Fairprice app as it would mean they need to change their way of operating. Iriedaily always includes changes in legal minimum wage or inflation in its buying prices.

Recommendation: Iriedaily is recommended to investigate why some suppliers are reluctant to work with Fair Price or any other form of fact-based costing, if needed, with the support of Fair Wear's local teams. In addition, Iriedaily could provide suppliers who do not work with fact-based costing, training on product costing and how to quote prices including (direct and indirect) labour costs. Fair Price product owners are available to conduct such training in all Fair Wear production countries.

Comment: Iriedaily works with intermediaries in China and Portugal. In particular, the brand has requested that its intermediaries sign the Code of Labour Practices and informed them of Fair Wear requirements.

In China, the main suppliers act as intermediaries. They have direct contact with subcontractors and are requested to follow up on action plans and remediation, if applicable.

In Portugal, the brand has been working with the same agent for the last 30 years. Iriedaily financially supports this agent to implement the Code of Labour Practices at its main suppliers by monitoring the supply chain, collecting the signatures for the Code of Labour Practices and the occupational health and safety checklist and implementing the follow-up plans.

Recommendation: Iriedaily could require its Chinese intermediaries to uphold the purchasing practices mentioned in the CFRPP framework.

Layer 3 Remediation and impact

Possible Points: 80

Earned Points: 34

Indicators on Quality and coherence of prevention and remediation system

Comment: Iriedaily has drafted basic follow-up plans for its main suppliers in China and Portugal. The factories where the brand did not place orders in the last financial year do not have follow-up plans, even if the brand may place orders in the next financial year.

Based on the eight Code of Labour Practices, the brand has included specific actions and appropriate timelines. The brand has not yet included the required budget to implement the actions. In addition, the actions are not always coherent or sufficient to address the factory risk profile. In particular, factory visits are a monitoring tool, not a preventive or remediation action.

Recommendation: Fair Wear recommends the member to draft follow-up plans for all its suppliers and to further improve these plans.

Comment: As mentioned in the previous indicator, Iriedaily has drafted action plans for most of its suppliers in China and Portugal. However, the brand has yet to complete the analysis of the gender data collected with the supplier's surveys on gender topics; as such, Iriedaily did not include a gender lens to its action plans.

Requirement: Iriedaily must start including a gender lens in the implementation of improvement or prevention actions.

Recommendation: The member is encouraged to include a gender lens in all its improvement and prevention actions.

Comment: As mentioned, Iriedaily has drafted action plans for most of its suppliers in China and Portugal. However, the brand has yet to include steps to encourage freedom of association and social dialogue in its improvement and prevention programmes.

Requirement: Members must include steps to promote freedom of association and social dialogue in its improvement or prevention actions. This should be linked with the assessment of risks to freedom of association and social dialogue as part of its human rights monitoring (see indicator 2.8). Examples of steps that could be included can be found in Fair Wears brand guide on freedom of association and collective bargaining.

Recommendation: Iriedaily is recommended to use Fair Waer's brand guidance on freedom of association and social dialogue to learn how to include steps to promote these rights in its improvement or prevention actions.

Comment: Iriedaily does not assess its suppliers' internal grievance mechanisms at the start of a business relationship. Iriedaily sporadically monitors the existence of internal grievance mechanisms at its main suppliers and follows up on issues related to factory-level grievance mechanisms only when they come up in audit findings.

In Portugal, some suppliers have a suggestion box, but the brand is not aware of its use.

In China, the CSR manager has interviewed worker representatives (if present) about internal grievance mechanisms, but, as shared during the performance check, the translator was not an independent party as the factory management pays them.

The brand is not aware if subcontractors have internal grievance mechanisms in place.

Requirement: Iriedaily needs to assess the existence and functioning of internal grievance mechanisms systematically; it also needs to support and monitor its functioning.

Recommendation: Fair Wear recommends Iriedaily to support and monitor the internal grievance mechanisms at suppliers. Fair Wear also recommends Iriedaily to ensure that the evaluation of internal grievance mechanisms of its suppliers is systematically considered in purchasing decisions.

Comment: Iriedaily cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. Iriedaily has yet to cooperate with customers that are not Fair Wear members.

Recommendation: Even though Iriedaily already works together with other Fair Wear members, Fair Wear recommends to also collaborate with other customers.

Indicators on Improvement and prevention

Comment: In the past financial year, Iriedaily has received three audit reports.

During the performance check, the member could demonstrate with a sample that up to two third of the CAP issues requiring improvement actions have been followed up. In particular, the brand has followed up and solved many of the occupational health and safety findings. In addition, the brand has requested the payslips of workers to remediate the missed payment of all legal minimum wage components. The CAP issues that require improvement actions and are still open are more complex or structural issues, such as living wage or excessive overtime, and therefore need more time to be remediated.

Comment: Iriedaily has identified some root causes of the CAP issues in China. In particular, the brand has assessed that the lack of occupational health and safety requirements directly results from poor education. Iriedaily has also assessed the root causes of reduced freedom of association and social dialogue. As the state does not truly protect these rights, the brand does not see any area for improvement (unless it decides to leave the country). The brand has yet to discuss the analysed root causes with its suppliers.

Recommendation: Fair Wear recommends Iriedaily to identify root causes of CAP issues together with its suppliers and translate its root cause analysis into concrete preventive actions as part of the risk profiles.

Comment: According to the brand, all its factories need follow-up plans.

Comment: In the previous year, all three audits mentioned excessive overtime in Chinese production locations. No audits were conducted at the suppliers based in Portugal. As such, the comments below refer only to Chinese factories.

The member has analysed the root causes of excessive overtime at all audited factories. According to the member, unrealistic delivery requests from clients, overbooking by factory management and wages below the living wage are significant causes for excessive overtime. Iriedaily has taken action to address some of these root causes. The brand has adjusted its planning by providing suppliers with longer lead times and setting internal deadlines for the creative and design team. In addition, Iriedaily pays its share of living wage at one of its main Chinese suppliers. The member could show that its efforts resulted in reduced excessive overtime at the supplier where the brand has high leverage and is paying its share of living wage.

Comment: In the previous year, two out of three audits conducted in China included findings regarding non-payment of legally required wage elements or the impossibility of checking wage data as its records were incomplete or inconsistent. In particular, statutory leaves, overtime premiums and social security are not paid as legally required by Chinese labour law.

Iriedaily responded immediately to these findings by developing CAPs, asking the factory management to provide pay slips and the reasons behind these findings. Iriedaily could show during the performance check that some of all due wages have been paid. Some findings are still not remediated as the root causes are more complex (e.g., the payment of social security for all workers). The remediation of the open findings will be assessed during the next brand performance check.

The brand has not yet included worker representatives in the remediation of these findings.

Recommendation: Fair Wear strongly recommends Iriedaily to ensure problems of payments below legal minimum wages are not just prevented going forward but also remediated retroactively.

Comment: Iriedaily has a basic overview of the wage levels at some of its Chinese and Portuguese production locations.

According to the brand, it is very difficult to assess the wage levels in China as many factories do not want to share the wage data. The member knows the living wage estimate for China and has calculated the gap between the legal minimum wage and the living wage.

In Portugal, the legal minimum wage is covered, but the brand has not yet identified the living wage estimate and, therefore, could not calculate the gap between the legal minimum wage and the living wage.

The brand has yet to conduct a root causes analysis of wages lower than living wages. In particular, the brand is not aware of internal and external processes that affect wages. As such, the member has yet to develop a systemic and time-bound approach to get wages increased towards a living wage.

Recommendation: Fair Wear recommends Iriedaily to enrol in the Living Wage programme on Fair Wear's learning platform. In addition, Iriedaily is strongly recommended to conduct a root causes analysis of the wages below living wage estimates.

Comment: As mentioned under indicator 3.11, Iriedaily has started to address the topic of living wage internally with the involvement of the CEO. While the brand has started to address the topic with some of its suppliers, Iriedaily does not have a strategy on how to finance wage increases across its supplier base. The brand relies on higher prices to finance its living wage share.

Iriedaily set the Asia Floor Wage benchmark as the target wage at one Chinese supplier covering 34% FOB. The brand has yet to set a target wage for the production locations based in Portugal.

Comment: Iriedaily uses fact-based costing to ensure its prices support the payment of a living wage estimate at suppliers responsible for 34% of Iriedaily's FOB. In particular, the brand pays living wage bonuses twice per year at one of its main suppliers based in China. In addition, the brand checks the payslips to ensure that workers actually receive the living wage share.

Recommendation: Iriedaily is encouraged to roll out its approach to other suppliers.

Comment: Iriedaily received no complaints in the past financial year.

Comment: The member has enrolled some of its Chinese suppliers with findings on freedom of association and workers' lack of awareness of their rights in the Workplace Education Training Basic. These training modules offer a general overview of the eight international labour standards and Fair Wear complaints hotline.

The Portuguese suppliers were not enrolled in any training module.

Recommendation: Iriedaily is recommended to implement training for all factories where this is part of its improvement and/or prevention programme.

Comment: As mentioned under indicator 3.15, the brand has enrolled some of its suppliers in the Workplace Education Training Basic. Given the nature of these training modules, no follow-up is required.

Comment: Iriedaily's human rights risk monitoring includes a responsible exit strategy based on Fair Wear guidelines.

In the past financial year, the member stopped with one Chinese supplier who was not truly committed to improving human rights and working conditions and did not follow up on CAPs. Before deciding to exit the factory, the brand requested the factory management to work together on follow-up actions and conducted three Fair Wear audits in two years. In the last financial year, the audit findings showed that there was no improvement. Iriedaily has shared the CAP with the supplier, but according to the brand, the factory management did not provide any response. The member followed the steps in the responsible strategy but could not check if workers were paid all the due amount as the supplier did not provide for any additional information.

The brand communicated its decision with a five-month notice and offered to discuss the responsible exit strategy with the supplier.

So far, the brand has not discussed its responsible exit strategy with all its suppliers.

Recommendation: Iriedaily could discuss the responsible exit strategy with all its suppliers, for instance, as part of its supplier evaluation. Iriedaily could also include the responsible exit strategy as part of its suppliers' agreement or contract.

Comment: Irledaily does not yet undertake activities related to human rights that go beyond Fair Wear's scope.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 18

Earned Points: 14

Indicators on Communication, transparency and evaluation

Comment: Iriedaily communicates accurately about Fair Wear membership on its website. The member also uses other channels (social media) to inform customers and stakeholders about Fair Wear membership. In addition, Iriedaily requires its sales agents to read the yearly social report. The member also trains the sales agents on Fair Wear membership and requirements to ensure that customers are informed about the brand's commitment to human rights.

Comment: Iriedaily does not sell external brands.

Comment: Iriedaily has submitted its social report, which Fair Wear approved. Iriedaily has also published the report on its website.

Comment: Iriedaily published its social report, which includes some factory-level data and remediation results, on its website. In particular, the brand discloses the name and the location of some of its main suppliers based in China and Portugal and shared some of the most common findings at these production locations. However, Iriedaily has yet to disclose its full factory list and its time-bound improvement plans.

Recommendation: Iriedaily is recommended to publish a complete factory list and publish time-bound plans for its suppliers.

Comment: Iriedaily has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. The member relies on Fair Wear's audits and factory visits to track progress. In addition, the brand requests its suppliers to share documentation, such as payslips, to check if its preventive and remediation actions have been implemented. The internal evaluation system involves top management. In particular, the CSR team regularly informs the CEO about progress on the open CAPs.

In its evaluation system, the member does not yet include triangulated information from external sources, such as local stakeholder's voice.

Recommendation: The member is advised to include feedback from workers and suppliers in its evaluation system.

Comment: In the previous performance check, no requirements were included.

5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: [Not applicable](#)

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: [Not applicable](#)

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: [Not applicable](#)

Recommendations to Fair Wear

Iriedaily recommends Fair Wear to reduce the number of requirements as they are perceived as overwhelming by CSR managers. The brand also recommends Fair Wear to ensure that the new system and the additional requirements focus on solving problems and real actions rather than documentation and analysis.

Fair Wear should also make sure that its employees provide consistent answers.

Iriedaily recommends Fair Wear to continue with its webinar offer.

Brand Performance Check details

Date of Brand Performance Check: **17-07-2023**

Conducted by: **Gemma Giammattei**

Interviews with: **Daniel Luger - CEO**

Isaac Waldvogel - CSR manager

Luis Luger - CSR team