



Brand Performance Check

Engelbert Strauss GmbH & Co. KG

This report covers the evaluation period 01-01-2020 to 31-12-2020

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.

This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.

Brand Performance Check Overview

Engelbert Strauss GmbH & Co. KG

Evaluation Period: 01-01-2020 to 31-12-2020

Member company information	
Headquarters:	Biebergemund , Germany
Member since:	2016-10-01
Product types:	Workwear
Production in countries where Fair Wear is active:	Bangladesh, Bulgaria, China, India, Indonesia, Myanmar, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	Lao People's Democratic Republic, Sri Lanka, Thailand, Albania, Bosnia and Herzegovina, Ethiopia, Germany, Italy, Latvia, Malaysia, Pakistan, Poland, Portugal, Republic of Korea, Slovakia, 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	60%
Benchmarking score	68
Category	Good

Summary:

STRAUSS has shown progress and met most of Fair Wears' performance requirements. With a benchmark score of 68 points, the brand is awarded the 'good' status. The brand has a monitoring percentage of 60%. Due to COVID-19, this does not determine the category for the brand performance check this year.

Corona Addendum:

STRAUSS' shops were closed for about seven weeks and 400 brand staff, including the sustainability team, worked from home at the start of the COVID-19 pandemic. This generally went well; well-being is always very important at Engelbert Strauss and this was a priority in 2020 as well, despite remote working. Due to the nature of the brand, with a lot of NOS products and big stock in Europe, COVID-19 did not have a very big impact on STRAUSS' production. Furthermore, the brand generally spreads its big orders over several countries. That way, when one country had to go into lockdown, there was often another production facility which could continue production and stock could be maintained that way.

STRAUSS made use of its regular strong due diligence system, a country sheet which includes all sourcing countries and all Code of Labour Practice elements, to keep track of the situation at its suppliers during COVID-19. The brand used various sources, from Fair Wear and other organisations, to keep this overview up-to-date. Furthermore, it requested input from its suppliers through its regular supplier query. This included questions about the situation regarding the payment of wages and loss of jobs. STRAUSS checked whether factories complied with local legislation when it came to wage payments. As STRAUSS has a large supply chain with many suppliers, it did not verify for all factories that legal minimum wage was paid throughout all lockdowns. It did request the wage situation at all suppliers and if there were issues indicated, they were followed up upon. STRAUSS' factories did not indicate they needed a lot of support from the brand, which stayed in regular contact through phone and video calls. Factories expressed they were content that STRAUSS maintained its orders as usual. The brand also shared health and safety guidance and at its main suppliers, in Bangladesh, worker interviews were conducted by its external monitoring partner to collect information about the workers' position.

Generally, STRAUSS has a strong due diligence system and this helped in the risk assessment during the COVID-19 pandemic. Corrective Action Plans were followed up. Access of the whole sustainability team to the status of all CAPs should be strengthened again and onwards.

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.	85%	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 85% of its production locations 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 suppliers' capacity. This makes 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.	19%	Fair Wear 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 Fair Wear.	2	4	0

Comment: With 19% of production volume from production locations where STRAUSS bought less than 2% of its total FOB in 2020, the brands has a relatively long 'tail-end' for production. This is due to STRAUSS' large product range with many products requiring specific skills or machinery to fulfill quality and safety standards. The tail-end was reduced by 6% in 2020, compared to 2019. This was related to the COVID-19 crisis, which made it more difficult to add new factories because of travel restrictions. This led to order sizes being increased at existing suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	90%	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: 90% of STRAUSS' production volume comes from production locations where the brand's business relationship has existed for at least five years. 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 2020, eight new production locations were added. The brand has an IT system to keep track whether all necessary documents are received before placing the first bulk orders. In the current system, it can still happen that the order is already placed while not yet all documents have been received. Existing suppliers that might add new production locations are reminded every half year to inform STRAUSS prior to starting production at new locations. It remains a challenge to ensure this process is followed for all cases. In 2020, STRAUSS has developed a system which automatically notifies the sustainability team if orders are placed at a supplier while not all necessary documents, such as signed CoLP, are in the system. This system has been approved in 2020 and is being implemented in 2021.

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: STRAUSS uses four criteria when selecting new suppliers: quality, price, performance and sustainability. Sustainability includes human rights due diligence. STRAUSS has an extensive overview of risks in all its production countries. The country list includes all production countries from 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. In 2020, 'COVID-19' was added to this overview. 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. This knowledge enables the company to have an idea about possible risks at existing and new production sites.

When 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 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 STRAUSS' suppliers wanted to add a new production site in Ethiopia and in 2020 for Mexico, although a supplier from this country was not yet added to the supplier list. The overview is also used to keep track of risks in countries where existing suppliers are based. The brand makes a connection between risks identified in the risk matrix and the situation at its own suppliers, for example by using the matrix to review what an audit should focus on.

Having all country criteria checked and coming to the conclusion that STRAUSS is aware and willing to take the country's 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 STRAUSS Supplier Code of Conduct (including the CoLP), a self-assessment and existing audit reports. A cooperation is started only if the production site agrees on the required steps. The STRAUSS team and/or their external monitoring partner conduct pre-visits before start of production.

During COVID-19 in 2020, the country risk overview was used to keep track of risks related to the pandemic per country. Furthermore, local staff from the brand's external monitoring partner kept the brand updated about the situation in the main sourcing countries. The brand made use of various sources of information to update the overview on COVID-19, from Fair Wear but also from other organisations such as the Partnership on Sustainable Textiles (PST), the OECD and their external monitoring partner. The biggest risks identified were the non-payment of workers and the dismissal of workers. At the start of the pandemic, STRAUSS sent out its biannual supplier query to all its suppliers to collect information about their situations. These questionnaires are used regularly to collect supplier information, and questions about COVID-19 which focused especially on loss of jobs and wages at the factories were added. The suppliers' responses to the COVID-19 questions were maintained in an overview and updated again after 6 months. Despite the pandemic, several audits were conducted at STRAUSS' production sites. In addition to this, in Bangladesh, the brand's main sourcing country, COVID-19 checks were done by the external monitoring organisation using a form of 'blended monitoring'. This meant part of the monitoring was done live on site but a part also online, using virtual factory tours. Workers were also interviewed as part of this process, specifically on the impact of COVID-19.

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 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. The nine assessment criteria include the CoLP. In addition, their progress on resolving corrective actions is also considered. Normally, a yearly supplier evaluation meeting takes place, but this could not happen in 2020 due to the pandemic. However, the evaluation was an ongoing process. A responsible exit strategy, based on the Fair Wear responsible exit strategy, is followed in case STRAUSS exits a production location.

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, STRAUSS will stop the relationship. STRAUSS did not cancel any orders because of COVID-19 and did not make any unilateral decisions regarding production. In case suppliers were in lockdown, STRAUSS discussed with them how this affected production and what would be a solution to support them.

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 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. The most important supplier also receive an order forecast every month. Furthermore, STRAUSS 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%. In case of unforeseen delays, for example due to COVID-19, which could not be accommodated by the existing stock, air freight was used on the brand's cost.

Due to the nature of the brand, with a lot of NOS products and big stock in Europe, COVID-19 did not have a very big impact on STRAUSS' production. Furthermore, the brand generally spreads its big orders over several countries. That way, when one country had to go into lockdown, there was often another production facility which could continue production and stock could be maintained that way. Delays were not an issue for most of the production, but for new items it was. In March 2020, the order for one supplier was reduced by 50%, but this quickly increased back again. The increase happened in dialogue with the supplier, who indicated it could not fulfill the order. The order was then transferred to another location of the same supplier. If needed, orders were split and in dialogue with the suppliers it could be decided that an order was moved to another facility belonging to the same supplier.

STRAUSS' approach to production generally does not pressure suppliers. STRAUSS has insight into the minutes of some, but not yet all of the styles it produces.

Recommendation: Fair Wear recommends 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.	Advanced 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.	6	6	0

Comment: Fair Wear conducted four audits at production locations of STRAUSS in 2020. At one of the factories audited in China, excessive overtime was found. At this factory and at two other factories audited, there were also findings related to incorrect record keeping of the factories. When overtime is found at any factory, STRAUSS conducts a root-cause analysis. In the found cases for this financial year, STRAUSS followed up with the factories and made it clear that having a correct time-keeping system is very important. STRAUSS focused in its follow-up mainly on the establishment of such a system by the factory. STRAUSS made clear to the factory that if this issue was not mitigated, it would lead to a decrease in orders. The brand supported the factory in the sense that they discuss possible solutions with them, but the final decision on what to do lies with the supplier. The brand does communicate it is available for support if needed. A follow-up audit is scheduled to verify if the measures have been successfully implemented. STRAUSS explained during the performance check that often, workers are already producing the same styles for STRAUSS since multiple years, which makes them more efficient and which makes excessive overtime less likely. However, excessive overtime may still be caused by orders of other brands, which STRAUSS sometimes finds in its root cause analyses.

Recommendation: STRAUSS can encourage its suppliers to use the Fair Wear Fair Working Hours guide to use with other customers to support the factories in addressing production pressure caused by brands other than STRAUSS.

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: As the products STRAUSS buys are complex and high quality products, the prices are relatively high. STRAUSS has made a start with open costing for a limited number of products and participated in webinars on this topic. It also had some suppliers participate in country-specific webinars on the topic of labour minute costing. STRAUSS checks wage levels at its suppliers but does not explicitly make the connection to its prices, as STRAUSS does not calculate labour minutes per style which would allow 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.

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 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. STRAUSS did not explicitly ask the suppliers whether higher prices were needed to mitigate costs of COVID-19 measures, but most of its suppliers raised prices and Engelbert assumes this is one of the reasons. STRAUSS' production partners have been participating in Fair Wear living wage seminars on the topic of open costing upon recommendation of STRAUSS.

Recommendation: Fair Wear recommends STRAUSS to further 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. Fair Wear's labour minute value and product costing calculator also enables suppliers to include any COVID-19 related costs. Priority would be to make sure this level of transparency can be achieved with its main suppliers.

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.	No	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	-2	0	-2

Comment: Several of the Fair Wear audits documented issues related to the payment of legal minimum wage and/or failure to provide wage data to verify minimum wage is paid. Engelbert has supported factories which do not have correct timekeeping systems in setting up those systems. In 2020, there was one audit in Indonesia which found non-payment of legal minimum wage. This is not a direct supplier for STRAUSS; a German agent is the intermediary. STRAUSS is in the process of verifying this issue was resolved and all due wages were paid at this supplier.

In the context of COVID-19, STRAUSS collected information regarding the wage situation at its suppliers through the supplier query the brand shares twice every year. This was combined with worker interviews which were done in the brand's main sourcing country, Bangladesh. STRAUSS especially focused on checking the legal regulations in place in the suppliers' countries and whether the factories were able to comply with these. STRAUSS did make use of the Fair Wear guidance on Loss of Jobs and Wages. However, as the brand has a large number of suppliers in many countries, it needed to prioritise and did not verify whether legal minimum wages were paid throughout lockdowns at all its suppliers. STRAUSS indicated the reason was that it did not find Fair Wear's COVID-19 guidance on loss of jobs and wages clearly enough stipulates this was a requirement during the pandemic.

Requirement: If a supplier fails to pay minimum wages, members are expected to respond in time, identify root causes with factory management, and resolve that local labour laws are respected. Evidence of remediation must be collected. Factory visits with a documents check or additional verification by Fair Wear may be needed to verify remediation.

If a supplier is not transparent about wages, STRAUSS is expected to respond as if minimum wages have not been paid. STRAUSS is required to start an investigation into the causes of the incomplete data, discuss this with the supplier and collect evidence of payment of legal minimum wage. Factory visits with a documents check or additional verification by Fair Wear may be needed to verify remediation.

Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

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

Comment: Orders were paid on time also during the COVID-19 crisis. STRAUSS has two payment rounds per week and as such, always pays invoices within a few days.

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 2020 (China, Bangladesh, Vietnam and Indonesia), most workers were paid below living wage as estimated by local stakeholders.

To have a deeper understanding of wage levels, 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. STRAUSS found that some production sites are paying higher wages than minimum wage only.

To assess further details of root causes for wages that are lower than living wages in production countries, STRAUSS checked in detail the wage status of production sites where the company has 80% plus leverage. It was planned for 2020 to determine at which of those production sites STRAUSS can assess in-depth root causes for wages that are lower than living wages in the respective production location, but this was not possible due to the COVID-19 pandemic.

Recommendation: Fair Wear encourages STRAUSS to discuss with suppliers about 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 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

Comment: STRAUSS opened its first owned production facility in 2020 in Germany. The shoe factory has capacity for supporting processes of 400.000 shoes. The production of shoes for STRAUSS has already started at the production facility but the production figures will only be included in the recording of purchasing volumes in the next financial year.

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: 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.

STRAUSS currently buys 24% of its production volume from factories where the brand buys between 80-100% of the factories' production. With such a big leverage at several suppliers, 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 in 2019. Engelbert has not made further progress on this in 2020.

STRAUSS has not yet determined and financed wage increases. However, as the importance of the topic is supported by the higher management, the CSR team does not expect finding the money to pay for higher wages to be a problem.

Requirement: In case STRAUSS buys (almost) exclusively at a production location, the member company has almost full influence over the wages and should be able to cost for a living wage.

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.

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%	Fair Wear 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: STRAUSS created an overview of wages for most of its suppliers and compares them to various living wage estimates. According to this overview, in some factories the wages are well above legal minimum wage and close to the lowest available living wage estimates. However, this information has not been verified and 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.

Requirement: STRAUSS is expected to begin setting a target wage for its production locations.

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

Purchasing Practices

Possible Points: 52

Earned Points: 34

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	60%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	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.)
Member meets monitoring requirements for tail-end production locations.	Standard monitoring below 80%	Monitoring threshold below 80%.
Total monitoring threshold:	60%	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 Fair Wear 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: 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. 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Comment: STRAUSS' external monitoring partner also conducts audits on behalf of other Fair Wear members. The company has been trained by Fair Wear. STRAUSS and Fair Wear are in the process of assessing whether the audits by this external monitoring partner can be considered 'own audits' for Fair Wear. As this is not concluded yet, for 2020, these audits are counted as external audits.

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: Fair Wear 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 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, although this was a requirement in the previous performance check, it has not clearly been followed up on.

Once the factory has received the CAP, they are asked to present a plan on how they plan to address findings to STRAUSS' monitoring partner within two weeks. This plan includes the deadlines the supplier thinks are feasible. For very urgent findings, immediate follow-up is started.

Wherever possible, STRAUSS' monitoring partner includes worker representatives during audits and the exit meeting, where findings are discussed in detail. STRAUSS' external monitoring partner is planning to involve worker representation in CAP follow-up as well, but this did not yet take place in 2020.

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	Fair Wear 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: 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 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 STRAUSS' staff during on-site visits or when the supplier visits STRAUSS in Germany. Here, top management is often involved.

STRAUSS also tries to discuss and resolve root causes of issues with suppliers and analyses if the brand has contributed to a finding. STRAUSS focuses on finding solutions for the individual situation of each supplier. Where needed, training and awareness raising is part of the remediation (for example in the follow-up of findings related excessive overtime, where time-keeping was not in order, the factory was trained on how to do this better). STRAUSS also encourages its suppliers to attend Fair Wear supplier seminars and, in 2020, webinars. An overview of all CAPs is maintained in excel, with a traffic light system to keep track of what the status is of each CAP and whether action is urgent or less urgent. While this is a solid system, the status of the CAPs of the Fair Wear audits in China, Bangladesh and Indonesia of 2020 was not clear during the performance check. When possible, STRAUSS also splits the CAP follow-up with other Fair Wear members. This was the case for two of the four Fair Wear audits done in 2020. The members of the sustainability team responsible for these audits were not present at brand performance check, and for this reason STRAUSS could not give detailed updates of the status of many findings during the performance check.

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. Worker representatives are involved in remediation where possible.

In the context of COVID-19, STRAUSS maintained an overview of the responses received on the supplier query questions about COVID-19 and the COVID-19 worker interviews done by the external monitoring partner as well. This was a separate overview next to the total overview of statuses of all CAPs. The brand verified follow-up of topics, for example whether PPE measures were in place, using photos and videos.

Recommendation: Fair Wear strongly recommends to ensure that the size of the supply chain and the available resources of STRAUSS to actively follow up on CAP issues are coinciding. Consolidation of the supply chain can be a possible solution.

Fair Wear also recommends 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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: This indicator is not applicable to all members because of the travel restrictions due to the COVID-19 pandemic in 2020.

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: 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 STRAUSS also collects audit reports from other organisations, such as BSCI, and assesses their quality. Where possible, 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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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: BANGLADESH

With Bangladesh being one of 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 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, STRAUSS has judged the quality of the National Initiative's audit report of good quality. 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. 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 functions as a training and product development center for students and middle management on technical topics and sustainability. 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. STRAUSS' external monitoring partner is assigned to always double check that the obligatory Anti-Harrassment-Committee exists at the production sites audited. The committees are generally functional but could not carry out their work due to COVID-19 in 2020.

MYANMAR

In Myanmar, 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. Another audit could not take place in 2020 due to the COVID-19 pandemic. STRAUSS does not follow all six elements of the Myanmar Enhanced Monitoring Programme, but the factory is included in the published list of factories of Fair Wear members sourcing in Myanmar.

TURKEY

Turkey is another key production country where STRAUSS sources from six suppliers, which produce at a total of nine production locations. STRAUSS has shared information about risks associated with Syrian refugee workers with all suppliers. They have worked intensively with one supplier, which is owned by a Syrian, to register Syrian workers legally and improve working conditions. Many Syrian migrants work at this supplier and STRAUSS works together with the factory to make sure all relevant documentation is in order. Two production locations participated in Fair Wear's Workplace Education Programme, most suppliers attended Fair Wear's supplier seminar on Syrian refugee workers in 2018. Through the yearly questionnaire which STRAUSS sends to all its suppliers, STRAUSS asks all Turkish suppliers about the use of subcontractors and reminds them to report Syrian/migrant employees. Several production locations have not been audited or trained in the last years, hence STRAUSS does not have a full picture of the risk of unauthorized subcontracting or illegally employed Syrian refugees. The Turkish suppliers do not have a policy related to migrant workers in place, which is required according to the Enhanced Monitoring Programme for Turkey. The brand includes the topic of legal employment in its Code of Conduct (CoC), which all suppliers are obligated to sign, but does not specifically address migrant workers in the CoC. The company is in the process of consolidating its supply chain in Turkey.

OTHER RISKS

COVID-19

STRAUSS followed up on issues related to COVID-19 which were determined through the country-specific risk matrix and connected these to the answers from suppliers on the supplier query and, in Bangladesh, COVID-19 worker interviews. An analysis of the situation per country was made and if suppliers indicated they needed support, the factory was contacted to discuss what possible joint solutions could be. Where possible, worker representation was involved, for example in the factory in Laos in decisions regarding the payment of the wages. It was not clear what follow-up was given to the findings which came from the worker interviews. The analysis included the available government support and legal obligations regarding payment of wages and loss of jobs. STRAUSS generally ensured wages were paid according to legal regulations, but did not ensure legal minimum wages were paid by all its suppliers even if the government allowed payment below the legal minimum. For some suppliers, STRAUSS did check if the government would contribute to the wages. All production partners were also contacted about the health protection of workers, requirements for support in case of quarantine or illness and requirements for general job security. STRAUSS collected photos of the health & safety measures which suppliers took and generally concluded that none of their suppliers needed any support to ensure this was properly organised. STRAUSS shared a short version of the Fair Wear H&S sheet with its suppliers as well.

CHINA & VIETNAM

STRAUSS has a large range of countries where production takes place aside from Bangladesh, Myanmar and Turkey, e.g. in China and in Vietnam. STRAUSS sees high risks in China related to working hours and intransparent or falsified documents. In Vietnam, the brand considers the fact that some factories have closed an issue. To ensure factory management is up-to-date, STRAUSS keeps track of suppliers participating in Fair Wear seminars.

Requirement: Fair Wear members should ensure that all suppliers have a policy in place on the registering of Syrian refugee workers. See for an example/draft policy the Fair Wear Guidance for members: Risks related to Turkish garment factories employing Syrian refugees

Recommendation: We ask STRAUSS to make a clear statement to its suppliers that, as a brand, it does not want to be involved with any forced labour in its supply chains, including subcontractors.

COVID-19: STRAUSS should ensure legal minimum wage is paid at all its suppliers, also when governments allow payment below legal minimum wage (see indicator 1.9).

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.

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: STRAUSS actively cooperates with other members in resolving corrective actions, in several cases taking the lead. In cases where other members lead this process, STRAUSS was aware that the CAP was being followed up on and the general status, but did not have information about details related to these CAPs.

Recommendation: Fair Wear recommends STRAUSS to document status of joint follow-up actions. Even though one brand commonly takes the lead it is important to be kept informed of the status in order to be aware of required implementation steps before communication with or visits to the factory.

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%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	1	2	0

Member undertakes additional activities to monitor suppliers.: Yes (1)

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 STRAUSS' self-assessment.

However, 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 STRAUSS' production volume, in many cases far less than 0.5%. This indicator calculates the percentage of FOB in low risk countries where the low-risk monitoring requirements are met, compared to the total FOB in low risk countries. This figure is less than 0.5%, therefore the score here is 0.

All five factories based in Italy (<2%) have been audited in 2018; these factories are therefore counted toward the monitoring threshold and the bonus point.

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	Fair Wear 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 Fair Wear and recent Audit Reports.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	1	2	0

Comment: Less than 1% STRAUSS' total turnover comes from external brands resold by the member company. STRAUSS is phasing out this kind of cooperation, but currently still has on-going long term commitments. 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. As STRAUSS is phasing out this kind of collaboration, this has not been and will not be a focus for the brand.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear 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: 28

Earned Points: 21

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	2	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.	4	
Number of worker complaints resolved since last check.	0	

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 Fair Wear 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.	No	Informing both management and workers about the Fair Wear 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: STRAUSS requests pictures from all suppliers to ensure that the worker information sheet is posted in factories, but the pictures were not available for all suppliers and for none of the suppliers added in 2022. STRAUSS asks whether the suppliers have posted the WIS in their supplier query, but does not require proof when the suppliers indicate they have done it.

Requirement: STRAUSS must ensure that the Worker Information Sheet, including contact information of the local complaints handler of Fair Wear, is posted in factories in a location that is accessible to all workers. Proof should be uploaded in the Fair Wear system. When travel is possible, member companies should check by means of a visit whether the Worker Information Sheet is posted in the factories.

Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

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.	15%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear'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. Production sites in Pakistan and Bangladesh have also received a training conducted under Fair Wear's training requirements by an external party and are accounted towards this indicator.

In addition STRAUSS' monitoring partner continuously discusses labour standards with factory management and worker representatives during visits and audits and makes use of the Fair Wear factory guide.

Recommendation: STRAUSS could consider implementing additional activities to raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline 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, 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.	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: STRAUSS received two complaints in 2020. All complaints were found admissible. One was in Vietnam and the other one in Pakistan. In Vietnam, another Fair Wear member had the lead in remediation. STRAUSS started discussing preventive measures with the other Fair Wear member in 2020, which is being followed up on in 2021 and will be assessed in the next performance check. This complaint has been closed.

The complaint in Pakistan was followed up on by STRAUSS together with its external monitoring partner. The complaint was about a dismissal of a worker, who also did not want to take a severance pay because he did not want to quit and found his dismissal unfair. STRAUSS tried to set up a local investigation, as Fair Wear does not have a complaints team in Pakistan. However, this was not possible due to COVID-19. STRAUSS closely discussed further action with Fair Wear and acted as a mediator between the production partner and the complainant also by clearly stating toward the factory that unfair dismissal would be unacceptable to the brand. The complainant finally brought the case to court, which did not yet reach a verdict. STRAUSS offered and paid auditors from Germany and Pakistan to support the complainant during the whole process but so far a solution has not been found. The complaint is still ongoing. The factory owner is expected to visit STRAUSS in Germany to discuss the complaint now that travel is possible again. 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 Fair Wear 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: STRAUSS has cooperated with other customers in addressing worker complaints in previous years and in one complaint received in 2020.

Complaints Handling

Possible Points: 17

Earned Points: 8

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 Fair Wear 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. 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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear 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. The Fair Wear checklist is used when staff is traveling to suppliers and there is a continuous exchange between the sustainability team and the purchasing and product development departments. STRAUSS also actively participates in Fair Wear stakeholder meetings and Fair Wear's annual conference. In 2019 Fair Wear conducted another half day training to respective staff to ensure colleagues are updated.

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, Fair Wear audit findings.	2	2	0

Comment: STRAUSS generally works directly with production locations. In a limited number of cases where the production site is of limited relevance to STRAUSS, an agent is used. 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 STRAUSS.

All agents have signed the Fair Wear's Code of Labour Practices and work closely with 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.	7%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	1	6	0

Comment: 7% 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 2018 this was a WEP Violence prevention in Bangladesh and a WEP Factory Dialogue at a supplier in Turkey. For the WEP Factory Dialogue, half of the FOB (2.8%, so 1.4%) counts toward this indicator, because this training is in between WEP Basic and a real transformative training. Besides this, five production locations have been trained by ILO Better Work, which also counts toward this indicator.

Recommendation: Fair Wear recommends STRAUSS to follow up on the initial training by establishing functional worker committees with a step-by-step approach and organise multiple follow-up sessions spread over several months and strengthen herewith internal grievance mechanisms. The training outline should have a worker-centered approach and focus on behavioural and structural change to improve working conditions for the long term, such as gender based violence and worker-management dialogue. To this end, STRAUSS can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist 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: STRAUSS shares training reports with its suppliers and discusses the outcome in detail with the supplier. Recommendations done by Fair Wear trainers are shared with the factory. Furthermore, information about established anti-harassment committees is requested, such as the number of people and how the committees function. Audits are then used to further check the functioning of the committees.

Recommendation: STRAUSS should 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. 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.

Training and Capacity Building

Possible Points: 13

Earned Points: 8

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 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. STRAUSS has long-term, trusted relationships with most suppliers and could cite several cases where the supplier has requested authorisation for subcontracting. 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.

Nevertheless, two audits reported unauthorized subcontractors at STRAUSS' suppliers. The brand could show this was followed up upon during the brand performance check. The suppliers are not added to Fair Wear's database because they were not producing for STRAUSS. Considering 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 STRAUSS to take additional efforts to ensure that the brand is always informed beforehand about the placement of production at production locations.

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	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: 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 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 Fair Wear'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: STRAUSS publishes a link to its Brand Performance Checks online. STRAUSS is open for transparency and the company has disclosed far over 75% of its supplier list to the public in cooperation with Fair Wear in 2020.

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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: 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 Fair Wear 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.	35%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear 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: 1.13

It remains a challenge for Engelbert Strauss to determine and finance wage increases. The brand started making a short-list to work on this in 2019, but due to the COVID-19 pandemic, did not make any further progress on this in 2020. Leniency will be applied on this as this is strongly related to the pandemic and as such, this indicator is not included in the calculation.

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. Follow-up on this has been ad-hoc: Engelbert Strauss shares the audits, but a system for this was supposed to be implemented in 2020, and it is not clear whether this has been done.

2.7

Engelbert Strauss was required to publish the wage ladder of their factory in Myanmar, which was not done, as the verification of wages was not possible due to the pandemic. The factory has been included in the list of factories which is published on Fair Wear's website.

2.9

For Engelbert Strauss it remains a challenge to follow Fair Wears requirements for production sites in low-risk countries. As travelling was hardly possible in 2020 due to COVID-19, no progress was made on this indicator but leniency will be applied on this here and as such, this indicator is not included in the calculation.

2.12

Engelbert Strauss was required to ensure progress towards external supplier base which are member of another credible initiative. This was done as Engelbert Strauss no longer resells external brands.

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 would like the documents Fair Wear shares to be shorter and easier to read and would like Fair Wear to ensure bureaucracy is useful and not just for the sake of bureaucracy. Engelbert Strauss is very happy with the collaboration with the brand liaison and the Fair Wear country reports which include a lot of information.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	34	52
Monitoring and Remediation	21	28
Complaints Handling	8	17
Training and Capacity Building	8	13
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	88	129

Benchmarking Score (earned points divided by possible points)

68

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

21-09-2021

Conducted by:

Paula de Beer

Interviews with:

Steffen Strauss: CEO

Meng Xin: Head of Product Development

Christoph Piecha: Head of Purchasing

Sabine Hoenicke: Sumations GmbH

Alisa Scholz: Controlling department

Gabriel Jäckel: Marketing department

Christin Röschinger: Sustainability Team

Franz Huaman: Sustainability Team