THE IDFACTORY

Certified B Corporation

IMPACT REPORT 2020

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WHO WE ARE

The ID Factory is a B-corp supply chain traceability platform that allows fashion companies to gain end-to-end visibility over their value chains.

Our mission is to empower fashion brands in making timely, informed data-driven decisions that are the most effective for their business and have a positive impact on the planet.

No improvement is possible without measurable data and no measurement is possible without a tracking system.

INTERVIEW TO THE FOUNDER

Massimo Brandellero is the founder of The ID Factory, an Italian Benefit company that has developed a digital platform to manage the supply chain of companies and brands in the clothing and footwear sectors. The entrepreneur is an expert in new technologies applied to the fashion sector.

What made you decide to deal with traceability?

"It all started towards the end of November 2012 when I was in Hong Kong for work and I found myself in the same place where a few days earlier Greenpeace activists had demonstrated showing the "Invisible fashion victim" sign against the use of toxic substances that pollute water in the textile supply chain. This moment marked the beginning of the Detox my fashion campaign which has radically changed my way of seeing fashion and doing business. At the time, I was working in the leather industry, supporting the procurement department of numerous European shoe brands that purchased finished products from Asia and the East, acting as a link between Asian factories and brands.

INTERVIEW TO THE FOUNDER

The Detox my fashion campaign coincided with the beginning of a change but it was shortly thereafter, with the collapse of the Rana Plaza complex in Bangladesh and the birth of the Fashion Revolution movement that radically changed the approach to the supply chain concept of the entire fashion industry. In this type of environment and in an ecosystem that was opening up to a new awareness, The ID Factory was born". The digital platform your company has developed offers "unprecedented global supply chain management".

Could you explain to us what it involves?
"The ID Factory is a digital platform that allows complete traceability and digitisation of the production chains of major fashion brands which, by their nature, have such a fragmentation as to generate extreme management and monitoring complexity. Digitising the supply chain allows brands and all stakeholders involved to exchange strategic and operational information to improve both the communication between the players in the chain and the operational management of the supply chain, as they are: faster, more flexible, accurate, efficient and sustainable".

Who are your customers?
"Today The ID Factory works with over 500 companies and brands in the apparel and footwear sector including Hugo Boss, Tommy Hilfiger,

INTERVIEW TO THE FOUNDER

Calvin Klein, Geox, Tamaris, S.Oliver and many others. The platform is jointly used by brands and their production chains for a total of 320 manufacturing companies and 252 suppliers of raw materials".

What are the major obstacles encountered in implementing a traceability system in the supply chains of the leather/footwear sector?

"Technology in itself makes sense to exist when it facilitates and not when t creates obstacles and complexity; however, as in all sectors with a strong tradition such as leather and footwear and as in all cases of radical change, the problems are mainly due to the mindset of users: once this is faced, obstacles become challenges".

TRACEABILITY

OUR COMMITMENT

"We work to promote innovative traceability systems that make it easy and transparent to monitor the information and materials flows across global fashion supply chains."

We aim to guide fashion brands and their supply chains in a co-evolution process towards a strategic sustainability commitment for continuous improvement and the creation of shared value.

Less than 10% of brands have a complete knowledge about the full supply chain, with only 30 brands out of 200 publishing their processing facilities further down the supply chain, and 10 going further down to raw material suppliers (Fashion transparency index 2020).
We promote the adoption of technology and the transition to the Industry 4.0 as a key enabler for more transparent and traceable supply chains.
We provide fashion companies with the helicopter view to make informed data-driven decisions that are the most effective for their business and have a positive impact on people and the planet.

KEY ACTIVITIES

Engage brands

The ID Factory has already engaged 15 international brands in the traceability process, including Geox, Tommy Hilfiger, Calvin Klein, Hugo Boss, Tamaris, S.Oliver. Through the traceability process we have mapped the first tier and second tier suppliers of their supply chains, accounting for 320 factories and 252 material suppliers. With some companies we are on progress to map third tier suppliers and go even further to an end-to-end supply chain traceability.

Engage the supply chain

The ID Factory periodically establishes meetings with people working in the factories and for the material suppliers of the brand, in order to train them on how to use the supply chain platform and the advantages of employing a traceability system. Among the most relevant advantages all suppliers using the platform will have to handle a lower amount of emails and excel sheets, simplifying, accelerating, and automatizing their order management processes and quality control activities. Also implying a reduced number of order claims, wrong orders, missed production deadlines, insufficient supply or overproduction risks, thanks to a standardized data system where all data are validated by the brand and all supply chain players in real time.

Share knowledge about the importance of traceability

Around 90 % of fashion's environmental impact occurs in the supply chain, this is where the real change can happen and where the majority of targets and actions must be directed. The lack of supply chain traceability and control is the major problem against responsible production practices. The ID Factory is committed to share best practices and promote the role of traceability as a fundamental step towards more sustainable supply chains, by collaborating with brands, suppliers, Confindustria and Confcommercio as well as NGOs such as Fashion Revolution.

MEASURING PROGRESS

Performance indicator KR (Key Results) are used to transparently share and monitor progress towards the achievement of the common benefit objectives

Key Indicator	Activity	Outcome
Raise the number of brands tracing their supply chain	Participating to new trade shows in Paris and Milan and present The Platform to all prospects	We created new connections and met new brands willing to engage in the traceability process of their supply chain
Raise the number of suppliers for each brand	Asking the brand send a presentation letter to its own suppliers and we managed all the onboarding and training process	All brands sent the presentation letter and almost all first and second tier suppliers have been trained on how to use the platform
Raise the number of material type traced	Detecting new material tipe with the clients, coordinating the updating rate and the amount	We were able to trace two new material components of the shoe product
Implement new traceability services	Framework development, pilot delivery and testing with the client, product development	We launched the Manufacturing module and implemented the service with two clients

INCLUSIVE ORGANIZATION

OUR COMMITMENT

" We aim to Create a strong group identity that values the authenticity and unique contribution of each"

It is based on the sharing of our values and our mission without the need for a rigid hierarchical structure, promoting integration between personal and professional life and contributing to growth constant confidence and satisfaction in the workplace

We strongly believe in Happiness and we are committed to promote it to all our people.
We want all employees to be happy and satisfied in contributing to the growth of The ID Factory and its positive impact on the planet.
We are a team, a group of people who have a common goal. Whenever possible, we all come together to do group activities to increase team building and to strengthen the relationship between colleagues in a pleasant context of interaction and exchange. This helps to create a close-knit and successful team.
Time flexibility is a priority to allow full integration between private and professional life and allow everyone to meet their own personal needs.
Until now we have not established clear, precise and measurable objectives, but we are strongly committed to do it for the year 2021.

KEY ACTIVITIES

Agile Work

The ID Factory adopts an agile way of working and managing employees' relationships. We do not consider it necessary to carry out stringent checks regarding compliance with working hours, since we do not set time or space constraints but everything is organized to achieve the objectives. Autonomy, flexibility, accountability, enhancement of talents and trust are the key principles on which the relationship between The ID Factory and our employees is based.

OKR and Teal Organization

The ID Factory periodically establishes meetings with the team for the definition of corporate and personal OKR (Objective and Key Results). In this way, the company establishes objectives in a simple and understandable way, aligning all the people on common goals.
We're starting to adopt the Teal approach based on a bottom up decision making process, where all the people are involved and empowered: we want to enable employees to share their full personas rather than just their work personas.
We do not believe in hierarchical organizations where the control is central but in the creation of peer-to-peer relationships where everyone feels free to express their opinion and ideas.

Team Building

Our team is located throughout the Italian territory, so it was decided to organize two days a year to spend together, combining business with pleasure. In 2020 we spent a day in the snow in the Dolomites of San Martino di Castrozza, where we had the opportunity to do some outdoor activities such as skiing and snowshoeing, to create a strong team spirit and improve collaboration and communication. We think team building allows us to achieve corporate goals without losing sight of the well-being of our people.

KEY ACTIVITIES

Welfare and personal growth

The ID Factory offers a set of initiatives designed to improve the lifestyle of all employees. Company assets such as electric cars are offered on loan for free use to workers also for personal purposes. We offer the opportunity to participate to English language teaching courses because we work in a very international environment and we want to be as inclusive as possible. Moreover all our people are required to periodically participate in meetings on Growth Hacking training. Growth Hacking is a mindset oriented to boost the company growth and we want to give everyone within the organization the right tools to take action. We're planning to further support our employees personal and professional growth by creating a training fund of 1% of our annual revenues.

MEASURING PROGRESS

Performance indicator KR (Key Results) are used to transparently share and monitor progress towards the achievement of the common benefit objectives

Key Indicator	Activity	Outcome
Boost work flexibility	Allowing our people to decide when they want to work from home and when they want to go to the office	Anyone in the company took advantage of the opportunity based on their necessities
Complete all OKR meetings	Every quarter an OKR meeting was scheduled to engage everyone in setting the targets	All OKR meeting took place as scheduled and all members of the team were present
Create the perfect team	Three main activities were defined: one day snow trip, one day for sharing the business results and 10 meals all together	The first two activities were completed but the team managed to get out for dinner/lunch together only 3 times
Promote personal growth	Everyone in the team head the opportunity to follow growth meeting and language courses	The majority of the team took advantage of the opportunity

COMMUNITY SUPPORT

OUR COMMITMENT

"We want to have a positive impact on the wider community with which we operate."

We are doing this by promoting the cultural growth of the younger generations and helping them to become responsible global citizens. We promote collaborations and educational projects together with the use of technology and innovation to achieve our broader objective.

Together we stand, divided we fall is our motto.
We work with our technology providers and sustainability partners in fashion to deliver our values and educate people.
Global citizenship is the idea that one's identity goes beyond geography or ethnicity and that responsibilities and rights come after membership in a brooder class: HUMANITY.
We want to support scholars in becoming active citizens and to acquire the knowledge and skills needed to promote sustainable development, fair and equal human rights, gender equality, promoting of and a culture of peace and non-violence that appreciate and value cultural diversity.

KEY ACTIVITIES

The CO2 Management experience

The "CO2 Management" Virtual Reality experience was created with the aim of raising awareness among the CEOs and Managers of large fashion companies about the issue of climate change. The fashion industry accounts for 10 % of the total CO2 emissions of our planet, and we need urgent action to solve the climate crisis we are facing. We used VR to create a dreamlike experience that could raise awareness while highlighting the perception of urgency of the environmental problem. The VR experience allows the user to find himself in an immersive 3D environment that completely surrounds him: a forest full of gray fog that symbolizes pollution in which a little girl appears protected by a glass dome, where she is forced to live to protect herself from climate change.
We sent a personalized wooden box that contained an Oculus Go headset to 13 large fashion companies and we received an answer from 50% of these companies including Dior, Salvatore Ferragamo, Clarks, Piquadro, Scarpa, Golden Goose, Diadora.

Zanella VR, a cultural innovation project

The initiative was designed to celebrate the bicentenary of Zanella's birth and is aimed to last over time as a cultural and educational tool for children, students and adults with the objective to spread innovative means of communication and cultural sharing. The VR technology has been used to meticulously reconstruct the poet's house in 3D, so that of Zanella's poems magically come to life through a figurative representation that transports the spectators on a journey through time and space.

KEY ACTIVITIES

Presentation to students at Politecnico

We strongly believe in the promotion of a culture for technology and sustainability in fashion and in the footwear industry. For this reason our CEO Enrico Purgato hosted the event "Passion for beauty between past and present: professions of excellence in Made in Italy" by Politecnico Calzaturiero on January the 13th 2018. The event was held at Villa Foscarini Rossi in Stra (VE), and it focused on the changes and the innovation which are transforming the footwear sector. We took part in the 2018 edition, but due to Covid-19 pandemic we were not able to participate in other events in 2020. We are already committed to share our experience at a national level with a wider audience made of teachers from Politecnico Calzaturiero in 2021.

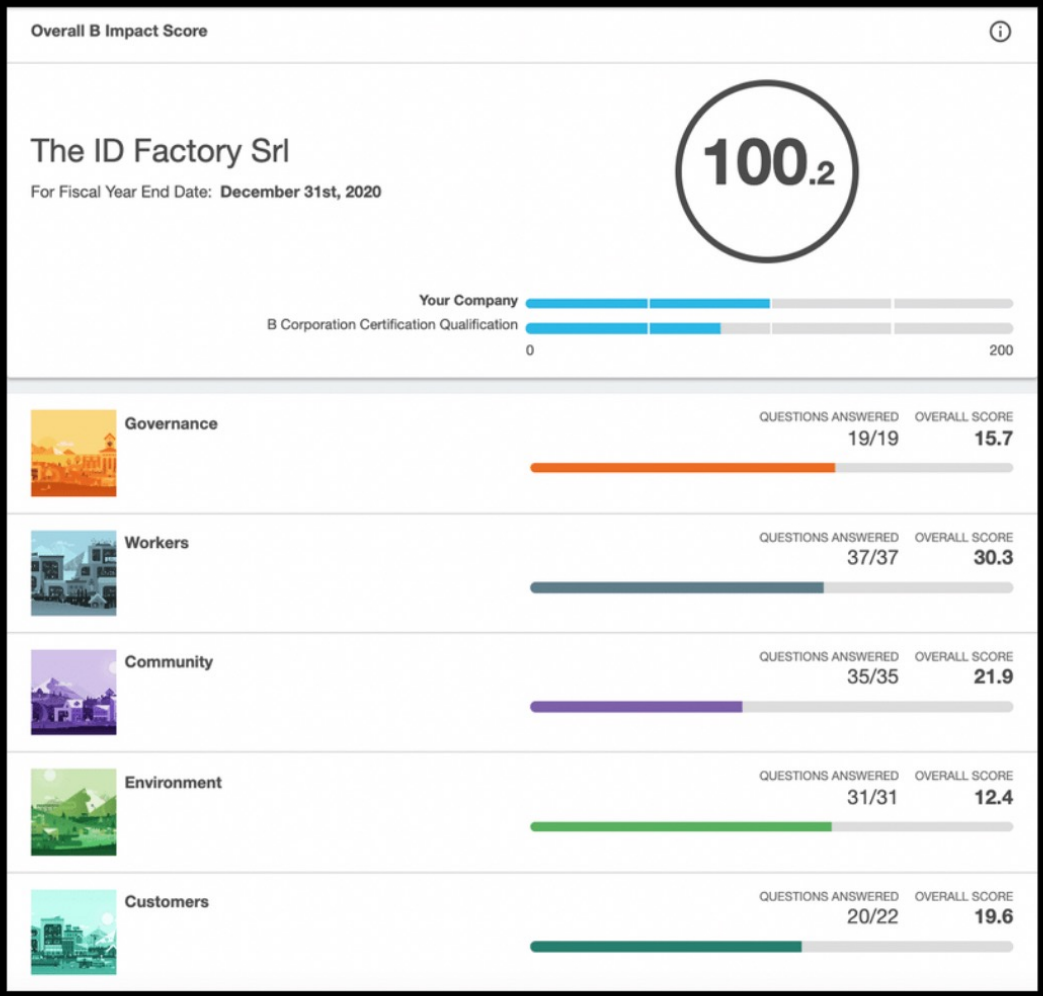
MEASURING PROGRESS

Performance indicator KR (Key Results) are used to transparently share and monitor progress towards the achievement of the common benefit objectives

KR	Activity	Outcome
Climate awareness among top fashion brands	Through the CO2 experience VR we were able to reach 13 large fashion companies, sending them the Oculus	We received an answer from 7 of them: Dior, Salvatore Ferragamo, Clarks, Piquadro, Scarpa, Golden Goose, Diadora.
Spread innovative ways of cultural sharing	The VR technology has been used to meticulously reconstruct the poet's house in 3D	We achieved a strong engagement and The VR experience is now accessible to all in Vicenza at Chiampo library.
Share our experience with the local communities and students	We hosted an event at Villa Foscarini Rossi in Stra (VE) with Politecnico calzaturiero	The collaboration was successful and we will renew our commitment with the Politecnico Calzaturiero in 2021

B IMPACT ASSESSMENT

This management tool, used by over 50,000 businesses worldwide, including over 3,000 Certified B Corporations, helps companies assess their impact on various stakeholders, including their workers, community, customers, and the environment.



THE IDFACTORY

PRIORITY SDGS

There are 17 SDGs and 169 targets in total. While they are all important and interrelated, some are more relevant to our business than others.

The Sustainable Development Goals (SDGs), also known as Global Goals, are a set of 17 integrated and interrelated goals to end poverty, protect the planet and ensure that humanity enjoys peace and prosperity by 2030.

Priority SDG

As part of our objective to support the fashion industry in the achievement of more traceable and reliable supply chain we are supporting companies with tools to implement more responsible production practices such as guaranteeing material traceability, monitoring supplier performance and material compliance.

Priority SDG

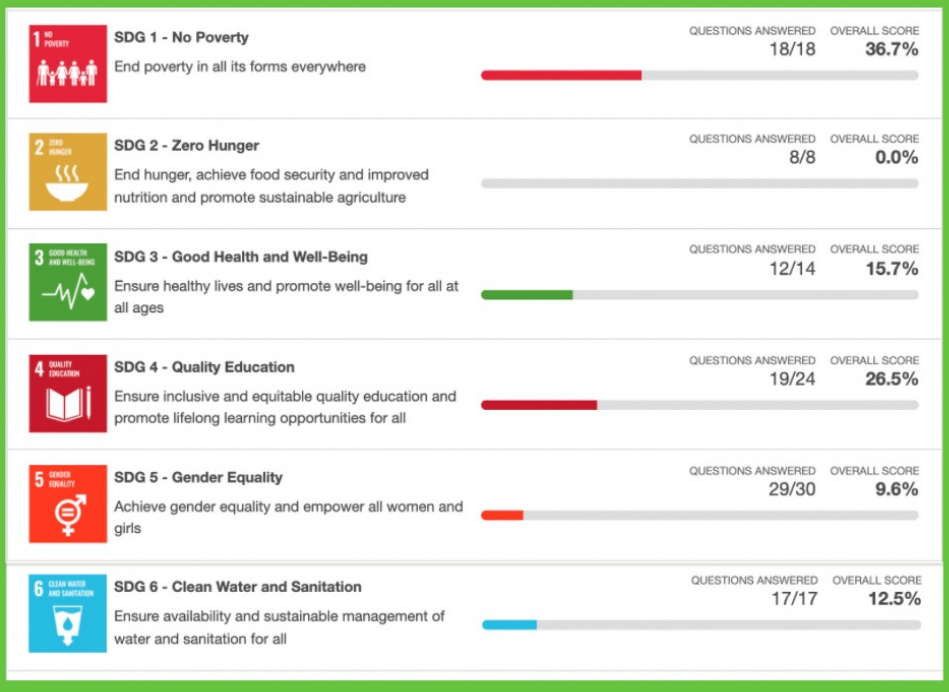
As part of our commitment to be a regenerative business witch is able to give back to the planet and to people more than the resources used, we are committed to plant fruit trees offsetting all our emissions and supporting the economic development in the developing countries.

PRIORITY SDGS

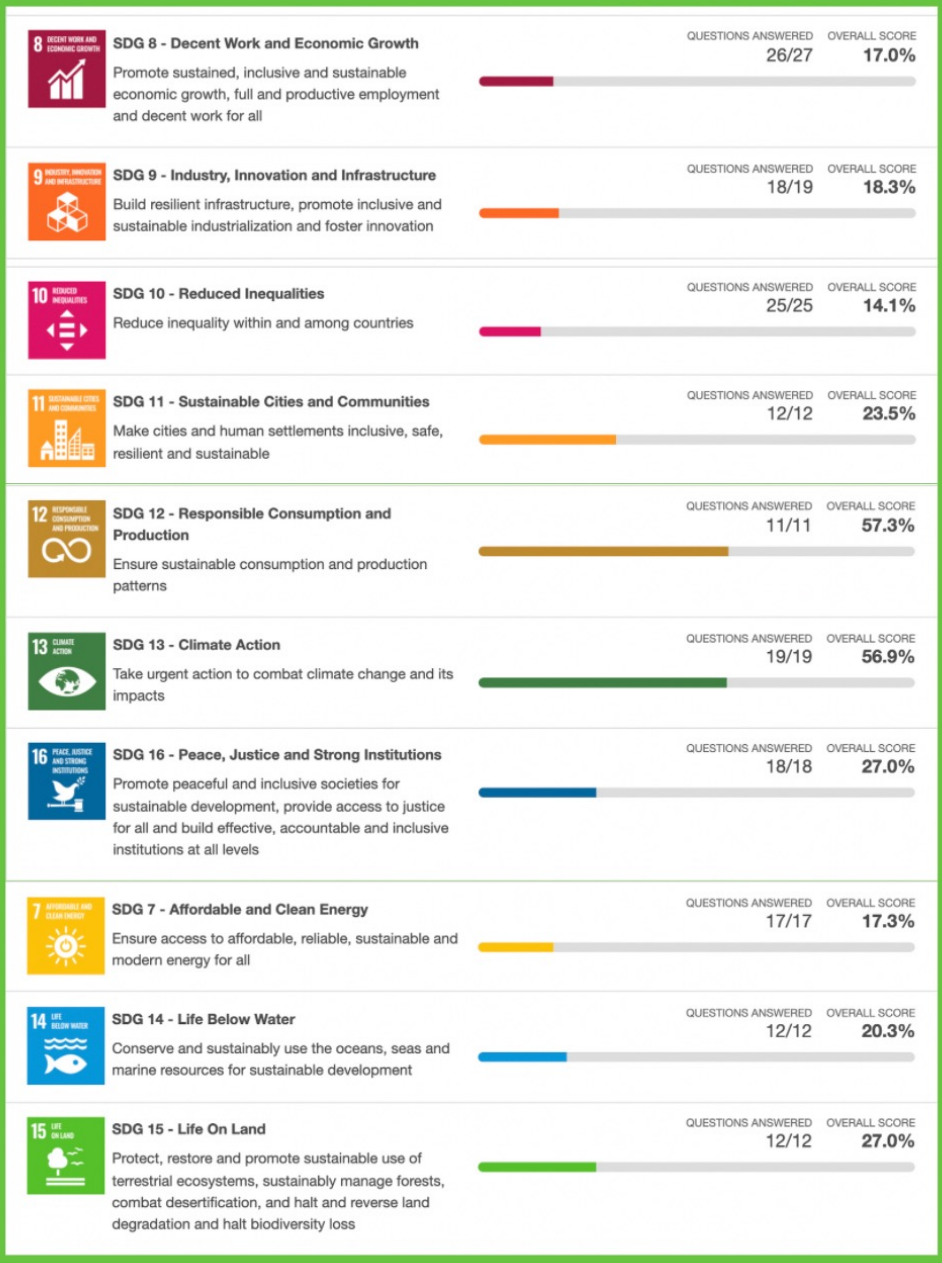
Priority SDG

As part of our commitment to support the local community and be an inclusive organization we are working with educational institutions as ESAC formazione and local schools for promoting responsible consumption and educate the climate change makers of tomorrow.

SDGS ACTION MANAGER



PRIORITY SDGS



NEXT STEPS

Our objectives for 2021

This Impact report is a continuous work in progress, a way for our organization to track our impact, progress towards the goals and improve over time. This section outlines our strategy for continuing the good work done so far.

01 Accelerator Program

Networking opportunities are key for reaching out more brands and for working together on the learning journey towards traceable supply chains. We want to enter a fashion accelerator program to boost our visibility and meet new partners.

02 Fashion BCorp community

The number of fashion b corp is rapidly growing and there is no place where alla fashion companies can share best practices and partner for the goals. We want to create the first B Fashion B corp community on B Hive, the official B corp social media.

03 Grow the network

We will be able to achieve our mission to make the fashion industry traceable and transparent only if we succeed in increasing the number of fashion brands and suppliers adopting The ID Factory platform

04 Traceability KPIs

We want to continue working with suppliers and all platform users to raise awareness about the key advantages that traceability can bring to their organization. We want to make data and key performance indicator easily accessible and understandable for detecting areas of improvement.

2020 HIGHLIGHTS AND MILESTONES

CONCLUSION

Planet

Check out The ID Factory forest scanning the QR code on the right

- 460 trees planted
- -86 tons of CO2

Education

- Gifted the CO2 VR reality experience to Chiampo Museum, Vicenza, Italy
- 8 CEOs of leading fashion brands have tried the VR

Impact

Digitalizing fashion supply chains worldwide

- Working with companies in more than 22 countries
- More than 500 platform users

"NO improvement is possible without measurement and NO measurement is possible without a tracking system"