



## **Brand Performance Check**

# **Engelbert Strauss GmbH & Co. KG**

**Publication date: September 2022**

This report covers the evaluation period 01-01-2021 to 31-12-2021

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

*This year's 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 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: 01-01-2021 to 31-12-2021

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:	Albania, Bosnia and Herzegovina, Ethiopia, Germany, Italy, Lao People's Democratic Republic, Latvia, Malaysia, Pakistan, Poland, Portugal, Republic of Korea, Slovakia, Sri Lanka, 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	74%
Benchmarking score	70
Category	Good

## Summary:

Engelbert Strauss GmbH & Co. KG (STRAUSS) has shown progress and met most of Fair Wears' performance requirements. With a benchmarking score of 70, STRAUSS is placed in the Good category. The monitoring threshold does not determine the category this year. STRAUSS has monitored 74% of its production volume.

## Corona Addendum:

2021 was a good year for Engelbert Strauss GmbH & Co KG. (STRAUSS) in terms of sales. Due to its online shop the company was able to continue selling its products to businesses and individuals. The company opened its own production location in Germany to create a close link between production and development.

In 2021, STRAUSS experienced difficulties in production. Some factories in Vietnam were closed for weeks due to lockdowns. Also, Laos had a lockdown, which meant that the production location STRAUSS uses there was closed. At the beginning of 2021, Myanmar had a military coup, and later in the year, there was a fire at STRAUSS' production in Myanmar. Besides the production problems due to COVID-19, the company experienced logistic problems. Due to the nature of the brand, with a lot of never-out-of-stock (NOS) products and big stock in Europe, COVID-19 did not have a very big impact on STRAUSS' sales. 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.

Throughout the year, STRAUSS stayed in close contact with all production locations to manage production and delivery times and to check on the health and safety of workers and wage payments. As soon as production would start again after a lockdown, STRAUSS checked on working hours. In 2021, STRAUSS did over 30 audits to check on the status of the working conditions in the production locations. Some were full audits, either by Fair Wear or STRAUSS' external monitoring party, some audits were done by other organisations, and STRAUSS also participated in virtual audits.

STRAUSS was able to monitor risks in production locations and address main risks or findings as they occurred. Due to the pandemic, the company has not taken additional steps to address raising wages. Fair Wear recommends STRAUSS to look into the link between prices and wages to better understand how the company can contribute to higher wages at its production locations.

## 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, 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.	25%	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.	0	4	0

**Comment:** With 25% of the production volume from production locations where STRAUSS bought less than 2% of its total FOB in 2021, the brand 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 fulfil quality and safety standards.

**Recommendation:** Fair Wear recommends STRAUSS to further consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, STRAUSS should determine whether production locations 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. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.



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:** In 2021, six new production locations were added. The brand has an IT system that automatically notifies the sustainability team when a new supplier is added. This supplier is kept 'inactive' until all necessary documents are received, such as the STRAUSS self assessment, which includes the Fair Wear Code of Labour Practices (CoLP), and available external audits. If the external audit covers all labour standards, the supplier does not have to fill in the questions on the labour standards.

The STRAUSS sustainability team combines the information from the self assessment and the external audit report to create a factory profile once production starts, which indicates the need for audits or training.

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.

**Recommendation:** To ensure accountability and create clarity on the basis for decisions, Fair Wear recommends STRAUSS to improve the process of combining different sources of information prior to the first order.

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 current and potential 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 and maintained throughout 2021. To have a quick overview about how high risks are in a country, the risks per labour standard are marked in eight colours from red to green. This knowledge enables the company to have an idea about possible risks at existing and new production sites. 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.

In 2021, STRAUSS did not start sourcing from a new production country. When STRAUSS considers sourcing from a new production location it is first checked whether the production location 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 conducted in 2021 for three countries. 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) would visit the production location. 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.

In 2021, the country risk overview was used to keep track of risks related to COVID-19 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. The evaluation is an ongoing process. A responsible exit strategy, based on the Fair Wear responsible exit strategy, is followed in case STRAUSS exits a production location. In 2021, STRAUSS exited one production location in Vietnam following this strategy.

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 as a last resort.

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 suppliers 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%.

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 larger 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' approach to production generally does not pressure suppliers. STRAUSS has insight into capacity needed for production of its order, which it will use in its forecasting. The company does not have insight into labour minutes needed for their orders.

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:** Different audits indicated excessive overtime. For each of these, STRAUSS identified the root causes with the production location. In three cases, the company learned its own orders contributed to excessive overtime. To follow-up, the sustainability team discussed the order process with the purchasers to ensure practices would change. The results of this mitigation will be part of next year's performance check

In other cases the causes for excessive overtime were the lack of workers, mainly because of COVID-19 and during some audits working hours could not be checked due to incorrect timekeeping or inconsistent records. With these production locations STRAUSS discussed possible changes. One production location decided to close the factory on Sunday to prevent additional overtime.

**Recommendation:** STRAUSS could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, 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:** 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 STRAUSS 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 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, for example by using the Fair Price app. The Fair Price app also enables suppliers to include any COVID-19 related costs. STRAUSS could consider offering training by a local representative on Fair Price to its suppliers. Such training is available in all Fair Wear countries.

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, 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.	0	0	-2

**Comment:** In 2021, Vietnam was in lockdown, which highly impacted workers wages. 9% of STRAUSS' FOB comes from production locations in Vietnam. For these production locations STRAUSS closely monitored the wage situation, by collecting wage information and conducting audits. They closely cooperated with other Fair Wear members sourcing in Vietnam and Fair Wear country staff to be able to verify information provided by factories. In the process, it closely followed Fair Wear's guidelines in the sense that STRAUSS clearly communicated continued commitment to producing in the affected production location and ensured workers would be able to return to work to continue to earn wages that are above legal minimum wage. STRAUSS checked that factories were following legal requirements and ensured that workers applied (and received) the government support. STRAUSS did not realise this amount was below legal minimum wage.

In 2021, a fire occurred in the factory in Myanmar (2% of FOB - without any casualties), which meant production stopped for three months. During this time STRAUSS contributed to maintaining legal minimum wage to all workers.

In Laos STRAUSS' production location (8% of FOB) was also closed during lockdown. The company checked the wage situation and it was confirmed that most workers received the legal minimum wage, to ensure they would return to work after the lockdown.

**Requirement:** STRAUSS should actively follow up with its Vietnamese supplier to ensure that workers who did not participate in 3-on-site receive at least the legal minimum wage.

**Recommendation:** In case of a crisis such as COVID-19, STRAUSS is encouraged to find solutions in collaboration with their suppliers to ensure they can continue the payment of minimum wages to their workers. The member can for instance choose to pre-pay invoices for material or allow partial shipment of completed orders and pay immediately for this order portion.

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:** 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:** Fair Wear as well as external audits done in 2021, show most workers were paid below living wage as estimated by local stakeholders.

To have a deeper understanding of wage levels, STRAUSS analysed and compared all wage ladders from the audited factories over the past years. A detailed analysis has been made by comparing average wage levels of the sewing department per factory with several living wage benchmarks of that country and the poverty line as determined by the International Monetary Fund (IMF). 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 locations where the company has 80% plus leverage.

Due to COVID-19, STRAUSS did not put more emphasis in discussing living wages with production locations to address root causes.

**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).	1%	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.	1	2	0

**Comment:** STRAUSS opened its first owned production facility in 2020 in Germany and production started in 2021 for 0.41% of FOB.



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 has not yet determined and financed wage increases. However, as the importance of the topic is supported by the higher management, the sustainability team expects to address this topic soon.

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

**Recommendation:** 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.	0%	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.	0	6	0

**Comment:** STRAUSS is not yet paying its share of the target wage in its production locations.

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

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 30**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	71%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	3%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Standard monitoring below 80%	Monitoring threshold below 80%.
Requirement(s) for next performance check		
Total monitoring threshold:	74%	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

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 findings are discussed with and signed by management during the exit meeting of the audit.

Once the factory has received the audit, they are asked to present 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 involves worker representation in CAP follow-up where possible.

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 is 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 were discussed by the monitoring partner as well as STRAUSS' staff during joined calls. Here, top management is often involved.

In 2021, STRAUSS put a lot of effort in monitoring risks related to COVID-19, especially on workers' wages during lockdown, requesting additional documentation and urging factories to apply for government funding. Remediation focuses on specific audit findings and does not yet inform strategic decisions on an aggregate level.

**Recommendation:** STRAUSS uses external monitoring expertise to ensure audit findings at production locations are addressed. Fair Wear wants to stress that as a brand, STRAUSS remains responsible for remediating audit findings and keeping track of progress.

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:** As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2021.

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 many 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.	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	Advanced			6	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**

As Bangladesh is one of STRAUSS' key production countries, gaining importance 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, 15 out of 17 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. The other two production locations have been audited by STRAUSS' external monitoring partner, with a specific focus on fire and building safety. 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 fulfil high technical quality standards for their products.

Fair Wear's 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'. STRAUSS' external monitoring partner is assigned to always double check that the obligatory Anti-Harassment Committee exists at the production sites audited. The committees are generally functional but could not always carry out their work due to COVID-19.

### **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 and not in 2021 due to the military coup. In 2021, STRAUSS stayed in close contact with the factory and has decided to continue production to ensure workers could continue to work. The company kept in close contact with Fair Wear to follow guidance provided. 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 eight 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. One production location 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 unauthorised 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 also shared a short version of the Fair Wear Health and Safety sheet with its suppliers.



## CHINA AND VIETNAM

STRAUSS has a large range of countries where production occurs aside from Bangladesh, Myanmar and Turkey, e.g. in China and Vietnam. STRAUSS sees high risks in China related to working hours and nontransparent or falsified documents. This is constant topic of discussion between the company and production locations. In Vietnam, the brand considers the fact that some factories have closed an issue and has discussed this with production locations. To ensure factory management is up-to-date, STRAUSS keeps track of suppliers participating in Fair Wear seminars.

**Recommendation:** Fair Wear recommends STRAUSS to join the International Accord on Fire and Building Safety.

Fair Wear recommends STRAUSS to organise training on Violence and Harassment Prevention in Bangladesh.

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.

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.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. 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.	2	2	0

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

**Comment:** STRAUSS produces in Germany, Latvia, Poland, Portugal and Slovakia. All production locations have signed and returned the questionnaire and have the Worker Information Sheet posted. One production location in Latvia had an audit in 2020.

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:** STRAUSS has sent the questionnaire to all external producers. The company has not received all information from the external producers. As external producers are a small percentage of total turnover, this is not a priority for the company.

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%	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.	0	3	0

**Comment:** None of the external brands is a member of another credible initiative.

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

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## Monitoring and Remediation

**Possible Points: 31**

**Earned Points: 23**

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### 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.	5	
Number of worker complaints resolved since last check.	2	

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.	Yes	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. STRAUSS asks whether the suppliers have posted the WIS in their supplier query.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

**Comment:** STRAUSS planned 17 trainings for 2021, but only managed to conduct three. Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable in 2021.

STRAUSS has actively discussed the Fair Wear Code of Labour Practices and the complaints helpline with workers during CAP follow-ups and visits.

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 three complaints in 2021, two at one factory in China and one at a factory in Turkey. The company addressed the complaints in line with Fair Wear Complaints Procedure. The Chinese supplier's complaints were closed quite quickly after the factory provided counter evidence. The complaint at the Turkish production location was received around the same time as the audit report at the same location and was treated as part of the CAP. The company has not taken preventive steps based on the complaints or the remediation process.

**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 two complaints received in 2021.

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## Complaints Handling

**Possible Points: 11**

**Earned Points: 8**

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## 4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of 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 a digital 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:** In 2017 and 2019, Fair Wear provided 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.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

**Comment:** Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	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.	N/A	2	0



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## **Training and Capacity Building**

**Possible Points: 5**

**Earned Points: 5**

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## 5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

**Comment:** Overall 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, one audit reported unauthorised subcontractors. The brand could show this was followed up upon during the brand performance check. 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.

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.

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## **Information Management**

**Possible Points: 7**

**Earned Points: 7**

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## 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](http://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 to transparency and the company has disclosed far over 84% of its supplier list to the public in cooperation with Fair Wear in 2021.

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.

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.	40%	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:** STRAUSS acted on requirement regarding monitoring legal minimum wage requirements and ensuring Worker Information Sheets were posted. It did not follow-up on requirements related to financing wage increases or ensuring Turkish suppliers adopt a policy.

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## Evaluation

**Possible Points: 6**

**Earned Points: 4**

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## Recommendations to Fair Wear

STRAUSS recommends Fair Wear to provide more specific and faster responses to requests. The company would also like to have audit reports available sooner and that Fair Wear staff is available by phone in cases that require urgent action.



## Scoring Overview

Category	Earned	Possible
Purchasing Practices	30	52
Monitoring and Remediation	23	31
Complaints Handling	8	11
Training and Capacity Building	5	5
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	83	118

### Benchmarking Score (earned points divided by possible points)

70

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

05-07-2022

Conducted by:

Anne van Lakerveld

Interviews with:

Henning Strauss (CEO)

Christoph Piecha (Head of Purchasing)

Meng Xing (Head of Product Development)

Friederike Hoppe, Christin Röschinger, Sarah Bereschka (Sustainability Team)

Sabine Hoenicke, Sifat Ullah, Linh Doan (Sumations - external monitoring partner)