



BRAND PERFORMANCE CHECK

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

this report covers the evaluation period 01-01-2016 to 31-12-2016

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

BRAND PERFORMANCE CHECK OVERVIEW

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

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Berlin , Germany
Member since:	01-01-2016
Product types:	Fashion, Sportswear
Production in countries where FWF is active:	China
Production in other countries:	Germany, Portugal
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	84%
Benchmarking score	74
Category	Good

Summary:

Iriedaily has met FWFs' performance requirements and shown substantial progress on performance indicators. 84% of their supply chain has been monitored and has met the monitoring threshold for first year of membership. Iriedaily has a consolidated supplier base and works with a small number of suppliers, which they maintain long personal relationships with. This allows Iriedaily to work effectively on improving working conditions.

In the first year of membership Iriedaily has implemented significant changes to their production planning process to support reasonable working hours at their suppliers. Overtime hours at supplier level have been reduced on supplier level at one of their key Chinese suppliers. FWF recommends Iriedaily to further analyse the root causes of excessive overtime.

Iriedaily has also digged deeper in their supply chain and has identified subcontractor locations. The mapping has provided Iriedaily a more realistic overview of their production locations. FWF encourages Iriedaily to keep track of the production locations and include these locations in their monitoring system. FWF encourages Iriedaily to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement.

For the upcoming year the challenge for Iriedaily is to obtain more insights in the impact of its pricing policy on factory level, especially the labour cost of garments. This could support Iriedaily to assess the impact of its prices on living wages and include this in price discussions with suppliers.

PERFORMANCE CATEGORY OVERVIEW

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

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

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

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

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	50%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

Comment: Iriedaily works with a small number of key suppliers. At six of in total fifteen suppliers, leverage exceeds 10% of production capacity, allowing Iriedaily to influence working conditions more effectively. One of the key suppliers in Portugal produces exclusively for Iriedaily.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	1%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: Iriedaily has a small, consolidated supply chain and distributes the majority of its FOB to key suppliers. Iriedaily digged deeper and discovered that parts of their production is made at subcontractor locations. Iriedaily included the subcontractors in their monitoring system. During the Brand Performance Check Iriedaily could show that subcontractor locations were added to their supplier list.

Iriedaily tries to place most orders at their key suppliers, to maintain stable orders at their main suppliers. It is difficult to find suitable suppliers for their company size, therefore Iriedaily also tries to expand production mostly at their key suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	97%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Longterm and stable relationships with suppliers is crucial in Iriedaily's sourcing policy. With 97% of their production volume locations, Iriedaily has a business relationship for more than five years. For Iriedaily it starts with a trust relationship, with one of their main suppliers in China, Iriedaily has been working for 9 years. According to Iriedaily stable business relationships form the basis to build on common solutions when problems occur and to maintain quality standards.

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

Comment: All their suppliers signed and returned the questionnaire in the first year of membership.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	No new production locations added in past financial year	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	N/A	4	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: Iriedaily created a database system for its suppliers in 2016. Linkages between suppliers are visible and subcontractors are included in the system to get a better understanding of their supply chains. Evaluation of suppliers in social compliance is done by the CEO and the Head of Distribution on a case by case basis based on the willingness to work on corrective actions. Although there is no formal system to evaluate suppliers, staff in direct contact with suppliers communicate about social compliance of suppliers among themselves.

Recommendation: Iriedaily is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement, this could be integrated in the supplier database. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Part of the system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints.

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

Comment: The capacity of the suppliers is integrated in the production planning system of Iriedaily. Production numbers are discussed with suppliers before orders are placed. Iriedaily has changed the production phase, two weeks were added to this phase to create more space for their suppliers and prevent overtime hours. With this shift, design and sales department have two weeks less in the whole production cycle, including the order season of their customers. A complete timesheet is discussed with the supplier and fabrics are pre-booked before orders are placed. The production phase for the 3 collections are basically 4 months.

The number of pieces are discussed with the factory and the production capacity of the factory is taken into account. Iriedaily calculates the lead times based on the experience of the year before and their experiences with the specific factory from years before. If a supplier has difficulties, more time is added to the delivery date. Iriedaily provides suppliers a 2-3 weeks delay, when needed.

Iriedaily created a third collection to create more production continuity for their main suppliers. This collection and their basic products are planned in the low season of their main suppliers.

Recommendation: FWF encourages Iriedaily to conduct an evaluation among their suppliers on the impact the extra 2 weeks had on suppliers' planning and working hours.

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

Comment: In two audits conducted in China in 2016, excessive overtime findings was reported. During their visits, Iriedaily addresses overtime hours with factory management and talks with factory management to find a solution and reduce the overtime hours. Iriedaily has worked closely with another FWF member to tackle the overtime issue at one of their main suppliers in China. Iriedaily has changed their lead times at the suppliers to create more space for the production phase in the factory and prevent overtime hours. Iriedaily also tries to avoid design changes as much as possible to not intervene the production process. At their main supplier the overtime hours have been reduced since the audit.

Iriedaily recognises that there is a difference between factories employing mostly migrant workers or factories with mostly local workers. Migrant workers tend to be more willing to work overtime hours than local workers according to their experiences. Iriedaily supported one of their factories in China to move the production location to the hometown of the factory owner to establish a more stable workforce.

Iriedaily has changed their production planning phase on the company level. The sales department changed the production numbers too much during the production phase, on the management level it is decided to create more space for the production phase and the sales department has to hand in the numbers earlier. An estimation of the number of products are transferred two weeks earlier to all their suppliers, to prevent excessive overtime hours.

Recommendation: FWF recommends Iriedaily to continue discussing with factory management on the causes of excessive overtime and provide support to manage overtime hours. Iriedaily could start analysing/evaluating the relationship between more local workforce and overtime hours. Perhaps the workers could be interviewed whether the moving of the factory decreased overtime hours. It would be interesting to include also a wage analysis in the evaluation.

If necessary, Iriedaily could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0

Comment: Prices are mainly established on experiences of the previous year. Iriedaily defines the target price based on the costs of the product and retail price. Iriedaily discusses prices together with factory management. Fabric costs can be separated from FOB price by Iriedaily. Iriedaily is not yet aware about the exact labour costs per factory.

The price for a product is fixed for one season, only up charges happen. Iriedaily is not asking discount for higher numbers, and the production quantities are set at an early stage together with the factory.

Requirement: Iriedaily needs to develop a pricing policy where Iriedaily knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

Recommendation: FWF recommends Iriedaily to increase transparency in costing and productivity. This provides a better insight in the labour costs per product and forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Basic approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0

Comment: Iriedaily discusses wage levels with their suppliers based on wage ladder data of FWF audits. They lack detailed insights in the labour costs at factory level. Iriedaily started discussions with their key suppliers, although they experienced that their suppliers are not yet willing to be open about wage levels and other costs at factory level.

One of their suppliers in Portugal is more open to work on this topic, although it is still a difficult topic to discuss.

Recommendation: To gain more insight into the relationship between own prices and the wage levels at their suppliers, FWF encourages Iriedaily to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

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

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 26

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	43%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	41%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	N/A	1st or 2nd year member and tail-end monitoring requirements do not apply.
Total of own production under monitoring	84%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

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

Comment: The CEO is the main person responsible for FWF membership. There is a designated CSR staff person and this person works closely together with the CEO.

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

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

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

Comment: If Iriedaily receives an audit report, it is reviewed swiftly and then passed on to the supplier. CSR staff agrees timelines together with the factory first by email and audit findings are also discussed at CEO level during factory visits.

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

Comment: Following up on corrective action plans at each production site is considered a team responsibility.

CSR staff communicates CAP findings with suppliers first and keeps an overview of the status of all CAP's. CAP findings are taken on by each department, depending on the issue. Issues related to lead times are taken on with the supplier and the distribution department. The design department is also integrated in the CAP follow up, they travel regularly to the factories and integrate corrective actions in their visits. For more difficult issues, the CEO will take these on with factory management. CSR staff is directly linked to the CEO, the lines are short and issues can be discussed easily on management level.

During the Brand Performance Check Iriedaily could show that correctice actions had been implemented. Iriedaily invested for instance in ergonomic chairs and floor mats for their main supplier in China. Iriedaily decided to change their production planning process as several of their suppliers in China dealt with excessive overtime hours.

With their main suppliers CAP follow up is on track, although for the factories were Iriedaily has limited leverage and less impact, it is still a challange to map the corrective actions that are needed.

Recommendation: FWF recommends Iriedaily to define a strategy for suppliers where Iriedaily has limited leverage to ensure relevant improvements are being implemented.

To facilitate remediation, Iriedaily could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars.
- Provide factory training.
- Share knowledge/material.
- providing financial support to the supplier for implementing improvements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	88%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Iriedaily visits the majority of its suppliers at least once a year. The CEO conducted two trips in autumn 2016, to visit their main suppliers and agencies to explain FWF membership. Factory visits are helping them to maintain the long personal relationship. In Portugal the suppliers are visited twice a year and the suppliers in China are visited at least once a year.

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

Comment: Iriedaily prefers to conduct audits by FWF teams.

Recommendation: Iriedaily could start collecting existing audit reports to get an understanding of the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	None of the specific risk policies apply	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	N/A	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2

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

Comment: Iriedaily worked closely together with another FWF member on their first CAP, they prioritized the audit findings together and Iriedaily took the lead in the remediation process. Both members regularly exchanged on the status and updated each other before and after visits to the supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

Comment: Iriedaily maintains long personal relationships with their suppliers in Portugal, where 41% of its FOB is produced. All production sites are visited at least once a year and mostly twice a year. FWF's risk assessment for Portugal had been consulted. During the Brand Performance Check Iriedaily could show that the Worker Information Sheet was posted at all their suppliers in low risk countries. Also the FWF questionnaire has been signed.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	None	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	3	0

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

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

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

MONITORING AND REMEDIATION

Possible Points: 20

Earned Points: 17

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	1	
Number of worker complaints resolved since last check		

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

Comment: Iriedaily regularly checks during visits whether the Worker Information Sheet is posted at an accessible location in the factory and records this. Also their intermediaries check if the Worker Information Sheet is posted.

Recommendation: FWF recommends Iriedaily to also systematically include subcontractors in the system to check that the Worker Information Sheet is posted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	100%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	4	4	0

Comment: At one of the two audited sites in China the majority of workers was not aware of the FWF CoLP and the helpline. After the audit factory management repeated the training internally to reach more workers.

Afterwards, at both sites a WEP have been conducted to increase awareness of the FWF Code of Labour Practices and worker helpline.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: Complaint is actively followed up by Iriedaily. The main issue in the complaint had to do with excessive overtime hours. As part of the complaint remediation, Iriedaily pays extra attention to the impact of their planning system on overtime hours. Iriedaily increased the production phase after they received this complaint.

Recommendation: FWF encourages Iriedaily to continue investigating and remediating the complaint together with other brands sourcing at the supplier. FWF recommends to monitor and evaluate also other Chinese suppliers on excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: Iriedaily shared the complaint with other FWF members and they are following up together. Another FWF member takes the lead in the complaint remediation. A meeting was arranged to discuss the complaint case among the FWF members. Together they have more leverage at the production site and will have more influence on the remediation process. Although the FWF members are working closely together there influence is still limited as there are other brands sourcing at the supplier with a higher leverage.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 12

4. TRAINING AND CAPACITY BUILDING

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

Comment: Three times a year a communication workshop about CSR and the information about the production sites is shared with all staff members. By the start of FWF membership staff has been explained about FWF membership and an official email went out to all staff members. There is ongoing communication about FWF membership with the sales and production department.

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

Comment: All interviewed staff showed a high level of understanding regarding FWF's approach and implications of membership. CSR staff and CEO participated in FWF's member seminar and several team members participated in other FWF events.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	0

Comment: For some suppliers, Iriedaily works with intermediaries. They are aware of FWF membership and check if the Worker Information Sheet is posted in the factory.

Recommendation: FWF recommends Iriedaily to actively training their intermediaries on monitoring and remediation to enable them to support the implementation of the CoLP.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	73%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

Comment: Two key suppliers in China participated in WEP.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	N/A	4	0

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 10

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: Iriedaily has invested a lot of time and effort in identifying all production locations, including subcontractor locations. All subcontractor locations that were identified have been included in their own factory database and in FWF's database. FOB percentages on subcontractor level are calculated based on the number of products placed at the subcontractors and FOB amounts paid to the main factories.

Recommendation: FWF recommends Iriedaily to periodically check with its intermediaries whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors.

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

Comment: All staff in direct contact with suppliers, including the CEO, Head of Distribution, Head of Production and Head of Sales are actively involved in FWF and social compliance at their suppliers. The CEO used the FWF health & safety checklist when visiting production locations and an observations report is shared with the rest of the team.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

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

Comment: Iriedaily communicates about FWF on its website and Facebook page.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	2	0

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

Recommendation: FWF recommends Iriedaily to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of Iriedaily and FWF's work.

TRANSPARENCY

Possible Points: 6

Earned Points: 4

7. EVALUATION

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

Comment: Top management is highly involved in FWF membership. FWF membership is integrated in decisions on management level. Adjustments have been implemented to the structure of the production planning on company level.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

1. Visibility and clear communication of Iriedaily on FWF homepage.
2. Improve the way how the questions in the Basic Health and Safety check for factory visits are phrased. The two forms "Basic Health & Safety check" and "Common Health & Safety Problems" could be combined into one, as most of the questions on the lists are the same.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	26	40
Monitoring and Remediation	17	20
Complaints Handling	12	15
Training and Capacity Building	10	11
Information Management	4	7
Transparency	4	6
Evaluation	2	2
Totals:	75	101

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

74

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

01-06-2017

Conducted by:

Rosan van Wolveren

Interviews with:

- Walter Molt (CEO and Head of Sales)
- Manfred Ammann (Head of Distribution)
- Patrick Kreßner (Head of Design)
- Bella Kruschinski (Head of Production)
- Christian Spillecke (Marketing)
- Sophie v. Scheidt (CSR)
- Daniel Luger (CEO) and at the moment CSR