



## BRAND PERFORMANCE CHECK

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Engelbert Strauss GmbH & Co. KG

PUBLICATION DATE: APRIL 2019

this report covers the evaluation period 01-01-2018 to 31-12-2018

## 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

Engelbert Strauss GmbH & Co. KG

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Biebergemünd, Germany
Member since:	01-11-2016
Product types:	Workwear
Production in countries where FWF is active:	Bangladesh, Bulgaria, China, India, Indonesia, Myanmar, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	Albania, Bosnia and Herzegovina, Ethiopia, Germany, Italy, Korea, Lao People's Democratic Republic, Latvia, Malaysia, Pakistan, Poland, Portugal, Slovakia, Sri Lanka, Taiwan, Thailand, Ukraine, Zimbabwe
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	91%
Benchmarking score	67
Category	Good

## Summary:

Engelbert Strauss has shown progress and met most of FWF's performance requirements. Engelbert Strauss' monitoring threshold of 91% exceeds monitoring requirements (60%) for second-year members. With a benchmarking score of 67, Engelbert Strauss is awarded 'Good' category.

Engelbert Strauss has a large supply chain with several smaller tail-end suppliers. During 2018 they made progress in consolidating their supply chain. As most production locations have been their partner for a long time, are visited regularly and Engelbert Strauss buys a significant portion of their production, they are in a good position to improve working conditions.

During their last financial year Engelbert Strauss has started open-costing projects with some suppliers. FWF recommends Engelbert Strauss to continue this effort, so they can systematically demonstrate the link between their buying price and wage levels and set target wages above legal minimum wage with some key production locations. While their production planning system enables reasonable working hours at factory-level, excessive overtime remains a challenge in their supply chain.

Engelbert Strauss has a system in place to monitor and remediate violations to the FWF Code of Labour Practices. They are supported by an external monitoring partner. FWF recommends the company to further strengthen this system by transferring learnings, increasing work on more complex, systemic issues and implementing preventive measures.

Engelbert Strauss has started training workers and management on the FWF Code of Labour Practices and complaint helpline. Two suppliers also participated in advanced training through FWF's Workplace Education Programme. FWF encourages Engelbert Strauss to gradually train a larger portion of their supply chain.

## 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.	82%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** At 82% of its production locations Engelbert Strauss buys at least 10% of the production capacity. At the majority of its key production locations the brand's leverage even exceeds 25%, in many cases reaching 60-100% of the supplier's capacity. This makes Engelbert Strauss (one of the) main clients at many production locations of its supply chain.

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.	24%	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.	0	4	0

**Comment:** With 24% of production volume from production locations where Engelbert Strauss buys less than 2% of its total FOB, the brand has a relatively long 'tail end' for production. This is due to Engelbert Strauss' large product range with many products requiring specific skills or machinery to fulfill quality and safety standards. Engelbert Strauss has nevertheless started an internal process to limit the number of production sites and made considerable progress during 2018. Several production sites were phased out in close discussion with suppliers. In many cases this was organised in such a way that the capacity of other clients at one supplier with several production sites was shifted as well, thus not reducing the total order volume that individual locations receive.

**Recommendation:** FWF encourages Engelbert Strauss to continue the process of consolidating its supply base by limiting the number of suppliers in its 'tail end'.

To achieve this, Engelbert Strauss should continue to determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance.

Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	87%	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:** 87% of Engelbert Strauss' production volume comes from production locations where the brand's business relationship has existed for at least five years. Engelbert Strauss' sourcing strategy is focused on long-lasting partnerships with suppliers to deliver high-quality products consistently.

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:** Engelbert Strauss rarely starts production at entirely new suppliers, but existing suppliers might opt to add new production locations.

During 2018, 20 new production locations were added. Engelbert Strauss showed document proof that new production locations were required to sign and return the questionnaire with the Code of Labor Practices before first bulk orders were placed.

In their current IT system the CSR team is automatically informed when a new proposed location is added. The CSR team then starts a dialogue with product development about the selection and ensures all required documents are returned before bulk orders are placed.

Existing suppliers that might add new production locations are reminded every half year to inform Engelbert Strauss prior to starting production at new locations. It remains an on-going challenge to ensure this process is followed for all cases.

**Recommendation:** FWF recommends Engelbert Strauss to consider adding a function to its information management system that requires approval of the CSR team before bulk orders can be placed. Engelbert Strauss should also continue to engage with suppliers regularly to ensure no new production locations are added without prior approval. Engelbert Strauss could consider consequences for cases where this process is not followed repeatedly.

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.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0



**Comment:** While the sourcing department drives the selection of new production locations based on production requirements, CSR is consulted during the selection process. This collaboration has been further strengthened during 2018 and the sourcing department now consults CSR early in the process. When Engelbert Strauss considers sourcing in a new country, a larger assessment process is conducted. This was for example the case for Ethiopia in 2018 where Engelbert Strauss' largest supplier wanted to start a new production site.

The CSR team conducted an extensive risk assessment analysing various resources and discussing the situation with their monitoring service provider as well as another FWF member sourcing from Ethiopia. Based on this, as well as the fact that their supplier had experience in managing social standards, Engelbert Strauss decided to go ahead. The company had difficulties identifying a credible audit partner, but has now scheduled an audit for 2019.

For new production locations in countries where Engelbert Strauss is already active, the brand has also defined a fixed process.

All new production locations are asked to sign the FWF Code of Labour Practices, submit a self-assessment and existing audit reports, if available. Engelbert Strauss assesses this information and visits the supplier prior to starting a relationship. During the visit FWF membership is also discussed. If CSR is unable to attend these visits, other staff is briefed and asked to fill out FWF's health&safety checklist. If the supplier is particularly important to Engelbert Strauss and/or if additional risks have been identified, Engelbert Strauss' monitoring partner might conduct a pre-assessment. Based on all this information Engelbert Strauss creates a first corrective action plan and plans initial steps such as capacity building.

**Recommendation:** A risk analysis as part of the decision-making process of selecting new suppliers is an important step to mitigate risk and prevent potential problems. FWF recommends Engelbert Strauss to define preventive actions for identified risks clearly and implement them accordingly. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association and restricted civil society that are beyond the brand's individual sphere of influence.

FWF also encourages Engelbert Strauss to further strengthen the role of CSR during the selection process of new suppliers. How the outcomes of CSR assessments weigh into sourcing decisions at potential suppliers should be described in the sourcing strategy, agreed upon by top management and implemented by all sourcing staff.

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

**Comment:** Suppliers are evaluated in a systematic manner on a yearly basis including purchasing, development, CSR and Engelbert Strauss' monitoring partners. The evaluation consists of several categories, one of which is social performance.

To assess the supplier's social performance, they are rated based on their audit results with a traffic light system. In addition, their progress on resolving corrective actions is also considered.

Suppliers that perform well are rewarded with additional orders. Suppliers that need improvement are offered support. If a supplier fails to improve or refuses to implement corrective actions to improve working conditions, Engelbert Strauss will stop the relationship.

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:** 80% of Engelbert Strauss' production consists of never-out-of-stock (NOS) items. This means that specification for these products are well known to suppliers and production can take place throughout the year, allowing suppliers to even out production peaks for seasonal products. Orders for these products are placed four to six months in advance. No design changes to the order are made afterwards, forecasting and actual order volumes rarely differ. Engelbert Strauss also keeps large volumes of NOS items on stock in Europe allowing them to accommodate delays from the supplier's site.

Seasonal products are developed in close collaboration with the supplier well in advance. A final forecast is shared two months before the planned delivery. Actual order volumes usually vary by max. 5%.

**Recommendation:** FWF recommends Engelbert Strauss to investigate labour minutes needed per style to allow for more precise planning.

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:** The majority of FWF audits as well as audits conducted by Engelbert Strauss' monitoring partner documented excessive overtime findings or suppliers not being transparent about working hours.

In many of the audited factories Engelbert Strauss is one of the main clients.

Engelbert Strauss could demonstrate that they had discussed these findings with their suppliers and that they had conducted root cause analyses. In some cases where they found that Engelbert Strauss had contributed to excessive overtime, order cycles have been adjusted. In other cases Engelbert Strauss concluded that sourcing practices of other clients had caused production pressure resulting in excessive overtime hours.

**Recommendation:** FWF encourages Engelbert Strauss to continue discussing root causes of excessive overtime with factory management and provide support to manage overtime. If necessary, Engelbert Strauss could hire experts to analyse and tackle root cause of excessive overtime in cooperation with the supplier such as improving the factories' own production planning and workflow.

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 can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

**Comment:** During its last financial year Engelbert Strauss has initiated open costing projects with a limited amount of suppliers to gain deeper insights into cost breakdowns and to determine whether their prices are sufficient to cover at least legal minimum wages. These projects are in the starting phase; at this stage Engelbert Strauss cannot yet demonstrate the link between their buying prices and wage levels in the country conclusively.

At this point prices are negotiated based on experience and knowledge of the price of fabric, design and workmanship which could be needed for the product. Usually the factory quotes a price which is evaluated against the selling price. In this process Engelbert Strauss might reduce the complexity of technical specifications to meet a target price rather than pushing the factory to reduce prices. The performance of purchasing staff is not evaluated based on the target prices they achieve.

Engelbert Strauss has started to investigate wage levels in their production locations by analysing the FWF wage ladder. For Bangladesh, their main sourcing country, they conducted an additional assessment which was updated in 2018. The analysis showed that all suppliers audited in 2018 paid above the legal minimum wage.

In December 2018 a significantly increased legal minimum wage has come into effect in Bangladesh. While wage levels at some suppliers already reached this new benchmark before it became a legal requirement, this was not yet the case for all production sites. The CSR team informed all purchasers about the new legal minimum wage increase for consideration during price negotiations. In almost all cases suppliers requested price increases between 3 to 4.5%, which were accepted.

**Recommendation:** FWF recommends Engelbert Strauss to expand their knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers.

Engelbert Strauss is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown.

Engelbert Strauss could provide suppliers who don't use open costing training on product costing and how to quote prices including (direct and indirect) labour costs.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** During 2018, one case where some workers were paid below the legal minimum wage and four cases where factory management was intransparent about wage levels were documented in audits.

For the first case Engelbert Strauss in cooperation with their monitoring partner followed up immediately and received confirmation by the factory within three months including supporting document evidence that the situation had been remediated. Verification is planned for 2019.

For the cases where factories were not transparent about wage records, Engelbert Strauss also engaged in a dialogue with the respective suppliers. In one case they decided to discontinue the relationship as the supplier was not willing to improve on this and other points. In other cases Engelbert Strauss felt that they managed to build the necessary trust with factory management to disclose wage records in future audits and has scheduled verification for 2019.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

**Comment:** As outlined under indicator 1.8, Engelbert Strauss has started assessing wage levels in their production locations systematically and deepen their understanding of cost breakdowns.

Wage ladder results are discussed with suppliers as part of following up corrective action plans after audits, but no larger root cause analyses or formal agreements with suppliers to gradually increase prices have been conducted.

During 2018 the company has started to build their own capacity on the topic by reviewing FWF's guidance material, engaging with more advanced members to learn from their experience and scoping possibilities for pilot projects.

**Recommendation:** FWF encourages Engelbert Strauss to discuss with suppliers about root causes of lower wage levels and explore different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

FWF encourages Engelbert Strauss to involve worker representatives and local organisations in assessing root causes of wages lower than living wages.

It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	4	0

**Comment:** Engelbert Strauss has not yet systematically agreed on target wages with suppliers, but could demonstrate that wage levels have increased gradually at some suppliers in past years.

Engelbert Strauss currently buys 13% of its production volume from factories where the brand buys between 80-100% of the factories' production. At their largest suppliers, accounting for 21% of their total production volume, they buy two thirds of the factories' annual production.

**Requirement:** In case Engelbert Strauss buys (almost) exclusively at a production location or owns a production location, the member company has full or very high influence over the wages and should be able to cost for a living wage. Engelbert Strauss should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

**Recommendation:** To support companies in analysing the wage gap, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

It is advised that the strategy for how to finance wage increases is agreed upon by top management. In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

FWF advises companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases it in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

**Comment:** Engelbert Strauss has not yet agreed on target wages with suppliers, hence their share of the target wage is not yet paid.



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## PURCHASING PRACTICES

Possible Points: 47

Earned Points: 27

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	88%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	3%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	N/A	1st or 2nd year member and tail-end monitoring requirements do not apply.
Requirement(s) for next performance check		
Total of own production under monitoring	91%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of 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:** Engelbert Strauss has dedicated CSR staff members to follow up on problems identified by the monitoring system. The CSR staff is supported by an external monitoring partner who conducts audits and follows up on corrective actions.

**Recommendation:** FWF recommends Engelbert Strauss to ensure that the role of auditor and the role of following up on corrective actions is separated within the external monitoring partner to ensure independent third-party verification of factories.

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

Comment: Engelbert Strauss' external monitoring partner also conducts audits on behalf of other FWF members. The company has been trained by FWF.

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: FWF audit reports and Corrective Action Plan (CAP) findings are shared with factory management. In case Engelbert Strauss' monitoring partner conducted the social audit, the Corrective Action Plan is discussed with and signed by management during the exit meeting of the audit. The full audit report is only shared upon request or in case of urgent and difficult findings. Once the factory has received the CAP, they are asked to present a plan on how they plan to address findings to Engelbert Strauss' monitoring partner within two weeks. Including worker representatives is a challenge and depends strongly on the trust and relationship with the supplier and findings of the audit. Wherever possible, their monitoring partner includes worker representatives during audits and the exit meeting, where findings are discussed in detail. At this point Engelbert Strauss does not know if worker representatives are systematically involved after the audit to find solutions for identified issues and monitor implementation.

**Requirement:** FWF requires Engelbert Strauss to share both the audit report and the Corrective Action Plan with the supplier following an audit irrespective of the organization conducting the audit. At a minimum, the wage ladder needs to be shared with the factory in addition to the Corrective Action Plan.

**Recommendation:** Including worker representation when following up on audit reports and CAPs where applicable is necessary to ensure workers can support possible changes and improvements of labour standards at the production site.

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:** Engelbert Strauss' external monitoring partner manages remediation of corrective action with suppliers via email and phone. Evidence such as pictures, production records or copies of contracts are requested to document progress. Once a month Engelbert Strauss is informed about progress; where needed the CSR team engages directly with the suppliers to address slow progress.

More complex issues are discussed by the monitoring partner as well as Engelbert Strauss' staff during on-site visits or when the supplier visits Engelbert Strauss in Germany. Here, top management is often involved. Engelbert Strauss also tries to discuss and resolve root causes of issues with suppliers and analyses if the brand has contributed to a finding. Engelbert Strauss focuses on finding solutions for the individual situation of each supplier. Currently the brand does not have a system in place to ensure issues identified at one supplier are prevented or addressed at comparable production locations. Capacity building at this point is mainly focused on raising basic awareness about labour rights. Worker representatives are not systematically involved in remediation.

During the Brand Performance Check Engelbert Strauss could demonstrate on-going follow up of Corrective Action Plans at various suppliers. Issues related to health and safety or maternity benefits had been resolved. In one case where the factory had not shared production records during the audit, an electronic time registration system had been installed in the meantime and Engelbert Strauss had received current records. An analysis of working hours is pending. More complex and/or systemic issues such as establishing functional internal grievance mechanisms and ensuring independent worker representation remain challenging.

**Recommendation:** To facilitate remediation, Engelbert Strauss 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.
- Provide (financial) support to the supplier for implementing improvements

Engelbert Strauss could organise a joint training for their suppliers in one country or region to ensure more commitment from suppliers to remediate more structural issues and facilitate peer to peer learning.

FWF also encourages Engelbert Strauss to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices.

FWF also recommends Engelbert Strauss to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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.	70%	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.	3	4	0

Comment: CSR staff as well as technicians and purchasing colleagues visit production sites regularly. 70% of production volume from production locations have been visited by Engelbert Strauss in the previous financial year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	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.	3	3	0

Comment: Engelbert Strauss mainly relies on FWF audits as well as audits conducted by its external monitoring partner. The quality of these audits has been assessed and corrective actions are implemented. For prospective suppliers Engelbert Strauss also collects audit reports from other organisations and assesses their quality. Where possible Engelbert Strauss follows up on identified findings of these reports as well. However, in most cases the member finds that the quality of reports is often not sufficient to allow effective monitoring and remediation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under 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.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Intermediate			3	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** With Bangladesh being one of Engelbert Strauss' key production countries, the company has a system in place to ensure risks are addressed. While Engelbert Strauss is not a member of the Accord, 12 out of 14 production locations have been inspected by the Accord and issues related to fire and building safety have been fully or close to fully remediated in all cases. One supplier that was not inspected by the Accord has been phased out as they were not willing to address risks. Another supplier has been monitored by the National Initiative. Engelbert Strauss has not contributed financially to remediation measures; no such support was requested by suppliers. Overall, findings did not concern large structural changes, but mostly investments in fire doors etc. Engelbert Strauss regularly visits suppliers in Bangladesh and works with modern facilities that are able to fulfill high technical quality standards for their products. The company is currently establishing an academy in Bangladesh that will function as a training and product development center for students as well as middle management on technical topics as well as sustainability. Engelbert Strauss also cooperates with an Asian women's university.

One supplier has participated in FWF's violence harassment programme and has since established a functional anti-harassment committee. For other suppliers Engelbert Strauss does not yet have a full picture whether all production locations offer awareness training and grievance mechanisms related to sexual harassment to their workers. Their monitoring partner is aware of the enhanced risk of gender-based violence.

In Myanmar, Engelbert Strauss sources from one production location. The site has been audited in 2015 and 2017 and is gradually implementing the FWF Code of Labour Practices. The factory participated in FWF's supplier seminars. A functioning worker-management dialogue has not yet been established. Engelbert Strauss did not publish the wage ladder of the factory, which is a FWF requirement for Myanmar. The company at this point has no plans to expand operations in the country.

For Turkey, another key production country, Engelbert Strauss has shared information about risks associated with Syrian refugee workers with all suppliers. They have worked intensively with one supplier to register Syrian workers legally and improve working conditions. One production location participated in FWF's Workplace Education Programme, most suppliers attended FWF's supplier seminar on Syrian refugee workers. However, several production locations have not been audited or trained in the last two years, hence Engelbert Strauss does not have a full picture of the risk of unauthorized subcontracting or illegally employed Syrian refugees. The company is in the process of consolidating their supply chain in Turkey.

Engelbert Strauss has a large range of countries where production takes place aside from Bangladesh, Myanmar and Turkey. The company is aware of country-specific or supply-chain specific risks, but has not yet developed a full risk assessment system where risks are systematically identified and addressed beyond general follow up of corrective actions. They have however started to learn from other FWF members with more mature systems and are in the process of establishing more advanced risk management procedures.



**Requirement:** Engelbert Strauss is required to publish the wage ladder of their factory located in Myanmar. As Engelbert Strauss has a leverage of 60% at the production site, the company has to ensure production is within legal working hours.

**Recommendation:** In terms of ensuring women's safety at work, the brand should make sure that suppliers in Bangladesh have sufficient knowledge and a functional system to promote gender equality and prevent gender based violence. A functional system to prevent violence needs involvement of both factory management and workers representatives. FWF local team has extensive experience on supporting both employees and employers in setting up anti-harassment systems. FWF local team could provide training and regular support to suppliers upon request and through FWF's Workplace Education Programme. FWF recommends Engelbert Strauss to enrol their production location in Myanmar in FWF's training on worker-management dialogue or take similar measures to improve communication and dialogue skills of workers and management.

Engelbert Strauss needs to ensure that all factories in Turkey are audited and risks related to Turkish garment factories employing Syrian refugees are addressed.

FWF encourages Engelbert Strauss to further strengthen their efforts to build a systematic risk management system where risks are identified, monitored and prevented/remediated.

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:** Around 10% of the production volume that Engelbert Strauss has monitored in the past three years is shared with other FWF members. Engelbert Strauss actively cooperates with other members in resolving corrective actions, in several cases taking the lead. In cases where other members lead this process, Engelbert Strauss could demonstrate that they are well-informed about the status of remediation.

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. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

**Comment:** All production location in low-risk countries are required to sign the FWF Code of Labour Practices, show evidence that the Worker Information Sheet has been posted and fill out Engelbert Strauss' self-assessment.

However, Engelbert Strauss has not visited all production locations in the past two years, which is a FWF monitoring requirement for low-risk locations. All of the locations that have not been visited individually account for less than 1% of Engelbert Strauss' production volumen, in many cases far less than 0.5%. Several are based in Germany.

All factories based in Italy have been audited; these factories are therefore counted toward the monitoring threshold.

**Requirement:** Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must ensure up to date information on the labour conditions in the location either by a regular visit and/or a report by a third party.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

**Comment:** Engelbert Strauss has audited production locations beyond the required threshold for second-year members including conducting full audits at some tail-end production locations. However, in order to receive bonus points for this indicator, all monitoring requirements (including tail-end monitoring requirements) have to be met first. This has not yet been fully achieved by Engelbert Strauss.

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.	Yes, and member has collected necessary information	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.	2	2	0

**Comment:** Less than 1% Engelbert Strauss' total turnover (less than 1%) comes from external brands resold by the member company. Engelbert Strauss is phasing out this kind of cooperation, but currently still has on-going long term commitments. Engelbert Strauss has collected all required information with the exception of two smaller German suppliers who did not sign FWF's Code of Labour Practices.

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).	0%	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.	0	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: 35

Earned Points: 25

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	1	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of 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

Comment: The CSR team is responsible to address any complaint received.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Engelbert Strauss requests pictures from all suppliers to ensure that the worker information sheet is posted in factories. This is checked by them and their monitoring partner during regular visits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	14%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** Nine production locations have participated in FWF's Workplace Education Programme basic module in 2017 and 2018 collectively accounting for 14% of Engelbert Strauss' production volume in high risk countries. The factories are located in Turkey, Bangladesh, Vietnam and China.

In addition Engelbert Strauss' monitoring partner continuously discusses labour standards with factory management and worker representatives during visits and audits.

Engelbert Strauss also has a cooperation with YKK which is a company leading in zippers and accessories for products. During factory visits and technical training, YKK also trains workers on machine safety and hence supports Engelbert Strauss on health and safety improvements.

**Recommendation:** FWF recommends members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline among a larger portion of its suppliers. Engelbert Strauss should ensure good quality systematic training of workers and management on these topics. To this end members can either use FWF's Workplace Education Programme (WEP) basic module, or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

Engelbert Strauss could consider implementing additional activities to raise awareness about the FWF Code of Labour Practices and FWF complaint hotline next to providing good quality training. This could include providing the FWF worker information cards to workers during visits or when handing out pay slips, making use of FWF's Factory Guide, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms.

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	No complaints received	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.	N/A	6	-2

**Comment:** One supplier of Engelbert Strauss' received two complaints in 2018 through the internal factory anti-harassment committee. Both complaints were fully investigated and remediated by the committee, in one case with support by the local FWF team. As per FWF's policy Engelbert Strauss was not involved in handling the complaints as the internal system was able to resolve the grievances.

During 2018 an older complaint was also resolved. The complaint that had been received from a supplier shared by several FWF members before Engelbert Strauss had become a FWF member. Engelbert Strauss still participated in the remediation process and analysed the possible contribution of their production planning to the issue of excessive overtime. A verification audit is planned for 2019.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	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.	N/A	2	0

**Comment:** In the case of the complaint that had been received before Engelbert Strauss' FWF membership, the company actively engaged with other members sourcing from the supplier.

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## COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 7

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## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

**Comment:** All new staff receives induction training which includes FWF membership. Engelbert Strauss' sales training team has developed a specific module on sustainability for sales staff which also covers activities related to social standards and FWF.

The social report has been shared broadly internally and externally; staff was also informed actively about the results of last year's performance check. Lastly, information about FWF is available through the companies' intranet.

All staff members interviewed during the performance check were well informed about FWF.

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:** At the beginning of membership, FWF was invited for three full days to give a training to purchasing staff, technicians, development staff and designers on FWF requirements. These training were explicitly designed to ensure staff in close contact with suppliers can collaborate with the CSR team to improve working conditions.

Engelbert Strauss also actively participates in FWF stakeholder meetings and FWF's annual conference.

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

**Comment:** Engelbert Strauss generally works directly with production locations. In a limited number of cases where the production site is of limited relevance to Engelbert Strauss, an agent is used. Engelbert Strauss believes that this can even enhance better implementation of the FWF Code of Labour Practices as the agent might have higher influence through the combined leverage of various brands than Engelbert Strauss. All agents have signed the FWF's Code of Labour Practices and work closely with Engelbert Strauss to improve working conditions for example by checking health and safety conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	5%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	1	6	0

**Comment:** Two production locations have participated in advanced training through FWF's Workplace Education Programme; one production location in Bangladesh participated in the violence prevention module, one production location in Turkey received training on worker-management dialogue. These two locations together account for 5% of Engelbert Strauss' production volume in high-risk countries.

**Recommendation:** FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end members can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	Active follow-up	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	2	2	0

**Comment:** In case of the Bangladeshi supplier, the established anti-harassment committee was able to investigate and resolve complaints after the training, which is a best practice development. In case of the Turkish supplier Engelbert Strauss has discussed points raised during the training with the factory, but has not yet ensured that worker-management dialogue and independent worker representation is strengthened further.

**Recommendation:** FWF recommends members to check whether their supplier conducts regular anti-harassment committee meetings, whether an external expert attends these meetings and whether complaints are reported to the committee. Engelbert Strauss should also communicate to suppliers that reported incidents will not result in negative consequences (such as withdrawing orders) as long as the factory investigates and remediates them accordingly. Engelbert Strauss could also check whether committee members and management are organizing awareness raising activities about sexual harassment and whether re-elections of the committee and/or re-training are needed, e.g. due to worker turnover.

FWF recommends members to discuss outcomes of dialogue sessions with their supplier and what steps management is planning to further strengthen dialogue between workers and management. This may include holding an independent worker representative election; regular meetings between worker representatives and management to discuss improvements to working conditions or allowing worker representatives to conduct a worker survey on specific issues.

Engelbert Strauss should also investigate how they can contribute to implementing improvements workers and management have agreed on during dialogue meetings (e.g. by adjusting sourcing practices).

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## TRAINING AND CAPACITY BUILDING

Possible Points: 13

**Earned Points: 8**

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## 5. INFORMATION MANAGEMENT

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

**Comment:** Overall Engelbert Strauss has a solid understanding of where their products are made. As outlined under indicator 1.3 there is a system in place to ensure suppliers inform the company before they add new production locations. Engelbert Strauss has long-term, trusted relationships with most suppliers and could cite several cases where the supplier has requested authorisation for subcontracting. Engelbert Strauss staff often travels to locations during production, which enables them to check if agreed production volumes are currently being produced in the factory. Information regarding subcontractors collected during audits and monitoring visits as well as information provided regularly by suppliers is integrated in their system. During 2018, one case where it was unclear whether the right production location had been reported to Engelbert Strauss occurred; Engelbert Strauss is planning an unannounced visit in 2019 to assess the situation further.

Considering Engelbert Strauss' large range of small tail-end locations, several of which in countries with high risk of unauthorised subcontracting, there remains a possibility that the company might not be aware of all production locations.

**Recommendation:** FWF recommends Engelbert Strauss to continue to strengthen their monitoring of tail-end production locations, especially in countries where unauthorised subcontracting is a common risk.

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:** The CSR team works closely together with designers, purchasing, technicians and development colleagues. Information about working conditions at production sites is accessible to all.

## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

## 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: Engelbert Strauss' public communication about FWF membership complies with FWF's Communication Policy. FWF's Logo, link to [www.fairwear.org](http://www.fairwear.org) and brief explanation about their membership are displayed on their website. FWF is not communicated in Engelbert Strauss' product catalogue but information is included in the image brochure. Their workwear stores have a dedicated sustainability team that is also trained on FWF membership. The social report is distributed in workwear stores.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	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.	1	2	0

Comment: Engelbert Strauss' website links to their latest FWF Brand Performance Check report.

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

Comment: Engelbert Strauss' has submitted its social report to FWF in time and has published the report on its website.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5



## 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: CSR is working closely with top management on a day to day basis. The requirements and recommendations of last year's Brand Performance Check were discussed with top management as well. Head of purchasing, head of product development and their monitoring partner together with CSR meet annually to evaluate FWF membership and CSR developments. Additional meetings are set up in case of urgent issues and also after relevant external events such as the FWF Stakeholder Meeting and FWF Annual Conference. Learnings of such meetings is evaluated and presented to top management.

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.	30%	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.	2	4	-2

Comment: Engelbert Strauss received five requirements during its last Brand Performance Check. For three requirements first steps have been taken to improve the situation (see indicators 1.8, 1.9 and 2.7). For two other requirements (see indicators 2.3 and 2.9) the situation remains the same.

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## EVALUATION

Possible Points: 6

Earned Points: 4

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## RECOMMENDATIONS TO FWF

During its last financial year Engelbert Strauss did not have a fixed main contact person at FWF for several months and received their Brand Performance Check Report with significant delay. They feel well supported by their current brand liaison and ask FWF to ensure continuity in terms of contact person.

Engelbert Strauss would like audit reports to be delivered in a more timely manner. They also experienced communication challenges with audit teams in Turkey and Romania as well as the Turkish training team. These issues have been discussed with FWF in-depth.

Engelbert Strauss would appreciate FWF providing communication material targeted at consumers.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	27	47
Monitoring and Remediation	25	35
Complaints Handling	7	9
Training and Capacity Building	8	13
Information Management	7	7
Transparency	5	6
Evaluation	4	6
Totals:	83	123

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

67

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

08-03-2019

Conducted by:

Lisa Suess

Interviews with:

Steffen Strauss, Managing Director

Norbert Strauss, Managing Director

Christoph Piecha, Director Global Procurement & Development

Meng Xin, Head of Product Development

Friederike Hoppe, CSR Manager

Victoria Lauer, CSR Manager

Olivia Spiller, CSR Manager

Carina Schneider, Sales / Team Training

Johanna Munzinger, Public Relations