



Brand Performance Check

Engelbert Strauss GmbH & Co. KG

Publication date: June 2020

This report covers the evaluation period 01-01-2019 to 31-12-2019

About the Brand Performance Check

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

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

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

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

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

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

Brand Performance Check Overview

Engelbert Strauss GmbH & Co. KG

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Biebergemünd , Germany
Member since:	2016-11-01
Product types:	Workwear
Production in countries where Fair Wear is active:	Bangladesh, Bulgaria, China, India, Indonesia, Myanmar, Romania, Thailand, Tunisia, Turkey, Viet Nam
Production in other countries:	Albania, Bosnia and Herzegovina, Ethiopia, Germany, Italy, Lao People's Democratic Republic, Latvia, Malaysia, Pakistan, Poland, Portugal, Republic of Korea, Slovakia, Sri Lanka, Taiwan, 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	92%
Benchmarking score	68
Category	Good

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks evaluating the year 2019 in order to maintain fair and comparable data.

Fair Wear's performance checks review the progress that was made in the previous financial year. In this case, the 2019 financial year. Thus, this report does not cover the member's response to COVID-19, which will be monitored during the year and evaluated in the next performance check.

Summary:

Engelbert Strauss has shown progress and met most of Fair Wear's performance requirements. Engelbert Strauss' monitoring threshold of 92% exceeds monitoring requirements (80%) for third year members. With a benchmarking score of 68, Engelbert Strauss is awarded 'Good' category.

Engelbert Strauss has a large supply chain with several smaller tail-end suppliers. During 2019, the company made progress in consolidating its supply chain. As most production locations have been its partner for a long time, are visited regularly and Engelbert Strauss buys a significant portion of their production, the brand is in a good position to improve working conditions.

During 2018 and 2019, Engelbert Strauss began open-costing projects with some suppliers. Fair Wear recommends that Engelbert Strauss continues this effort, so it can systematically demonstrate the link between its buying price and wage levels and set target wages above legal minimum wage with some key production locations. In 2019 it became clear to Engelbert Strauss that it remains a challenge to have all suppliers participate in open-costing projects. The company has hence analysed wage levels at production sites and compared them to stakeholder information on wages. Five production sites in Italy pay above bargained wages which is seen as good practice. While its production planning system enables reasonable working hours at factory level, excessive overtime remains a challenge in its supply chain.

Engelbert Strauss has a system in place to monitor and remediate violations of Fair Wear's Code of Labour Practices. They are supported by an external monitoring partner. In 2019, the company did great work collecting country-related data from Fair Wear, local and international stakeholders and own experience. The data shows risks in detail per labour standard, which are again highlighted in several colors from green to red. Engelbert Strauss now knows specific country risks in detail and with a quick overview.

Engelbert Strauss has started training workers and management on Fair Wear's Code of Labour Practices, the complaint helpline and on factory specific topics. More than 20% of the production volume in high risk countries is now trained by Fair Wear or Better Work. Fair Wear encourages Engelbert Strauss to gradually train a larger portion of its 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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

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

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

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

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.	89%	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 89% 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.	25%	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 25% of production volume from production locations where Engelbert Strauss buys less than 2% of its total FOB, the brands 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. Wherever possible, the company tries to consolidate its supply chain. In 2019, Engelbert Strauss has reduced its tail-end by 15 suppliers which in total made less than 1.3% of production volume.

Recommendation: Fair Wear 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.	84%	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: 84% 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: During 2019, eleven new production locations were added. Nine production sites are in direct contact with Engelbert Strauss, two are added subcontractors. In their current IT system the sustainability team is automatically informed when a new proposed location is added. The sustainability 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: Fair Wear recommends Engelbert Strauss to consider adding a function to its information management system that requires approval of the sustainability 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.	Advanced	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.	4	4	0

Comment: Upon recommendation by Fair Wear in the last Brand Performance Check, Engelbert Strauss has worked on a process on how to add new production sites to the supplier list.

When Engelbert Strauss considers sourcing from a new production site it is first checked whether the production site is located in a known or unknown country to the company. In 2019 Engelbert Strauss has conducted in-depth research to have a detailed understanding of risks at all its production countries. This knowledge enables the company to have an idea about possible risks at existing and new production site. The country list includes all production countries from Engelbert Strauss with details related to each labour standard. The information on labour standards, laws and requirements is a mix of information from Fair Wear and its stakeholders, internet research and own experience. To have a quick overview about how high risks are in a country the risks per labour standard are marked in eight colors from red to green.

In case the production country is unknown, the sustainability team conducts a risk assessment and evaluation of due diligence aspects in that country. Depending on the conclusion about the country overall situation, there is a decision to source from a supplier in that country. Such a process was started e.g. in 2018 when one of Engelbert Strauss' suppliers wanted to add a new production site in Ethiopia.

Having all country criteria checked and coming to the conclusion that Engelbert Strauss is aware and willing to take the countries production risks, the sustainability team together with purchasing and development (responsible for quality, price and partnership requirements) check the production site itself. Some factors checked are the agreement to the Engelbert Strauss Supplier Code of Conduct, a self-assessment and existing audit reports. A cooperation is started only if the production site agrees on the required steps. The Engelbert Strauss team and/or their external monitoring partner conduct pre-visits before start of production.

Recommendation: Fair Wear recommends sharing the outcome and details of the country risk assessment internally with colleagues working with suppliers at Engelbert Strauss.

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, sustainability 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: Fair Wear 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: Fair Wear conducted four audits at production sites of Engelbert Strauss in 2019. At one production site in Bangladesh, the total working time per week were regularly above legal limit. Audits conducted by Engelbert Strauss' monitoring partner documented excessive overtime findings. 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. To see how working hours develop over the different production months, Engelbert Strauss e.g. checked the monthly hours of the audited site and hence followed up the development and changes over time. In one case it was found that Engelbert Strauss had contributed to excessive overtime. Order cycles have been adjusted and purchasers were sensitized, to avoid any situation like this in the future. In other cases Engelbert Strauss concluded that sourcing practices of other clients had caused production pressure resulting in excessive overtime hours.

It is for 2020 to see that discussions and measures taken in 2018 and 2019 demonstrably reduce excessive overtime at the production sites.

Recommendation: Engelbert Strauss could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. Fair Wear could recommend qualified persons upon request.

Fair Wear 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: To be able to link between buying process and wage levels in production locations, Engelbert Strauss aimed to fill in Fair Wears open costing sheet at three factories in 2019. It became soon clear to Engelbert Strauss that a) suppliers are often not open about their costing and b) filling the open costing sheet for all its suppliers would be work intensive.

Several of its suppliers in China and Bangladesh have participated in Fair Wears supplier seminar on costing in 2019. The seminar was perceived well by the participating suppliers being more price sensitive related to worker wages now.

Engelbert Strauss does not calculate labour minutes per style which would allow sufficient insight into the labour cost per product style. It, therefore, has limited possibility of knowing exactly whether the prices they pay suffice for payment of legal minimum wages.

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.

Recommendation: Increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. Fair Wear recommends Engelbert Strauss to expand its 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 could proceed working with the suppliers who participated in Fair Wears open costing seminars on 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: None of the Fair Wear audits documented the fail to pay legal minimum wage and/or fail to provide wage data to verify minimum wage is paid. At one production site in Bangladesh allowances, bonuses or benefits were not paid as legally required. In addition to the Fair Wear audits in 2019, an external company conducted another 17 audits at production sites of Engelbert Strauss. At four production sites it was found that the production site failed to pay all legally required wage components or failed to provide wage data to verify minimum wage is paid. Engelbert Strauss has actively responded to the production locations and discussed steps to take.

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: At all factories where Fair Wear conducted an audit in 2019 (Bangladesh and China), most workers were paid below living wage as estimated by local stakeholders.

To have a deeper understanding of wage levels, Engelbert Strauss analyzed and compared all Fair Wear wage ladders from the audited factories over the past years. A detailed analysis has been made by comparing wage levels per factory with several living wage benchmarks of that country. Engelbert Strauss found that some production sites are paying higher wages than minimum wage only. Several also more than what is considered a living wage as per local and international stakeholder organisations.

To assess further details of root causes for wages that are lower than living wages in production countries, Engelbert Strauss checked in detail the wage status of production sites where the company has 80% plus leverage. It is for 2020 to determine at which of those production sites Engelbert Strauss can assess in-depth root causes for wages that are lower than living wages in the respective production location.

Recommendation: Fair Wear 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.

Fair Wear encourages Engelbert Strauss to involve worker representatives and local organisation 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	6	0

Comment: Engelbert Strauss started working on living wages in 2019. Its sustainability team has support from senior management for raising wages and there is an internal alignment and awareness on Fair Wear's living wage work.

At 84% of its production sites, Engelbert Strauss has a business relationship of five years and longer. This long term working experience with most of its suppliers gives the company a solid sourcing relationship with its suppliers.

19% of its factories were trained in a Fair Wear Workplace Education Training raising awareness on the Code of Labour Practice.

Engelbert Strauss currently buys 24% of its production volume from factories where the brand buys between 80-100% of the factories' production. At their two largest suppliers accounting for 35% of Engelbert Strauss total FoB, Engelbert Strauss makes 65% and at the other factory 100% of the factories' annual production. With such a big leverage at several suppliers, Engelbert Strauss was able to make a shortlist of production locations to start evaluating possible production sites to start working in-depth with on living wages.

Engelbert Strauss has not yet determined and financed wage increases.

Requirement: In case Engelbert Strauss buys (almost) exclusively at a production location, the member company has full 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, Fair Wear 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.

Fair Wear advises companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases 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.	2%	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.	2	6	0

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

At five production sites in Italy audited by an external audit organisation in 2018 it was concluded that the wages paid are above the industry collective bargaining agreement. A bargained wage is seen as best possible target wage and hence the production volume of those five Italian factories (1.64%) are rewarded to this indicator.

Recommendation: We encourage Engelbert Strauss to show that discussions and plans for wage increases have resulted in the payment of a target wage.

Engelbert Strauss is encouraged to roll out their approach to other suppliers.

Purchasing Practices

Possible Points: 52

Earned Points: 31

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	51%	
% of production volume where Fair Wear audits took place.	39%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	2%	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.)
% of production volume where an audit took place.	90%	
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	92%	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 a dedicated sustainability team to follow up on problems identified by the monitoring system. The sustainability team is supported by an external monitoring partner who conducts audits and follows up on corrective actions and works in-line with Fair Wear requirements. After recommendation by Fair Wear, Engelbert Strauss ensures that the follow up of corrective actions is not done by the same person as the audit.

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 Fair Wear members. The company has been trained by Fair Wear.

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: Fair Wear 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. In 2019 a system was found to be able to share the audit report and corrective action plan of external audit parties. Implementation is planned for 2020.

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: Fair Wear 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 corrective action plans 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 sustainability 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 involved in remediation where possible.

Whenever Fair Wear offers supplier seminars on country specific issues, Engelbert Strauss requests its suppliers to join.

- 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.

Fair Wear 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.

Fair Wear 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.	28%	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.	2	4	0

Comment: Sustainability staff as well as technicians and purchasing colleagues visit production sites regularly. 28% of production volume from production locations have been visited by Engelbert Strauss in 2019. The figure for 2019 is lower (-4.2%) than in 2018 as the two factories with the highest percentage of production volume to Engelbert Strauss have not been visited in 2019 (but late end 2018). The total amount of factory visits when counting factories instead of percentage of production volume at factories is higher than in 2018. Several production sites have been visited twice throughout the 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 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 organisation 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.	4	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	Advanced			6	6	-2

Comment: Bangladesh:

With Bangladesh being one of Engelbert Strauss' key production countries being more and more important in the past years, the company has a system in place to ensure risks are addressed. While Engelbert Strauss is not a member of the Accord/Alliance, 13 out of 14 production locations have been inspected by the Accord/Alliance 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/Alliance has been phased out in 2019 as they were not willing to address risks. Another supplier has been monitored by the National Initiative. Together with an external audit provider, Engelbert Strauss has judged the quality of the National Initiative's audit report of good quality. 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. In 2019, the company has established an academy in Bangladesh that will function as a training and product development center for students and middle management on technical topics and sustainability. Engelbert Strauss also cooperates with an Asian women's university.

During audits a specialist for fire and building safety is taken along with the audit team. Fair Wears Worker Education Programme has been promoted to Bangladeshi suppliers in 2019 but it takes time to convince the suppliers of joining such a training programme. Since 2017, two production sites joined the Workplace Education Programme 'Violence Prevention Capacity Building'. Three suppliers have joined a training provided by Better Work. Engelbert Strauss' external monitoring partner is assigned to always double check that the obligatory Anti-Harrassment-Committee exists at the production sites audited.

Myanmar:

In Myanmar, Engelbert Strauss sources from one factory using a second production location for embroidery. The site has been audited in 2015 and 2017 and is gradually implementing the Fair Wear Code of Labour Practices. The factory participated in Fair Wear'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 Fair Wear requirement for Myanmar. The company at this point has no plans to expand operations in the country.

Turkey:

Turkey is another key production country where Engelbert Strauss sources from six production sites who produce at a total of nine production locations.

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. Two production location participated in Fair Wear's Workplace Education Programme, most suppliers attended Fair Wear's supplier seminar on Syrian refugee workers in 2018. Per yearly desktop research, Engelbert Strauss asks all Turkish suppliers about the use of subcontractors and reminds them to report Syrian employees. During one audit conducted in 2019 illegally employed Syrian workers were found. The case was remediated immediately. Several production locations have not been audited or trained in the last 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.

Other countries:

Engelbert Strauss has a large range of countries where production takes place aside from Bangladesh, Myanmar and Turkey, e.g. in China and in Vietnam.

In 2019, the company has done great work collecting country related data from Fair Wear, local and international stakeholders and own experience. The data shows risks in detail per labour standard which are again highlighted in several colors from green to red. Engelbert Strauss does now know in detail and per quick overview specific country risks. The advanced risk management procedure is currently used internally for sustainability staff. Engelbert Strauss sees high risks in China related to working hours and intransparent or falsified documents. In Vietnam Freedom of Association needs explicit attention. To ensure factory management is up-to-date, Engelbert Strauss keeps track of suppliers participating in Fair Wear seminars.

Requirement: Myanmar:

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: Bangladesh:

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. Fair Wear local team has extensive experience on supporting both employees and employers in setting up anti-harassment systems. Fair Wear local team could provide training and regular support to suppliers upon request and through FWF's Workplace Education Programme.

Myanmar:

Fair Wear recommends Engelbert Strauss to enroll their production location in Myanmar in Fair Wear's training on worker-management dialogue or take similar measures to improve communication and dialogue skills of workers and management.

Turkey:

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

Other Countries:

Engelbert Strauss could make use of its advanced monitoring risk analysis internally e.g with purchasing colleagues.

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 audits in the past three years is shared with other Fair Wear 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.	0-49%	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.	1	3	0

Comment: All production location in low-risk countries are required to sign the Fair Wear 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 three years, which is a Fair Wear 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 volume, in many cases far less than 0.5%. Several are based in Germany.

All five factories based in Italy (<2%) have been audited in 2018; 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 third-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.

Recommendation: Fair Wear encourages members to go beyond the minimum required monitoring threshold and rewards members who audit production locations in the tail end as well to mitigate potential social compliance risks.

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 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 expectation of two smaller German suppliers who did not sign Fair Wear's Code of Labour Practices.

Recommendation: Engelbert Strauss is encouraged to send the Fair Wear questionnaire for external production to the brand(s) it resells.

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

Requirement: Engelbert Strauss has to ensure progress towards an external supplier base that is covered by either Fair Wear or have another acceptable system in place for monitoring its supply chain.

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: 24

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check	3	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	2	
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 sustainability 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.

Engelbert Strauss has shared Fair Wear's factory guide with all suppliers. This is an extra step to have suppliers learn online about labour standards. Due to its interactivity, the suppliers liked the tool a lot.

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.	22%	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: Eleven production locations have participated in FWF's Workplace Education Programme basic module in 2017, 2018 and 2019. The factories are located in Turkey, Bangladesh, Vietnam and China. Another production site in Pakistan and a production site in Bosnia and Herzegovina have received a training conducted under Fair Wear's training requirements by an external party and are accounted towards this indicator.

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

Recommendation: Fair Wear recommends members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear 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 Fair Wear's Workplace Education Programme (WEP) basic module, or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear guidance on good quality training is available on the Member Hub.

Engelbert Strauss could consider implementing additional activities to raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline next to providing good quality training. This could include providing the Fair Wear worker information cards to workers during visits or when handing out pay slips, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs 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.	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: Engelbert Strauss has received three complaints in 2019. All complaints were found admissible. One complaints was received from China and related to the workers understanding of wages paid, missing pay slips and work responsibilities. The second complaint is a shared complaint with other Fair Wear members also at a production site in China. A worker felt unfairly treated by the factory management wanting to be resigned receiving severance pay. The third complaint is from a factory in Bangladesh and shared with another member of Fair Wear. Two workers indicated that they did not receive their service benefits after resignation.

All complaints were addressed well in accordance with the Fair Wear Complaints Procedure. Preventive steps have not yet been taken.

Recommendation: It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: All complaints received in 2019 have been in shared factories. Engelbert Strauss has cooperated with other customers in addressing worker complaints.

Complaints Handling

Possible Points: 17

Earned Points: 12

4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: All new staff receives induction training which includes Fair Wear 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 Fair Wear.

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 Fair Wear is available through the companies' intranet.

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, Fair Wear was invited for three full days to give a training to purchasing staff, technicians, development staff and designers on Fair Wear requirements. These training were explicitly designed to ensure staff in close contact with suppliers can collaborate with the sustainability team to improve working conditions. In 2019 Fair Wear conducted another half day training to respective staff to ensure colleagues are updated.

Engelbert Strauss also actively participates in Fair Wear stakeholder meetings and Fair Wear'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 Fair Wear 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 Fair Wear'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.	10%	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.	2	6	0

Comment: 10% production volume (in relation to the production volume in high-risk countries) is trained via training programmes that support transformative processes related to human rights. Since 2017 this was one factory in Turkey having two WEP factory trainings on dialogue/communication/Syrian refugees and two production sites in Bangladesh being trained with Fair Wear's Workplace Education Programme on violence prevention capacity building. Another training in Pakistan conducted by an external training party is also counted towards this indicator. Four production sites have received training by ILO Better Work.

Recommendation: Fair Wear recommends Engelbert Strauss to further 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 Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. Fair Wear 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: Engelbert Strauss shares training reports with its suppliers and discusses the outcome in detail with the supplier.

Recommendation: Fair Wear 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.

Fair Wear 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).

Training and Capacity Building

Possible Points: 13

Earned Points: 9

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 an audit in 2018 it was unclear whether the right production location has been reported to Engelbert Strauss. Investigation showed that factory management has given false information to the company. No other case was reported in 2019.

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: Fair Wear 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 sustainability 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 Fair Wear membership complies with Fair Wear's Communication Policy. Fair Wear's Logo, link to www.fairwear.org and brief explanation about their membership are displayed on their website. Fair Wear is not communicated in Engelbert Strauss' product catalogue but information is online. Their workwear stores have a dedicated sustainability team that is also trained on Fair Wear 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.	Supplier list is disclosed to the public.	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.	2	2	0

Comment: Engelbert Strauss publishes its Brand Performance Checks online. Engelbert Strauss is open for transparency and the company has agreed to disclose its supplier list to the public in cooperation with Fair Wear in 2020.

Recommendation: Fair Wear recommends Engelbert Strauss to publish one or more of the following reports on its website: audit reports, supplier information. Good reporting by members helps to ensure the transparency of the member and Fair Wear's work.

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 Fair Wear in time and has published the report on its website.

Transparency

Possible Points: 6

Earned Points: 6

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: The sustainability team 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 sustainability team meet annually to evaluate Fair Wear's membership and sustainability developments. Additional meetings are set up in case of urgent issues and also after relevant external events such as the Fair Wear's Stakeholder Meeting and Fair Wear 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.	10%	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 four requirements during its last Brand Performance Check.

1.13

It remains a challenge for Engelbert Strauss to determine and finance wage increases. In 2019 the company has made a shortlist of possible production sites to start working with in-depth on living wages in the coming years. Engelbert Strauss has not yet determined and financed wage increases. The requirement has partly been working upon which is reflected in the 10% progress made on required changes from previous Brand Performance Check.

2.3

Fair Wear required 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. In 2019 the company found a system on how to be able to share both audit report and corrective actions. This is to implement in 2020 and hence remains being a requirement.

2.7

Engelbert Strauss has not followed upon the requirement 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 which keeps being a challenge.

2.9

For Engelbert Strauss it remains a challenge to follow Fair Wears requirements for production sites in low-risk countries. 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.

Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check.

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

Engelbert Strauss appreciates working with Fair Wear Foundation. Recommendations given e.g. during the Brand Performance Check help the company to improve and gives good structure to its work related to social standards. Frequent and regular meetings help to raise and solve issues immediately when they pop up.

Engelbert Strauss agrees that it is useful to have one brand liaison and hence go-to-person at Fair Wear. However this sometimes slows down communication and hence problem solving. To have quicker and more effective communication paths between member brand and Fair Wear is a recommendation to Fair Wear.

Data management for brands with a high amount of suppliers is a challenge and not easily done with Fair Wear data systems. Fair Wear is recommended to look for practical solutions for such brands.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	31	52
Monitoring and Remediation	24	35
Complaints Handling	12	17
Training and Capacity Building	9	13
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	93	136

Benchmarking Score (earned points divided by possible points)

68

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

11-05-2020

Conducted by:

Stefanie Santila Krause, Mariette Van Amstel

Interviews with:

Friederike Hoppe (sustainability team)

Olivia Spiller (sustainability team)