



Brand Performance Check

Engelbert Strauss GmbH & Co. KG

This report covers the evaluation period 01-01-2023 to 31-12-2023

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.

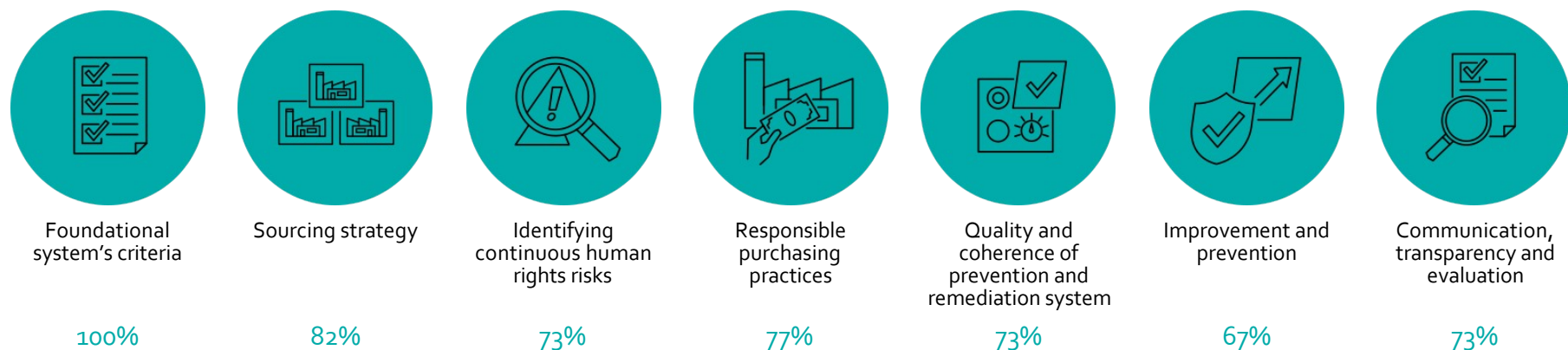
Scoring overview

Total score: 148

Possible score: 202

Benchmarking Score: 73

Performance Benchmarking Category: Leader



Summary:

STRAUSS has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 73, the member is placed in 'Leader' category.

In 2023, STRAUSS formalised its sourcing strategy, emphasising long-term relationships, direct supplier partnerships, and prioritising sustainability and consolidation. Despite reducing its presence in Myanmar since the 2021 coup, with a decrease of 14% since 2022, STRAUSS continues to focus on improving working conditions rather than relocating its suppliers. Comprehensive risk scoping, including a gender lens, is applied across all sourcing countries. Freedom of association (FoA) is considered in the brands risk scoping, but remains challenging in some of the brands sourcing countries.

STRAUSS sources from one production location in Myanmar, with a production volume of 7% of its total FOB. Despite Fair Wear's strong recommendation to exit the country, the member company decided to stay. STRAUSS has developed substantial action plans based on the most significant risks. The brand has 100% leverage at its main supplier, where audits by MADE have led to the closure of the majority of findings. Corrective actions are monitored by STRAUSS' external partner, who provides monthly updates, and in more complex cases, STRAUSS' sustainability team and top management engage directly with suppliers. Additionally, the brand has actively worked to increase wages in Myanmar and ensures that prices paid to suppliers cover labour costs based on living wage estimates. STRAUSS also monitors overtime, wages, and temporary workers, raises awareness of grievance mechanisms, and conducts worker surveys and supervisor training.

STRAUSS sources from 18 production locations (15 suppliers and three sub contractors) in Bangladesh with a production volume of 41% of its total FOB. The member company has not signed the International Accord. In Bangladesh, STRAUSS' action plans integrate the Accord Safety Program, although joint collaboration with the RMG (Ready-Made-Garment) Sustainability Council (RSC) is lacking. While the member brand includes actions from RSC findings in its follow-up plan, the brand does not contribute financially directly nor collaborates with other Accord members. This is scored insufficient under a repeated non-compliance indicator. Please note that following Fair Wear's policy for repeated non-compliance, members that receive an insufficient score on these indicators for the second year in a row, will be placed in the 'needs improvement' category.

STRAUSS has demonstrated significant progress, with over two-thirds of improvement programs implemented within the stipulated time frame. The sourcing strategy incorporates risk management through audits and training and avoids intermediaries or subcontracting. STRAUSS has developed action plans aligned with risk profiles for all its suppliers, covering 100% of its total FOB.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because of this transition, Fair Wear temporarily lowered the scoring threshold.

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.

Company Profile Engelbert Strauss GmbH & Co. KG

Member company information

Member since: 1 Nov 2016

Product types: Workwear

Percentage of turnover of external brands resold 0%

Member of other MSI's/Organisations Bluesign

Number of complaints received last financial year 3

Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? Yes

Production countries, including number of production locations and total production volume.

Production Country	Number of production locations	Percentage of production volume
Bangladesh	18	40.98%
China	43	21.29%
Viet Nam	10	10.83%
Lao People's Democratic Republic	1	8.21%
Myanmar	2	6.53%
Türkiye	9	2.73%
Ethiopia	1	1.53%

Italy	3	1.47%
Egypt	1	1.31%
Pakistan	12	1.11%
Mexico	1	0.59%
Indonesia	3	0.59%
Albania	2	0.59%
Tunisia	1	0.46%
Uzbekistan	1	0.43%
Sri Lanka	2	0.39%
Zimbabwe	1	0.26%
Germany	7	0.18%
Lebanon	1	0.16%
India	3	0.09%
Morocco	2	0.08%
Mauritius	1	0.06%
Malaysia	1	0.04%
Slovakia	1	0.03%
Romania	1	0.03%
Portugal	1	0.03%
Bosnia and Herzegovina	2	0.02%
Bulgaria	1	0.01%

Layer 1 Foundational system's criteria

Possible Points: 8

Earned Points: 8

1.1 Member company has a publicly shared Human Rights Due Diligence policy that has been adopted by top management.: Yes

1.2 All member company staff are made aware of Fair Wear's membership requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: Yes

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

Comment: STRAUSS discloses 71% of production locations internally through Fair Wear's information management system.

1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes

Requirement: Fair Wear requires STRAUSS to disclose its production locations on Fair Wear's transparency portal.

Comment: STRAUSS discloses 71% of production locations externally on Fair Wear's transparency portal.

1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes

Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

Possible Points: 90

Earned Points: 70

Indicators on Sourcing strategy

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.1 Member company’s sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.	Advanced	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	6	6	0

Comment: The member has 133 active suppliers. 89% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 11% of the production volume comes from suppliers where STRAUSS buys less than 2% of its total FOB. The member brand added more tail-end suppliers since last year. STRAUSS has recently formalised its sourcing strategy, which has changed since last year. The current strategy includes an 18-month forecast, prioritising long-term relationships, NOS (never out of stock) products, and a preference for direct supplier relationships, avoiding intermediaries or subcontracting. Supplier selection is based on quality, price, performance, and sustainability, with an emphasis on consolidation through direct relationships. This strategy is aligned with the supplier manual and code of conduct, and incorporates risk management by assessing human and labour rights, particularly when entering new countries, through audits and training. Supplier performance is closely monitored, and there is collaboration with other brands on social and environmental standards, with best practices being shared. Nevertheless, Vietnam and China continue to be among the leading regions for strategic sourcing, maintaining relatively stable purchasing volumes. The sourcing strategy only makes indirect reference to freedom of association. The sourcing strategy, guided by the director and head of production and development, has been practised for years within the production and sustainability teams, but was only formalised in 2024 through collaboration between the purchasing and sustainability departments, approved by top management, and communicated to the production and development team. It focuses on long-term business relationships, stability, consolidation, cooperation with other companies, joint growth, and promoting sustainable and fair working conditions throughout the supply chain. The brand has yet to include in its sourcing strategy a preference for countries where workers can freely join a trade union.

Recommendation: Fair Wear recommends STRAUSS to consolidate its supply base by limiting the number of production locations in its tail end. To achieve this, STRAUSS should determine whether suppliers where it buys less than 2% of its FOB are strategically relevant. Shortening the tail will allow the member to improve working conditions more efficiently and effectively. It is advised to describe the consolidation process in a sourcing strategy agreed upon with top management/sourcing staff. Fair Wear recommends the member to include SMART goals in its sourcing strategy. STRAUSS is also advised to incorporate a preference in its sourcing strategy for countries where freedom of association is permitted and workers are allowed to join trade unions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Basic	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	2	6	0

Comment: STRAUSS has a sourcing strategy that focuses on maintaining long-term relationships. 89% of the member's total FOB volume comes from suppliers with whom STRAUSS has a business relationship for at least five years. The member does not commit to long-term contracts yet.

Recommendation: Fair Wear recommends STRAUSS to commit to long-term contracts.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy.	Intermediate	Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners.	HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations.	4	6	-2

Comment: STRAUSS conducts risk scoping and includes all risk factors (country, sector, business model, sourcing model and product risks). In its risk scoping, the member has assessed the impact and prevalence of the risks correctly. The risk scoping includes a gender lens. The member particularly looks at the way country risks may differently impact women compared to men. STRAUSS has done this for all risks in all its sourcing countries. STRAUSS has also conducted the risk-scoping on freedom of association (FoA). However, STRAUSS does not mention a preference in its sourcing strategy for countries where workers can freely form or join a trade union and bargain collectively. Input from workers, suppliers, and stakeholders is included in the risk scoping by sharing the human rights risk analysis with worker representations and collecting their feedback through interviews during audits and training. STRAUSS has scoped the risks for forced labour in its production countries correctly. In Bangladesh, the brand also included heightened risks related to recent political unrest, particularly regarding wage non-payment, overtime, and health and safety issues. Despite reducing its presence in Myanmar since the 2021 coup, with a decrease of 14% since 2022, STRAUSS continues to focus on improving working conditions rather than relocating its suppliers.

STRAUSS addresses the absence of FoA in some of its production locations, such as Myanmar and China, by screening internal grievance mechanisms and using third-party providers like MADE in Myanmar to support worker feedback. Surveys, including the Ulula worker survey, and worker surveys that are part of the audits, are utilised to assess FoA-related issues. In Myanmar, STRAUSS collaborates with the European Chamber of Commerce and stays informed through daily newsletters, webinars, and online meetings. One topic of concern is the conscription law, which is also monitored via the daily newsletter and has been integrated into the brand’s risk-scoping. Factories have offered letters regarding conscription law, and its impact is included in the brand’s risk-scoping process. However, despite identifying the risks for China and Myanmar correctly, rather than relocating to countries where FoA is possible, STRAUSS focuses on strengthening its existing supplier base and improving working conditions.

The member has not consistently changed its sourcing decisions based on the outcomes of its country risk assessments, even when assessments of specific factories indicated lower risks. However, the brand has reduced its share of production in Myanmar compared to previous years and has continued to do so since the 2021 coup d'état.

Recommendation: Fair Wear strongly recommends STRAUSS to adjust its sourcing based on the results of its risk scoping.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order.	Advanced	Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward.	Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers’ policies.	4	4	0

Comment: It is the standard process for STRAUSS to inform new suppliers about Fair Wear membership by sharing, discussing, and signing the STRAUSS Code of Conduct, which includes the Fair Wear Code of Labour Practices (CoLP), sharing the Supplier Manual, and asking the factory to post the Worker Information Sheet (WIS). Additionally, it is standard practice in the onboarding process to visit the supplier and have a dialogue about CSR/human rights and how the supplier and STRAUSS can cooperate on this topic. The attitude of the supplier management towards CSR, and the willingness to change, is an important decisive factor.

Furthermore, the Sustainability Team engages in early dialogue with all potential suppliers as part of the standard process, including sending a standard email. If required, an audit is conducted before production starts, and, where possible, the Strauss Sustainability Team joins the audit to introduce Fair Wear Foundation (FWF) requirements. FoA (Freedom of Association) status is checked through self-assessments and existing audit reports, or through audits conducted by Strauss (such as Sumations/LRQA). The company also applies a gender lens, paying attention to gender-related issues, and in the case of new suppliers, assesses the ratio of men to women and any gender-specific risks in audits or existing audit reports before production begins.

When a new factory is onboarded, it is often part of a vendor or production partner with multiple factories and a long-term cooperation with Strauss. This is advantageous because there is already awareness about Fair Wear Foundation requirements, and dialogue and cooperation on these standards have been established for several years.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.	Advanced	Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders.	Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers.	6	6	0

Comment: STRAUSS collects human rights information on potential new suppliers by gathering self-assessments and existing audit reports. The member brand also gathers data on union activity, worker representation within the new factory, and existing grievance mechanisms, along with details concerning collective bargaining agreements. Once all information is deemed sufficient to establish a relationship, STRAUSS visits the production location. If the received information is insufficient, the member brand refrains from starting a business relationship. STRAUSS tracks social-compliance pre-conditions in its new supplier overview.

Additionally, when onboarding a new supplier and before placing orders, STRAUSS gathers information on the human rights situation in the country, self-assessments (including questions about grievance mechanisms, FoA, and the share of men/women, uploaded in FairForce under "questionnaire"), the Supplier Code of Conduct, existing audit reports (which may include worker interviews), and feedback from workers or suppliers through visits, meetings, or interviews. The company may also conduct an audit, quick check (which is an shortened version of audit designed to highlight critical non-compliances), or visit by Strauss staff, and engages in dialogue with existing suppliers. Information related to grievance mechanisms and FoA (as noted in section 2.4) is incorporated into the assessment by the sustainability team and communicated to purchasing colleagues, who make the final sourcing decisions.

In the case of new potential production countries, STRAUSS updates its Country Risk Matrix and analyses risks specific to that country, especially within the textile and footwear sector. The Sustainability team provides advice to the Director of Production and Development on how they assess production in the new country. Prior to production in a new country, desk research on workers' rights is conducted, including information from NGOs and a quick check of FoA status. The distinction between a full audit and a quick check is based on the depth of assessment needed, with full audits often involving comprehensive worker interviews. STRAUSS follows up on corrective action plans (CAP) from existing audits to ensure continuous improvement.

STRAUSS followed this process for the 18 suppliers added in the previous year.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the grievance mechanism, and social dialogue mechanisms within the first year of starting business.	Advanced	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	6	6	0

Comment: STRAUSS has shared information about Fair Wear's CoLP and the complaints helpline within the first year of doing business with 18 new suppliers in 2023. The Worker Information Sheet has been posted at all new production locations. STRAUSS organised onboarding sessions for workers and the management of new suppliers. The member organised these sessions to raise awareness about the Fair Wear CoLP and the complaints helpline. The onboarding sessions included discussions to raise awareness about social dialogue. Workers discussed how they would like to provide feedback and report grievances to management about workplace issues.

Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously assess human rights risks in its production locations.	Insufficient	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	0	6	0

Comment: STRAUSS has a systematic approach to identifying human rights risks in its supply chain and has assessed the risks for each production location. It has determined the appropriate monitoring tool and frequency per country (or outcome of the risk scoping). For instance, the brand monitors its suppliers in countries identified by its risk scoping as having a higher risk of limited freedom of association and forced labour by enrolling them in audits, organising monitoring visits, engaging in regular dialogue with factory management, and providing training sessions. The member brand has found its monitoring tools to be trustworthy but observed a discrepancy between the monitoring outcomes and the common risks identified in STRAUSS's risk scoping, based on Fair Wear country studies and other relevant sources. For instance, while forced labour is a common risk in China, or freedom of association is a common risk in Myanmar, STRAUSS places additional focus on these issues in its monitoring. However, for most factories the monitoring tools employed at the factory level generally indicated a lower risk compared to the country-level assessments. The member has adapted its monitoring approach to thoroughly identify potential non-compliances.

STRAUSS' most important production country is Bangladesh. The brand has conducted its risk scoping exercise for Bangladesh and is aware of country-specific risks concerning health and safety, as well as gender-based violence and harassment. The brand, however, is not a signatory to the International Accord. From the 14 factories under the scope of the International Accord, 11 were covered by the RSC in 2023. STRAUSS has been focussing to have the rest of the production locations covered by the RSC as well. All of STRAUSS's factories in Bangladesh are monitored by an external auditor, including an electric engineer who specifically checks for occupational health and safety issues. In line with the previous requirements, STRAUSS is in the process of implementing all necessary actions under the Enhanced HRDD Policy for fire, structural, and electrical safety in Bangladesh. Despite not being a signatory of the accord, the brand has opted to have all factories covered by the RSC, if they fall under its scope.

The CAP follow-up continues to be handled by local experts from its external audit partner, working closely with the Strauss Sustainability Team, which has overall responsibility for this process. STRAUSS takes the precaution of ensuring that follow-up activities are assigned to different individuals than those who conducted the initial audit. While this separation reduces potential bias, it does not fully eliminate the possibility of bias. Additionally, the brand has extended the share of audit monitoring by another partner, LRQA, and is increasingly using existing audit reports from various organisations (e.g., Sedex, ILO Better Work, BSCI, SLCP).

Requirement: Please note that following Fair Wear’s policy for repeated non-compliance, members who receive an insufficient score on this indicator for the second year in a row will be placed in the ‘needs improvement’ category.

Recommendation: Fair Wear recommends STRAUSS to assess whether the member causes, contributes or is linked to the identified risks for its factories that fall under the RSC.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.8 Member company’s human rights due diligence process includes an assessment of freedom of association (FoA).	Advanced	Freedom of association and collective bargaining are ‘enabling rights.’ When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear’s Code of Labour Practices - often without brand intervention.	Use of supplier questionnaire to inform decision-making, collected country information, and analyses.	6	6	0

Comment: STRAUSS has mapped the risks to Freedom of Association (FoA) in all its sourcing countries and can explain the main risks per country, including risks specific to women workers. The member brand assesses whether the rights to FoA and Collective Bargaining (CB) are upheld by conducting worker interviews during audits, training, and onboarding sessions. The brand relies on the factory’s grievance mechanisms and Fair Wear’s helpline should workers encounter any issues. This information helps the member understand the risks at its suppliers and informs how they engage with suppliers on this topic. Supplier-level monitoring is in place to assess and comprehend these risks. In 2023, for all suppliers data was collected on FoA, unionisation, worker representation, and Collective Bargaining Agreements (CBAs) through different sources such as questionnaires and audits.

The member brand updates its Country Risk Matrix at least once a year, which includes an updated country rating that considers FoA. A traffic light system is used in audits (scale 1-4) to rate performance on FoA and assess the effectiveness of dialogue mechanisms. The results of these updates help determine further actions, such as additional training, CAP prioritisation, or dialogue with suppliers.

According to the brand, communication with suppliers and factories is key, and FoA is always a significant topic when discussing social standards with them. For example, in Bangladesh and India, the brand checks whether an Anti Harassment Committee (AHC) exists. Meanwhile, in Myanmar, FoA has been a particular focus within this year, the Human Rights Due Diligence (HRDD) action plan Myanmar, which includes direct information from labour unions via EuroCham online meetings). The brand communicates these challenges and efforts in its publicly available social report. Although the member company accurately scoped risks and had a clear understanding of risks to FoA, it continued sourcing in Myanmar, albeit with a reduced production volume.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout its human rights risk identification, to foster a better understanding of gendered implications.	Advanced	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	6	6	0

Comment: STRAUSS actively collects gender-specific data at each factory. The data it collects includes gender-specific risks related to social dialogue, violence and harassment, health and safety, wages, and leadership. This information is gathered through audits, training sessions, and questionnaires. The brand retains this data and uses it to implement training on women's empowerment programmes and gender-specific initiatives. As 2022 was primarily focused on setting up these structures, the brand plans to expand these efforts across all its suppliers in 2023.

STRAUSS ensures its Supplier Code of Conduct covers all Fair Wear Code of Labour Practices (CoLP), including discrimination and sexual harassment. The brand is committed to long-term relationships with suppliers, providing financial stability to help address issues such as gender inequality. Gender-specific risks are part of STRAUSS's Country-Risk-Matrix, focusing on areas like discrimination in hiring, pay, working conditions, and sexual harassment. Data is collected through audits and self-assessments, and grievance mechanisms are reviewed for their effectiveness. STRAUSS investigates violations, conducts root-cause analyses, and runs programmes to mitigate risks, such as training in Bangladesh. It also reviews gender representation, discusses any imbalances during audits, and engages suppliers with suggestions for empowerment, while raising awareness.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.10 Member company considers a production location's human rights performance in its purchasing decisions.	Intermediate	Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making.	Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy.	2	4	0

Comment: STRAUSS has a systematic evaluation system for assessing suppliers' human rights performance. Suppliers are evaluated based on quality, on-time delivery, compliance with agreements, and Sustainability. The Sustainability evaluation includes progress on Corrective Action Plans (CAPs), communication, and collaboration towards improved working conditions. The results are shown in a traffic light system, which is shared with suppliers only occasionally (when performance is poor) and not on a regular basis. While STRAUSS sometimes incorporates these evaluations into purchasing decisions, it has yet to share the outcomes with all suppliers regularly, including worker representation.

Before placing any initial orders, a green light from the Sustainability Team is required. This involves completing sustainability documents, visit when possible, collecting existing audits, and a final assessment. The brand also shares and discusses risk evaluations (whether related to country, region, or factory) during meetings or calls with suppliers.

Recommendation: Fair Wear recommends that STRAUSS share and discuss the outcome of the supplier evaluation with all its supplier's worker representatives.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting.	Advanced	Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks.	Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators.	4	4	0

Comment: Overall, STRAUSS has a solid understanding of where its products are made. As outlined under indicator 1.5, a system is in place to ensure suppliers notify the company before adding new production locations. STRAUSS maintains long-term, trusted relationships with most suppliers and can cite several instances where suppliers have requested authorisation for subcontracting. STRAUSS staff frequently visits production locations, enabling them to verify that agreed production volumes are being made at the designated factories. Information regarding subcontractors, collected during audits and monitoring visits, as well as regular updates from suppliers, is integrated into its system.

To prevent unauthorised subcontracting, suppliers must agree to the "terms and conditions" outlined in the Supplier Manual, which prohibits subcontracting without prior approval from STRAUSS. Suppliers are required to name all production sites, including subcontractors, before the start of production. Each factory must complete a self-assessment, listing all relevant production steps and any subcontractors needed, which STRAUSS reviews to determine if subcontracting is necessary for a specific product. Suppliers are reminded of this requirement one to two times per year and must confirm the currently listed sites. Checks for subcontracting are also part of external audits, Fair Wear assessments and on-site visits, with subcontractor monitoring extending to social standards as well. Besides this, STRAUSS also conducts plausibility checks based on the maximum capacities of its factories, which are provided by external audits.

STRAUSS's purchasing and product development staff are aware of the higher risks of subcontracting in certain countries (e.g., Türkiye) or for specific production steps (e.g., embroidery). In 2023, no unauthorised subcontracting occurred. However, if unauthorised subcontracting is detected, STRAUSS enters into dialogue with the supplier to understand the reason, reinforces the policy requiring prior approval, and assesses whether to accept the subcontractor. If approved, the subcontractor is then integrated into STRAUSS's monitoring system.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Advanced	Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions.	Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers.	4	4	0

Comment: According to the member, there is a very low risk of homeworkers being used by its suppliers because homework is not prevalent for the kind of products STRAUSS produces. Embroidery is done by machine and can be easily identified if made by hand. The topic of homeworkers is included in the brand's risk assessment and monitoring activities. Findings from audits or assessments have not shown any evidence of homeworkers in STRAUSS' supply chain. STRAUSS focuses on monitoring its suppliers' production capacity through regular inspections to prevent unauthorised subcontracting or the use of homeworkers. Based on these efforts, STRAUSS assumes that homeworkers are not used for its orders. In 2023, the member has engaged with its suppliers on this topic.

Indicators on Responsible purchasing practices

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.	Advanced	Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain.	Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals.	4	4	0

Comment: STRAUSS uses contracts with its suppliers. In 2023, STRAUSS ensured all suppliers are contractually bound to comply with its Supplier Code of Conduct, with the Code referenced in the updated Supplier Manual, including its Terms and Conditions. Payment terms and delivery conditions differ for different suppliers but are considered fair and reasonable. These payment terms include cash on delivery, 30 days nett and 60 days nett. STRAUSS reviewed its Supplier Manual to address terms that could potentially limit the implementation of the Code of Conduct. Liability and penalty clauses, which had been written as standard conditions but were rarely enforced, were revised to remove any unfair burden on suppliers. STRAUSS now emphasises working in partnership with its suppliers to achieve compliance with the Code of Conduct.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in its decision-making processes.	Intermediate	Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company.	Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information.	4	6	0

Comment: STRAUSS actively shares relevant sustainability information with other departments. There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with KPIs supporting good sourcing and pricing strategies.

Recommendation: STRAUSS could adopt KPIs that support good sourcing and pricing strategies within its sourcing, purchasing and design departments. STRAUSS could include responsible business practices in its job role competencies of sourcing and purchasing staff.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.15 Member company's purchasing practices support reasonable working hours.	Advanced	Members' purchasing practices can significantly impact the levels of excessive overtime at factories.	Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes.	6	6	0

Comment: Around 80% of STRAUSS' production comprises never-out-of-stock (NOS) items. For these products, suppliers are familiar with the specifications, enabling year-round production to balance out seasonal product peaks effectively. Orders for NOS items are placed well in advance, typically four to six months, and once placed, no design changes are made. As a result, the forecasted and actual order volumes rarely differ significantly, with variations generally kept within a maximum of 5-10%. Major suppliers also receive monthly updated order forecasts for the next 1.5 years, enabling better production planning.

To ensure availability and flexibility, STRAUSS maintains substantial stock volumes of NOS items in Germany, which allows the company to handle any potential delays from suppliers and smooth out production peaks, even if consumer demand or supplier capacity fluctuates. In the case of shorter lead times, STRAUSS can generate priority lists, use air freight, or split orders, allowing goods to be shipped successively.

Seasonal products, which account for less than 20% of the portfolio, are developed in close collaboration with suppliers. A final forecast is shared six months before the planned delivery, with specifications agreed in advance, and no design changes made afterwards. As with NOS items, the variation in actual order volumes for seasonal products is kept within 5%.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.16 Member company can demonstrate the link between its buying prices and wage levels at 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, cost sheets including labour minutes.	4	6	0

Comment: STRAUSS buys complex and high-quality products, allowing the prices to be relatively high. The member has taken steps towards adopting open costing practices for a limited number of products and has actively engaged in webinars on this subject. Additionally, some suppliers have participated in country-specific webinars focused on labour minute costing, and STRAUSS has used wage ladders from audits and assessments for dialogue with suppliers.

While the member brand monitors wage levels at its suppliers, it does not explicitly link them to its prices, as the company doesn't calculate labour minutes per style, which would provide insights into the labour cost per product style. Consequently, the ability to determine whether the prices paid are sufficient for legal minimum wages remains limited. However, the company maintains communication with purchasers and the Head of Production & Development to address increases in legal minimum wages and remains open to adjusting prices accordingly.

The pricing negotiation process is based on the team's experience and knowledge of factors like fabric costs, design intricacies, and required workmanship for the product. Typically, the factory quotes a price, which is then assessed against the selling price. During this evaluation process, STRAUSS may streamline technical specifications to meet a target price, rather than pressuring the factory to reduce its prices. The plausibility check of buying prices is based on experience from the Director of Production & Development and the Head of Production & Development. Importantly, the performance of the purchasing staff is not evaluated based on the target prices they achieve.

While the brand has started to onboard suppliers on the Fair Price App, both the brand and its suppliers remain unconvinced of its efficacy, echoing the objections raised by its suppliers. STRAUSS has concluded a living wage project with other brands, facilitated by the Fair Labor Association (FLA) (2022-2024). The outcome of the project will be considered during the brand's next performance check.

Recommendation: STRAUSS is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown, for example using the Fair Price app. STRAUSS is recommended to investigate why some suppliers are reluctant to work with Fair Price or any other form of fact-based costing, if needed, with the support of Fair Wear's local teams.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding HRDD and Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.	Intermediate	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	2	4	0

Comment: STRAUSS typically collaborates directly with production locations when it comes to Code of Labour Practices (CoLP). However, in a few instances STRAUSS works with agents for many years. In these cases, the production sites mostly account for a small share of purchasing volume for STRAUSS. As the agent can leverage the combined influence of multiple brands, which may surpass that of STRAUSS alone, STRAUSS perceives this approach as potentially beneficial for ensuring better adherence to the Fair Wear CoLP.

To maintain alignment with ethical standards, all agents have signed STRAUSS's supplier Code of Conduct (which cover Fair Wear's Code of Labour Practices) and work closely with STRAUSS. Together, they strive to enhance working conditions, exemplified by initiatives such as regular checks on health and safety conditions.

Layer 3 Prevention, mitigation and remediation

Possible Points: 90

Earned Points: 62

Indicators on the quality and coherence of a members' prevention and remediation system

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.1 Member company integrates outcomes of human rights risk identification (layer 2) into risk prioritisation and creates subsequent action plans.	Intermediate	Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes.	Overview of supplier base with accompanying risk profile and follow-up programmes.	4	6	0

Comment: STRAUSS has prioritised risks and created action plans per supplier, counting for 100% of the total FOB. These match the risk profile. The member company could show it integrated the Accord Bangladesh Safety Program into action plans for its suppliers in Bangladesh where applicable but does not work on joint prevention, mitigation and remediation with the RSC and signatories of the International Accord. The action plans for STRAUSS's suppliers in Myanmar follow follow the risk profile and significant risks prioritisation as identified by Fair Wear and its stakeholders.

Though the action plans for Bangladesh detail the different approaches to prevent, mitigate and remediate the prioritised risks and include a timeline, they do not yet include a financial plan to address these actions. For this reason the member brand is demoted one level.

Requirement: STRAUSS is required to show it works on joint prevention, mitigation and remediation with the RSC and signatories of the International Accord. Members who are sourcing in Bangladesh and are not signatories of the International Accord must demonstrate proof of (financial) contribution to preventive, mitigative and remediating actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's action plans include a gender lens.	Basic	The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender.	Proof of incorporation of the gender lens in follow up programmes, including stakeholder input.	2	6	0

Comment: STRAUSS' risk analysis includes a gender lens for each factory, which informs the improvement and prevention steps. Discrimination against women is included in both country and factory risk analyses. In its prevention programmes, STRAUSS aims to increase the balance of women in leadership positions. In 2022 and 2023, the brand raised the percentage of females in leadership roles in audits and discussed with suppliers how to further increase these numbers. In improvement programmes, new audits conducted with external parties since 2022 include a worker sentiment survey, distinguishing answers by gender for each labour standard, which have resulted in gender specific actions. STRAUSS's main audit partner's audits and training also focus on gender issues, ensuring auditors are sensitive to gender-related concerns. Gender representation is tracked in all training sessions, and suppliers are actively engaged in discussions on how they address gender issues, with tailored proposals for improvement. Health and safety issues for women, such as policies for pregnant women, availability of childcare, and conditions for women in higher positions, are also considered in detail during implementation of the brand's action plans. Despite having the data on gender for all labour standards, these have yet to be included in improvement and preventive actions for all labour standards.

Recommendation: Fair Wear recommends STRAUSS to make the gender lens in its action plans more comprehensive.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's action plans include steps to encourage freedom of association and effective social dialogue.	Intermediate	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	4	6	0

Comment: STRAUSS included comprehensive steps to encourage FoA and effective social dialogue in its improvement and prevention actions. The member has started implementing these steps. As preventative steps, the member has worked together with its main audit and training partner to speak to worker representatives to improve their understanding of their duties. In 2023, STRAUSS held eight training programmes at various suppliers in China, Myanmar, and Türkiye. All these sessions integrated parts on communication, with a particular emphasis on freedom of association (FoA) and social dialogue (SD). Seven sessions were conducted by Fair Wear and one was conducted by an external party.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports a factory-level grievance mechanism.	Advanced	Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers.	Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue.	6	6	0

Comment: Suppliers' factory-level grievance mechanisms are assessed at the start of the business relationship and are monitored systematically every year. At the start of a business relationship, STRAUSS systematically assesses its suppliers' factory-level grievance mechanisms by first verifying the existence of complaint channels available to employees, such as letter, SMS, or company online platforms, and evaluating how convenient these channels are for workers. The effectiveness of the grievance mechanism is then assessed by reviewing randomly selected complaints to examine how they were addressed, including the company's response and the role of worker representatives, particularly in sensitive matters like discrimination, gender-based violence (GBV), or harassment. For example, in Bangladesh, the existence of an anti-harassment committee is mandatory. Auditors also check the frequency of complaint box emptying, who is responsible for it, and the effectiveness of the internal dialogue. The process includes reviewing the documentation of complaints, resolutions, and follow-up communication, such as meeting notes from internal working committees. If the mechanism is found to be ineffective or in need of improvement, auditors list it as a point in the Corrective Action Plan (CAP), which is then followed up. However, documents are only reviewed during audits and not saved, in compliance with data protection regulations concerning workers' sensitive information. For instance, in Myanmar, as part of the HRDD Action Plan, all internal complaints are reviewed, and following complaints in 2023, targeted training sessions were conducted to build trust in grievance channels, supported by worker satisfaction surveys with external partners.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Advanced	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	6	6	0

Comment: STRAUSS cooperates with other customers (Fair Wear members and others) at its shared suppliers, responding to CAPs and complaints. It also cooperates in organising training at production locations. STRAUSS also exchanges information regarding shared sourcing countries and factories with other customers that are not members of Fair Wear.

Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of verified actions.	65%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	4	6	-2

Comment: STRAUSS' external monitoring partner takes charge of managing corrective action remediation with suppliers, conducting communication primarily through email and phone. To document progress, the partner requests evidence, such as pictures, production records, or copies of contracts. On a monthly basis, STRAUSS receives updates on the progress, and in cases of slow progress, the sustainability team directly engages with the suppliers to address the issues. For more complex matters, joint calls are held involving both the monitoring partner and STRAUSS' staff, often with the participation of top management. In Bangladesh, STRAUSS does follow-up on RSC findings and uses the same approach described earlier. Several issues identified in RSC audits remain open across half of the factories. While follow-up actions have been included in each factory's action plan, not all issues have been resolved within the required timeline.

Based on a selection of samples, STRAUSS has been able to demonstrate progress in implementing improvement programs for more than two-thirds of the cases within the stipulated time frame.

STRAUSS works on improving the lives of workers at its suppliers in Myanmar. At its main supplier, where the brand has 100% leverage, full audits are conducted regular by MADE Social Compliance Programme and its main audit and training partner. At the date of the brand performance check, the vast majority of the findings were closed. The findings included, amongst others, FoA, grievance mechanisms, machine safety, electrical safety and personal protection. In addition, the brand monitors overtime, wages, and temporary workers, raises awareness on grievance mechanisms, started workers survey project, and conducted supervisor training. The member has actively worked with its suppliers in Myanmar to increase wages, since low wages are one of the most urgent harms in Myanmar. During the performance check, the brand could demonstrate that with the help of its costing calculator and external verification, it ensured that prices paid by the brand at Burmese suppliers cover labour costs based on the living wage estimate of 10.000 MMK/day. Following its consolidation strategy, STRAUSS started to integrate the subcontractor's activities at its main supplier while considering a responsible exit for the subcontractor.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Intermediate progress	Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe.	Update on prevention programmes.	4	6	-2

Comment: STRAUSS has identified most root causes of the CAP issues and discussed these with its suppliers. Two main causes have been identified at the root of several CAP findings, particularly those related to working hours, harassment, and wages (see also indicators 3.9 and 3.11). Additionally, the lack of workers' awareness of their rights has been identified as a root cause of ineffective social dialogue and internal grievance mechanisms. To address this, STRAUSS created a comprehensive training plan based on leverage and risk assessments, which began implementation in 2022. In 2023, the brand conducted eight training sessions as part of this plan, excluding several in-depth sessions in Myanmar. As a result of the brand's root cause analysis informed by audits and risk assessments, these training sessions were implemented to address key issues.

Due to the military takeover and the current situation in Myanmar, STRAUSS is conducting heightened human rights due diligence (HRDD). This includes the MADE Social Compliance Programme and various trainings such as Applied Labour Law Training for HR managers and office staff, Social Compliance Training for audit assistants and safety managers, HR Training for HR staff, Social Dialogue Training for WWC representatives, and Supervisory Skill Training for supervisors.

All findings are followed up regularly with a root cause analysis for critical issues, primarily focusing on knowledge gaps and transparency, until the CAP is closed. When necessary, STRAUSS organises relevant training sessions for suppliers, such as onboarding through Fair Wear. For example, following complaints in 2023 and early in 2024, respective trainings were scheduled or initiated and continued as needed. An audit at a supplier in 2023 highlighted overtime issues, prompting a training plan for 2024.

Each year, STRAUSS analyses its factories to identify knowledge gaps regarding worker rights and encourages suppliers to participate in training based on assessed risks. In 2023, more training sessions were scheduled compared to the previous year, with ongoing discussions for 2024 sessions.

Recommendation: Fair Wear recommends STRAUSS to translate its root cause analysis into concrete preventive actions for all its suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.8 Member company validates risk profile and maintains regular dialogue with factories where no action plan is needed.	No factories in the respective risk profile	When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses.	Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo.	N/A	6	0

Comment: STRAUSS has no suppliers where action plans are not needed.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Intermediate	Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays.	This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc.	4	6	0

Comment: In the previous year, 50% audit reports of the total 40 audits mention excessive overtime. STRAUSS analysed the root causes of these findings. According to the member, other factors than its purchasing practices are a significant cause for excessive overtime, like delay of material supplies, purchasing practices of other buyers, and planned overtime, resulting in a structural occurrence of overtime. Furthermore, the member brand identified another root cause, which is incorrect registration of hours, making it difficult to effectively monitor the situation. Despite the root cause not being influenced by the members purchasing practices, the sustainability team took proactive steps to address the issues taking steps to decrease excessive overtime by reaching out to other buyers and starting dialogue with material suppliers. The sustainability team discussed the audit findings with the supplier to offer its support to solve the issue. STRAUSS could not show that its efforts resulted in reduced excessive overtime, at more than 50% of the suppliers.

Recommendation: With its suppliers where excessive overtime occurs, Fair Wear recommends STRAUSS to verify whether production is planned with overtime. If production is planned with overtime, the brand should ensure that its products can be produced during regular working hours. Fair Wear advises STRAUSS to discuss with its supplier which solutions included in the Fair Working Hours Guide are applicable.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.	Advanced	Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved.	4	4	-2

Comment: In the previous year, two audits included findings regarding non-payment of legal minimum wage/ legally required wage elements. These findings showed that maternity pay was not covered sufficiently and overtime premium not paid accordingly. After consulting with the factory and local external partners, the benefits were paid retroactively. However, in the case of the overtime premium, it involved an electrical engineer, which was considered a management position and, according to the factory's policy and Bangladeshi law, was not entitled to an overtime premium payment.

In 2023, two related complaints were registered in regard to fair remuneration and legally required wage components in Myanmar. The complainant stated that overtime was mandatory and partly unpaid. To investigate, the member brand visited the factory in. Steps have been taken to prevent such incidents in the future. This included in particular the formulation of clearly defined rules. As there are still minor open points that need to be completed, the complaint is currently still under investigation.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.	Basic	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.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	2	6	0

Comment: STRAUSS has conducted a root-cause analysis to determine why wages at some of its suppliers remain below the living wage. In Myanmar, STRAUSS achieved its target wage payment with the support of top management. Wages have been a key topic in online meetings with local unions, organised by EuroCham Myanmar and MADE. Discussions regarding wage levels also take place with partners and worker representatives during audits and CAP follow-up.

Internally, STRAUSS carries out plausibility checks of buying prices when wages are found to be too low, based on their experience. Wage levels across production countries are investigated and compared, with a detailed overview of wages in Bangladesh, its top production country, being provided to the CEO. Annual meetings with the Director and Head of Purchasing include discussions on wage performance, and regular exchanges on this topic occur throughout the year.

STRAUSS is participating in a living wage pilot project (2022-2024) with Fair Labor Association (FLA), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Partnership for Sustainable Textiles (PST), and other brands at a supplier in Vietnam. This initiative focuses on identifying purchasing and production practices, compensation systems, and opportunities for worker engagement to improve wages and better understand the financial responsibilities of both factories and buyers. The pilot aims to improve responsible purchasing practices, with multi-brand coordination supported by the FLA. The brand has started to implement these actions in 2024.

In addition, STRAUSS has undertaken wage status checks at factories where it holds 80% or more leverage and has engaged in discussions with top management on potential partners for wage improvement projects. A wage increase project was also initiated at a supplier in Türkiye in response to the rising cost of living in 2022.

Recommendation: Fair Wear encourages STRAUSS to discuss with suppliers about different strategies to work towards higher wages and develop a systemic and time-bound approach. Fair Wear encourages STRAUSS to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Basic	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	2	6	0

Comment: STRAUSS has started to address the topic of living wage internally, by discussing wage levels with top management. STRAUSS has an overview of its suppliers and their wage levels and has added different benchmarks for suppliers based on regional information. The benchmark advises the brand's target wage, and the target wage will be financed through price increases or from its profit margin. Input from worker representation and worker interviews also advice the target wage. These plans are yet to be time-bound.

Recommendation: It is advised that the strategy to work towards target wages are more comprehensive and time bound.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	8%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	2	6	0

Comment: Collective Bargaining Agreements in Germany and Italy and verification of wage payment in Myanmar showed that a target wage estimate is paid at suppliers responsible for 8% of STRAUSS's FOB.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear's Access to Remedy Policy.	Advanced	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	4	4	-2

Comment: STRAUSS received two complaints in the past financial year related to the labour standards of freely chosen employment, fair remuneration, and occupational health and safety at its suppliers in Myanmar. These complaints, #1509 and #1512, were remediated retroactively, and the brand also implemented preventive measures. Following the complaints, targeted training sessions were conducted to increase trust in the grievance channels, and various worker satisfaction surveys were carried out with the support of Ulula and MADE. As part of its HRDD Action Plan in Myanmar, STRAUSS reviews all internal complaints and their handling. Additionally, in 2023, STRAUSS introduced a whistleblowing channel to allow all stakeholders in its supply and value chains, as well as third parties, to report any human rights harms and risks.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training to address the risks identified.	Intermediate	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	4	6	0

Comment: The member has enrolled most of its suppliers with findings on violations of the Code of Labour Practices in Workplace Education Programme (WEP) training as well as Onboarding sessions. STRAUSS also has a detailed training plan for the remaining suppliers that require training following an audit or assessment finding. In annual meetings with management, the specific development needs of each factory are discussed. If risks are assessed as high and progress needs to be checked on-site, a follow-up audit is scheduled. Where further audits are not deemed necessary, improvements may be pursued through targeted training instead.

In 2023, STRAUSS completed three WEP basic training in China. Additionally, two WEP Violence and Harassment prevention trainings are ongoing in Bangladesh (2022-2024). In Vietnam, two WEP Communication trainings are also in progress (2022-2024).

In Myanmar, due to the military takeover and the heightened HRDD requirements, STRAUSS is conducting a MADE Social Compliance Programme along with several targeted trainings. These include Applied Labour Law, Social Compliance, HR, Social Dialogue, and Supervisory Skill training, with participants ranging from HR staff to supervisors and worker representatives.

Recommendation: The member is recommended to implement training for all factories where this is part of its action plan.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Advanced	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	6	6	0

Comment: STRAUSS followed up on the implemented training by assessing its effectiveness via email, calls, supplier visits, or during the next audit. This helps tailor future training content more precisely to the factory's needs. For example, this may involve providing feedback to Fair Wear, offering a different training, or implementing specialised training exclusively designed for the factory's requirements. Additionally, STRAUSS always requests feedback from the supplier to ensure continuous improvement.

STRAUSS considers training a crucial tool for supporting transformative processes, but complementary activities, such as remediation and changes at the brand level, are also necessary to achieve lasting impact. All training results are used as input for human rights risk monitoring, helping to reduce risks by building knowledge across suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights due diligence system includes a responsible exit strategy.	Intermediate	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	2	4	0

Comment: STRAUSS's human rights risk monitoring includes a responsible exit strategy. In the past financial year, the member stopped with 10 suppliers. The member followed the steps in the responsible exit strategy. While STRAUSS does not share its supplier evaluation with its suppliers structurally, it does so when suppliers are underperforming and is working towards termination.

Recommendation: STRAUSS could discuss the responsible exit strategy with all its suppliers, for instance as part of its supplier evaluation.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Basic	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	2	6	0

Comment: STRAUSS undertakes human rights activities that go beyond Fair Wear's scope. The member brand collects third-party social audit reports and, in some cases, commissions them based on the risk assessment for Tier 2 suppliers. The brand does CAP follow-up for these audits. The brand has yet to include preventive measures.

Recommendation: Fair Wear encourages members to go beyond Fair Wear policy or scope requirements.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 22

Earned Points: 16

Indicators related to communication

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership.	Advanced	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	4	4	0

Comment: STRAUSS communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership, for example through a presentation for customers, and media

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).	No reselling of external brands	Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information.	External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct.	N/A	4	0

Comment: STRAUSS does not sell external brands.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Human rights due diligence reporting is submitted to Fair Wear and is published on the member company's website.	Advanced	The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan.	Social report.	4	4	0

Comment: STRAUSS has submitted its social report, which Fair Wear verified. STRAUSS has also published the report on its website. The member has provided sufficient information in its social report on how it conducts human rights due diligence in Myanmar.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.4 Member company engages in advanced reporting activities.	Intermediate	Good reporting by members helps ensure the transparency of Fair Wear’s work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report.	Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge.	2	4	0

Comment: STRAUSS published its social report, which includes some factory-level data and remediation results, on its website.

Recommendation: STRAUSS is recommended to include more factory-level data in its reporting and ensure suppliers consent with data sharing.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.5 Member company has a system to track implementation and validate results.	Intermediate	Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made.	Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback.	4	6	0

Comment: STRAUSS has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. The internal evaluation system involves top management and includes regular reviews of supplier performance, audit results, and the effectiveness of corrective action plans. Additionally, the system ensures that key insights from training programmes, risk assessments, and grievance mechanisms are integrated into ongoing evaluations. Top management remains actively engaged in decision-making, ensuring that adjustments are made when necessary to improve the effectiveness of measures. In its evaluation system, the member does not yet include triangulated information from external sources, such as suppliers or worker representation.

Recommendation: The member is advised to include feedback from workers and suppliers in its evaluation system.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	Intermediate	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 should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: The previous performance check included the following requirements: STRAUSS needs to develop a Responsible Business Conduct policy and evaluate its supplier manual to ensure it does not place an unequal burden on suppliers or hinder the implementation of the Code of Conduct. The company must only source from production locations in Bangladesh that are covered by the RMG Sustainability Council (RSC) or the International Accord, or it should become a signatory of the International Accord. Additionally, STRAUSS needs to create a sourcing strategy focused on addressing labour conditions and incorporate the requirements of the 'Enhanced Human Rights Due Diligence Policy for fire, structural, and electrical safety in Bangladesh' into its monitoring system. Brands followed-up on all but one of these requirements, which is still in progress.

5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Yes

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Not applicable

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Not applicable

Recommendations to Fair Wear

The brand is generally satisfied with its membership and the liaison support provided, finding the offer, including the complaints system, to be positive. However, there are areas for improvement, such as the speed of audit and training reports, which could be faster, and the need for translations, particularly in Bengali, as well as in countries like Egypt and Uzbekistan where translations take longer. Additionally, it would be beneficial for the Fair Wear factory guide to be available in more languages. There is also the wish for more transparency about finances and the use of the membership fees at Fair Wear.

Brand Performance Check details

Date of Brand Performance Check: **10-09-2024**

Conducted by: **Jason Mandels**

Interviews with: **Friederike Hoppe** (Sustainability Team)

Sophie Deuerlein (Sustainability Team)

Eileen Blümel (Sustainability Team)

Meng Xin (Head of Production & Development)

Shamus Donovan (Division Leader Sustainability)