

STRAUSS



SOCIAL REPORT 20/21

ENGELBERT STRAUSS

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CONTENT

DEAR READER,



Companies need to think and act sustainably to ensure long-term success. As a family business, we are especially aware of this. Corporate sustainability is about offering future generations the same foundations and opportunities for development – this is integral to how we see ourselves as a business. For us, this means harmonising economic, environmental and social factors.

HOW DOES ENGELBERT STRAUSS APPROACH THE TOPIC OF SUSTAINABILITY?

We focus our activities on our products and their production as well as our impact on the environment and society. Education is especially important to us as part of social sustainability. We certainly appreciate how well our company has developed. Much of this is attributable to all those involved in our business activities – especially to the people who manufacture our products.

HOW IS ENGELBERT STRAUSS COMMITTED TO EDUCATION AND SOCIETY?

It is important to us to make a useful contribution to society on our own doorstep and worldwide in our production countries. Bangladesh is particularly significant for Engelbert Strauss in this regard. Over the years, it has become our most important production country. 'Proudly made in Bangladesh': together with our long-standing partners, we have succeeded in producing increasingly sophisticated products. And we strive to ensure that this takes place in a good environment.

HOW DOES ENGELBERT STRAUSS HELP BRING ABOUT SUCH AN ENVIRONMENT?

For many years, we have been committed to ensure good conditions at all of our partner businesses through audits, advices and trainings. However, we also believe that we can have an impact locally through actions that go beyond the production arena. We see the greatest potential for this in the transfer of knowledge. At the end of the day, nothing is more sustainable than education. After all, education shapes the way we think. It enables

us to understand the effects of our actions on the world and to take responsibility for ourselves and our surroundings. We want to give people the tools for this, such as through our university cooperation in Bangladesh.

WHAT CAN READERS EXPECT IN THIS REPORT?

In our new social report, we highlight our education projects and our commitment to ensuring a good working environment in our partner businesses. The pandemic has thrown up new challenges for us in this regard in the last year in particular. Working with Fair Wear Foundation, we have helped our long-standing production partners to introduce hygiene measures and safety practices. Many of our competitors had to cancel their orders due to the impact on the industry as a whole. Fortunately, we were able to safeguard the wages and employment of the people in our production countries through warehouse optimisation and by adapting production orders.

With our new social report, we want to show the impact 2020 has had on us, the measures we have taken and the progress achieved through our commitment to education. We would be delighted if you could take a look and draw inspiration from the insights!

YOURS, THE STRAUSS FAMILY

BANGLADESH. Bustling streets, myriads of busy people, rickshaws boldly weaving their way through the crowds. A vibrant setting. Like a busy scene from a hidden picture book. Often the country is associated solely with questionable working conditions, however. We have formed our own impressions first hand – Bangladesh has become our most important country of production. We have been impressed by the warmth of the people since day one. This has helped us to establish good partnerships based on trust over the years – and even personal friendships in some cases. This trust and stability enables us to further improve production conditions.

Everything began back in 2006, initially with T-shirts, polo shirts and sweatshirts. Joint investment in technology and training has taken our production partners to a new level.

"We have also been manufacturing sophisticated cargo trousers and high-quality winter jackets in Bangladesh since 2012. We are proud to have achieved this in a country that is only getting started in terms of its economic development in many sectors."
Henning Strauss

Our production facilities are among the best in the country. At many of our partners, seamstresses are paid far more than the national average. By investing in technical infrastructure and training and by working closely with our partners, we have been able to create the necessary conditions for the production of sophisticated products. This also means greater added value in Bangladesh. Of course, there is still a lot to do yet in the country. That is why we have decided to become actively involved in education there as well.



PROUDLY MADE IN BANGLADESH

PROUDLY LEARNED IN BANGLADESH

000 FIRST CHAIR FOR SUSTAINABILITY AND TEXTILE INNOVATION

"Nothing is more sustainable than education!"
Steffen Strauss

We believe in Bangladesh. And we believe in the sustainable impact of education. That is why we are establishing the first Chair for Sustainability and Textile Innovation in Bangladesh. Our goal is to permanently improve skill sets with regard to social responsibility, environmental protection and technical innovation in the country.

"We are convinced that education is the most sustainable form of social and ecological engagement and will benefit the country and its people for generations."
Henning Strauss

0 UNIVERSITY COOPERATION

We began an intensive dialogue with GIZ, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, at the beginning of 2019. This has resulted in the establishment of a university cooperation that will lead to the endowment of the first Chair for Sustainability and Textile Innovation. The Ahsanullah University of Science and Technology (AUST) in Dhaka is the Bangladeshi partner university. In this context, AUST is cooperating with the United Nations University Institute for Integrated Management of Material Fluxes and of Resources (UNU-FLORES) based in Dresden as well as the Dresden University of Technology, which are contributing their expertise in the areas of sustainability and innovation to the partnership.

0 CHAIR

In March 2020, we joined with the project partners in appointing a candidate to the position of an Assistant Professor. He will conduct research at AUST and impart knowledge based on the latest international research into sustainability and textile innovation to future professional and managerial staff in Bangladesh's textile industry. Over the year ahead, given the situation allows for it, he will take advantage of facilities in Dresden and at the Engelbert Strauss headquarters to prepare for his lecturing duty.



2019

2020

2021

2019

AUG 2019

OCT 2019
FEB 2020

APR 2020
MAR 2021

APR 2020
JUL 2021

JAN 2021
FEB 2021

OUTLOOK

THE IDEA TAKES SHAPE
Engelbert Strauss begins a dialogue with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in early 2019, and together we set out our idea for a university cooperation in concrete terms. Ahsanullah University of Science and Technology (AUST) in Dhaka, the Technische Universität Dresden (TU Dresden), the United Nations University Institute for Integrated Management of Material Fluxes and of Resources (UNU-FLORES) and, of course, GIZ all agree to partner with us on this.

THE CONTRACTS ARE SIGNED
Engelbert Strauss and the project partners start to establish a Chair for Sustainability and Textile Innovation at AUST in Dhaka.

RECRUITMENT
From the many candidates who applied, we choose Rashed Al Mizan for the Assistant Professor post. We travel to Bangladesh and meet Rashed in person for the signing of the declaration of intent. In actual fact, we have been involved from the outset in the selection process for the Assistant Professor post. Accordingly, Steffen Strauss and Rashed Al Mizan already know each other from the application process.

TRAINING
Rashed takes virtual courses on sustainability, innovation and didactics at TU Dresden and UNU-FLORES. We had originally intended for Rashed to carry out this training in Germany, but had to adapt the programme on account of the circumstances. We will organise for Rashed to visit our headquarters at a later date.

THE TEACHING MODULES ARE DEVELOPED
Engelbert Strauss and the project partners design individual course modules for the Chair in Bangladesh, namely:
- Sustainability in Textiles
- Water Management in the Textile Industry
- The Textile Life Cycle with focus on the environment and society
We will work on further courses around the topic of Sustainability Assessment.

WORKSHOP: THEORY AND PRACTICE ARE COMBINED
After sharing the project progress with international academic experts and receiving feedback and suggestions for further development to provide high-quality modules, Engelbert Strauss and the project and industry partners come together for a workshop to further develop the modules within the curriculum out of a practitioner's perspective. The goal is to provide students with the practical knowledge they will need.

CAMPUS IN THE PADDIES
Specific teaching content and training for the campus in the paddies will be derived from the course modules that have been developed.
PRACTICAL TRAINING
Rashed will deepen his practical knowledge through an internship with Engelbert Strauss.
EXPANSION OF THE CHAIR
The Chair is growing: new faculty members will be recruited, trained and evaluated.
COMMENCEMENT OF TEACHING IN BANGLADESH
Teaching of the modules developed is set to begin soon at AUST.
ENGELBERT STRAUSS EXCHANGE PROGRAMME
The students will be given the opportunity to deepen their theoretical knowledge in a practical setting at Engelbert Strauss.



UNIVERSITY COOPERATION

ooo WELCOME, RASHED!

In February 2020, Rashed Al Mizan began his training for the Assistant Professor role – the next milestone in our university cooperation. Rashed, an engineer, holds a Bachelor's degree in textile engineering and a Master's in materials science. He was involved in several research projects in the areas of sustainable fabrics, material cycles and processing. He is currently furthering his qualifications by taking (virtual) courses at our partner universities, the United Nations University Institute for Integrated Management of Material Fluxes and of Resources (UNU-FLORES) and the Dresden University of Technology. All going well, we hope to welcome Rashed to our headquarters soon for an internship of several weeks.

RASHED, WHAT MOTIVATED YOU TO APPLY FOR THE ROLE OF ASSISTANT PROFESSOR FOR SUSTAINABILITY AND TEXTILE INNOVATION?

I am excited by the opportunity to combine theoretical concepts from teaching with practical knowledge and challenges. Universities benefit from practical input. And best of all, with this university cooperation, we are building a bridge and bringing graduates and the industry together. I am looking forward to playing my part in this.

WHAT ROLE DOES EDUCATION PLAY IN A COUNTRY'S SUSTAINABLE DEVELOPMENT?

Education is sustainable in and of itself – countries and people benefit for generations. Education helps us to understand how things are interrelated and then come up with solutions.

WHAT IS YOUR VIEW OF BANGLADESH'S DEVELOPMENT IN THIS CONTEXT?

Bangladesh has experienced continuous development since achieving its independence in 1971. This is especially evident in the area of education. The new graduates from the various educational institutions and faculties are key to the country's current and future development.

HOW IMPORTANT IS SUSTAINABILITY WITHIN THE COUNTRY?

Bangladesh has a great deal of catching up to do when it comes to recycling systems and waste management. It is especially important that we draw attention to the fact that we have to act sustainably today if our country is to have a future.

WHAT CONTENT IS ON THE CURRICULUM FOR THE START OF THE COURSE?

We want to work with the students on developing solutions aimed at boosting corporate sustainability. In particular, we intend to cover social and ecological sustainability along the entire product life cycle: from product design, material procurement, production and the utilisation phase through to end-of-life textiles and the possibilities to reuse and recycle them. Taking the latest technologies into consideration, of course. The Social module will deal with content such as slow fashion, UN SDG standards and social life cycle assessment. The Environment module will include circular fashion, eco-labelling, nature-based solutions and zero discharge of hazardous chemicals. The overarching goal is to trigger a transformation and train the future decision-makers in the textile sector for the long term.

WHAT WOULD YOU LIKE OUR READERS AND CUSTOMERS TO KNOW ABOUT YOUR HOMELAND?

Bangladesh has a rich and varied culture that is reflected in our architecture, dance, literature, music, colours and clothing. With more than 180 million inhabitants, we are one of the world's most populous countries. This university cooperation is a wonderful opportunity for me to play a role in shaping the transformation towards a sustainable textile sector and contribute to the future viability of my country. I am looking forward to my research work and to raising awareness among future students and managers and getting them excited about these important topics.

THANK YOU, RASHED!

INTERVIEW RASHED



In Chittagong, a region in rural south Bangladesh, we are currently building our campus in the paddies – a joint project to create the world's first Workwear Academy.

This is where the workwear of the future will be made and where we will test and operate the latest processing technologies in the world of textiles. With our long-standing production partners located right nearby, we will be able to provide extensive training to young employees. Talented people from all over the world will learn and research at the campus alongside local trainees, just like in a think tank. The campus in the paddies is closely linked with our university cooperation: as part of the course curated by Engelbert Strauss at AUST, teachers will be trained using the 'train the trainer' method so that they can subsequently pass on their knowledge in tailored teaching modules at the campus in the paddies.

In impressively scenic surroundings, we are building a facility where we can engage in dialogue with our stakeholders. Right in the place where we are committed to improving social standards. We will

take our employees with us to Chittagong, where they will be able to see for themselves the roots of our products. And we want to invite partners, non-governmental organisations, journalists and other interest groups to visit our 'walk-through social report'.

We had hoped to be ready by late 2020, but have had to adjust our plans on account of the pandemic. Thanks to good cooperation with our long-standing partners, we have already achieved an intermediate goal: some young professionals have been able to begin their extensive training and put our innovative processing technologies into operation.

We want to plant new images in people's minds with the campus in the paddies – our vision of a future Bangladesh, you might say. Our Chittagong campus will bring this vision to life while creating more complex textiles and generating greater added value. Bangladesh is impressive. Bangladesh is vibrant. We want to do our bit with educational projects. And we are delighted to already say today that our products are proudly made in Bangladesh!





ENGELBERT STRAUSS

FACTS & FIGURES

ESTABLISHED

1948

MANAGEMENT

Norbert, Gerlinde, Steffen and Henning Strauss – The company was originally founded by father and grandfather Engelbert Strauss

LOCATIONS

workwearstores® in Biebergemünd (Frankfurt), Hockenheim (Mannheim), Bergkirchen (Munich) and Oberhausen (Düsseldorf), Pop-up-Stores in european metropolises as well as 10 wholly-owned national subsidiaries in Europe

PRODUCTS

Work shoes and accessories, workwear, safety gear

EMPLOYEES

about 1.400



HEAD OFFICE

Biebergemünd/
Frankfurt am Main,
Germany

CUSTOMERS

Business customers from the skilled trades, industry and the service sectors, plus private customers
High performance and sporty – our products are also popular outside the world of work.

SALES CHANNELS

Online-Shop, catalogue, own stores

CI-FACTORY

Production facility in Germany officially opened in late 2019 and set to gradually commence operations in 2020

- Capacity of up to 400,000 shoes per year in the fully transparently operated shoe production facility
- Photovoltaic system with 800 kWp output – equivalent to the consumption of some 200 households
- Approximately 350 new jobs and apprenticeships

PRODUCTS



Work shoes, workwear, safety gear – we equip our customers from the skilled trades, industry and service sectors from head to toe and offer supplementary operating and office supplies. A comprehensive range of never-out-of-stock items makes up over 80 percent of our products. In addition to this, Engelbert Strauss creates new products twice a year: for spring/summer and for autumn/winter. The focus of our new product developments is on safety, functionality and design.

FOOTWEAR SAFETY GEAR

The right shoe whatever the job – from work shoes to safety shoes classes S1-S5. Customised company shoes soon also available from a shoe factory in Germany.

CLOTHING

Mix & match – our clothing systems can be adapted to any use and taste thanks to their modular design.

SAFETY GEAR

All-round safety – from helmets and gloves through to knee protectors.

SUSTAINABILITY

ORGANISATION & MANAGEMENT

Sustainability – everyone may be talking about it, but it is not an easy term to grasp. Henning and Steffen Strauss provide insights into the particular importance of sustainability within a family business and their vision for a sustainable future.



Steffen & Henning Strauss

SUSTAINABILITY – WHAT DOES THIS MEAN FOR ENGELBERT STRAUSS?

Steffen Strauss: Here at Engelbert Strauss, corporate sustainability means balancing social and environmental factors with economic considerations. We take responsibility not only for our business activities, but also the environment and the people involved in manufacturing our products. We focus on four areas in the context of sustainability: our products, their manufacture and our impact on the environment and society. One of our most important areas of engagement is the further development of social and environmental standards in the production process for our products.

SOCIAL STANDARDS – HOW CAN ENGELBERT STRAUSS GUARANTEE FAIR WORKING CONDITIONS IN PRODUCTION FACILITIES?

Henning Strauss: Our years of close collaboration with our production partners serve as the lever. Moreover, we account for a large share of manufacturing capacity in many of the production sites. With this comes both influence and responsibility. In order to meet this responsibility, we work together with international partners such as Fair Wear Foundation, a non-profit organisation. Our common goal is to further improve working conditions and social standards in production. Our projects, which are particularly focused on Bangladesh, are proof of our commitment in this area.

'PROUDLY MADE IN BANGLADESH' – WHAT DOES THIS MEAN?

Steffen Strauss: 36 percent of our products are manufactured in Bangladesh. This makes it our most important production country. Good partnerships based on trust – and even personal friendships – have developed over fourteen years of doing business there. Bangladesh is a country that has seen its share of controversy. But we would like to open people's eyes to another Bangladesh. Here at Engelbert Strauss, we see the country's op-

portunities and potential. Through our efforts, such as the construction of the campus in the paddies, we are shaping our future vision of Bangladesh

THE CAMPUS IN THE PADDIES – WHAT IS THAT ALL ABOUT?

Henning Strauss: Our campus in the paddies is taking shape in the picturesque surroundings of Chittagong. We are building the world's first Workwear Academy in rural south Bangladesh. Local young talents will learn and research at the campus together with trainees from all over the world, just like in a think tank. Glue or sew? Scissors or lasers? We are creating a place for the further development, testing and promotion of the latest processing technologies in the world of textiles. The campus trainers will be prepared for their role by taking a course curated by Engelbert Strauss at the Ahsanullah University of Science and Technology (AUST) in Bangladesh.

ENGELBERT STRAUSS AS THE CURATOR OF A UNIVERSITY COOPERATION – WHAT DOES THIS INVOLVE?

Steffen Strauss: Together with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), we have set up a cooperation at Bangladesh's AUST university. As part of a newly established chair, candidates have been appointed to the positions of Assistant Professor and Lecturer. They will conduct research at AUST and impart knowledge based on the latest international research into sustainability and textile innovation to future professional and managerial staff in the country's textile industry.

OUR SUSTAINABILITY TEAM



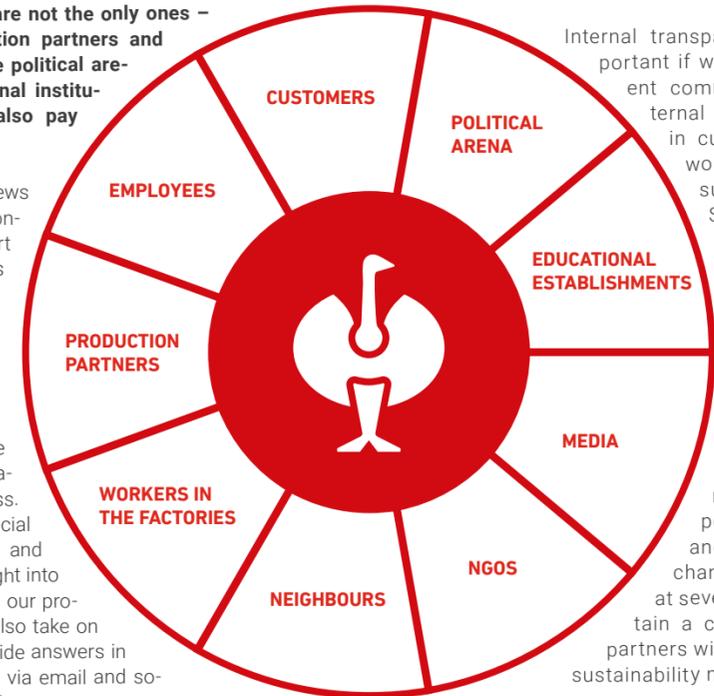
Christin Röschinger, Anton Reimlinger
Friederike Hoppe, Olivia Spiller

Responsible for Sustainability at Engelbert Strauss

DIALOGUE WITH STAKEHOLDERS

A lot is expected of us! Our customers are interested in sustainability, but they are not the only ones – our employees, production partners and their workers, NGOs, the political arena, the media, educational institutions and neighbours also pay close attention.

A frank exchange of views on people and the environment is an important part of our daily business. This helps us to better understand what is needed of us – and, therefore, to evolve. We keep our interest groups informed in a number of different ways. We provide up-to-date information on sustainability at engelbert-strauss.de/sustainability. Our social report offers customers and interested parties an insight into the working conditions in our production operations. We also take on board feedback and provide answers in face-to-face discussions, via email and social media and at trade fairs.



Internal transparency is especially important if we are to ensure transparent communication with our external stakeholders. Our staff in customer service and the workwearstores® are offered sustainability workshops. Sustainability is also part of the orientation workshop for all new employees. Everyone is encouraged to engage in open discussion of sustainability.

We cultivate an ongoing dialogue with NGOs, educational establishments, test institutes, the political arena, the media and our neighbours to exchange views both on site and at several events. We also maintain a close dialogue with other partners with whom we cooperate on sustainability matters.

PARTNERSHIPS



Member since 2016

Fair Wear Foundation is an independent, non-profit organisation that works with member companies and production sites to improve working conditions in the textile industry.



Member since 2015

The Partnership for Sustainable Textiles is a German government initiative aimed at achieving social and environmental improvements in global textile production.



Partnership since 2013

The bluesign® system refers to safe products that are produced using methods that meet the strictest environmental and occupational safety requirements.



Partnership since 2019

GIZ, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, a service provider in the field of international cooperation for sustainable development and international education work, who is dedicated to shaping a future worth living around the world.

We look forward to any questions or suggestions on any aspect of sustainability. Please send them to: sustainability@engelbert-strauss.com

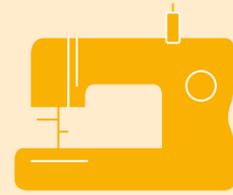
AREAS OF EMPHASIS

○○○ WHAT ARE WE FOCUSING ON?

WORKING IN PARTNERSHIP

A humane working environment at the production sites, as well as a considerate approach to nature, are fundamental requirements for us in the manufacture of our products. This social report provides an insight into our efforts in this area.

PRODUCTION



ENVIRONMENTMENT



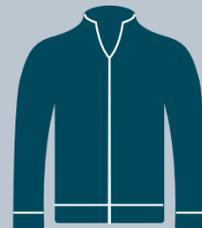
ENVIRONMENTAL AWARENESS IN ALL COMPANY DEPARTMENTS

Step by step we promote new environmentally sustainable developments and ideas, from the careful selection of the raw materials to the product manufacturing process, through to logistics and the disposal of packaging materials.

HIGHEST QUALITY STANDARDS

In addition to functionality and design, our understanding of product quality includes aspects of safety, environmental compatibility and fairness. As part of the continuous improvement of our products we are always looking for materials produced in a more sustainable way.

PRODUCTS



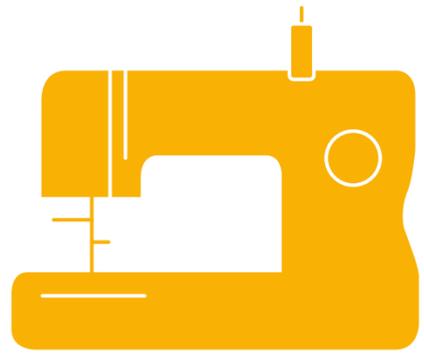
SOCIETY



COMMITMENT LOCALLY AND WORLDWIDE

Above and beyond our entrepreneurial activities, we seek to make a useful contribution to society. The focus of our social commitment is on educational projects in our production countries.

You will find much more information on our commitment at: engelbert-strauss.de/en/sustainability



PRODUCTION



WORKING IN PARTNERSHIP

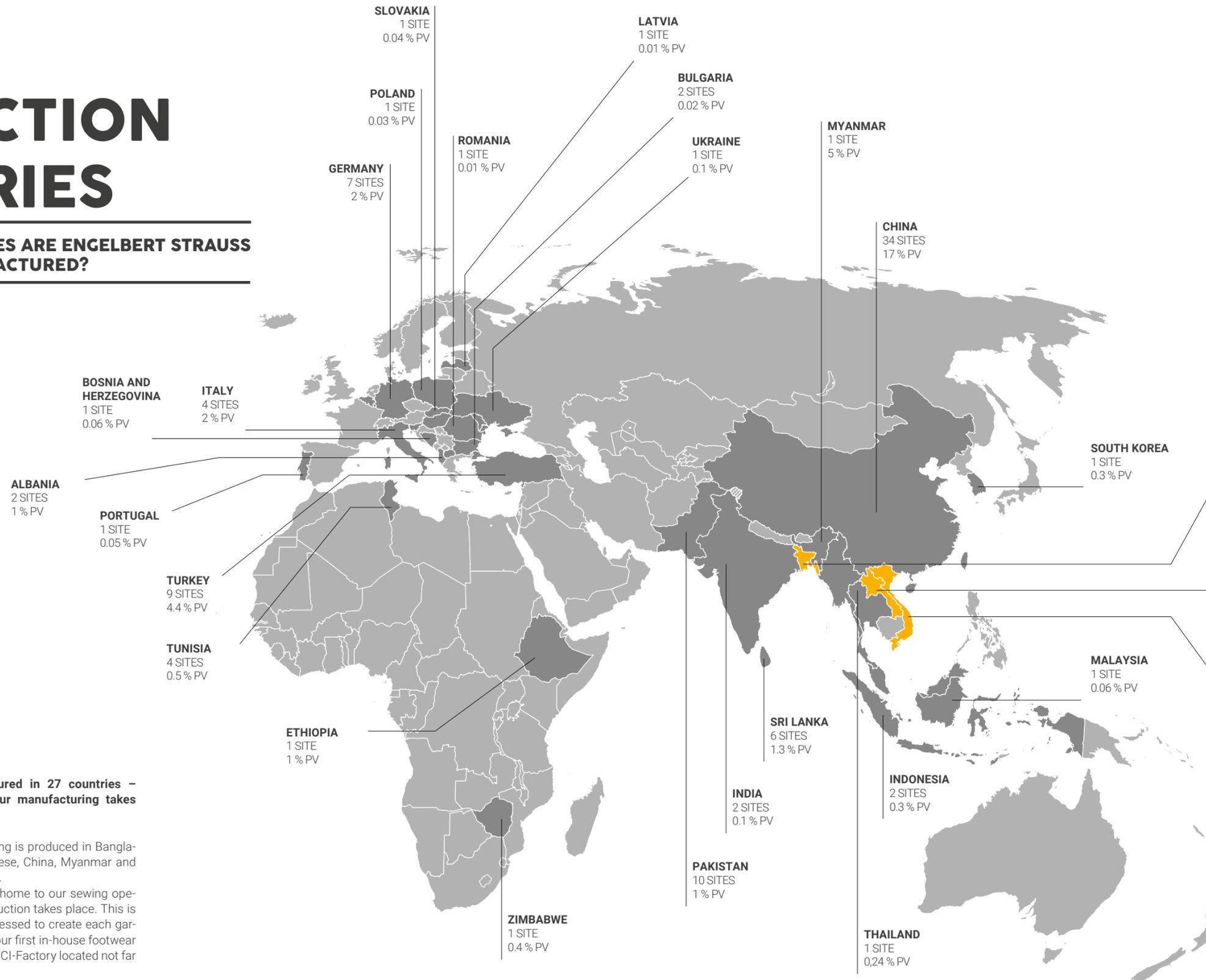
In which countries are Engelbert Strauss products actually manufactured?
And how do we ensure a fair and safe working environment?

*“We take responsibility for the working environment in production –
as a brand manufacturer and especially as a family business”*

THE STRAUSS FAMILY

PRODUCTION COUNTRIES

○○○ IN WHICH COUNTRIES ARE ENGELBERT STRAUSS PRODUCTS MANUFACTURED?



In 2020, our products were manufactured in 27 countries – in Europe, Asia and Africa. Most of our manufacturing takes place in partner businesses in Asia.

More than half of Engelbert Strauss clothing is produced in Bangladesh, Laos and Vietnam. In addition to these, China, Myanmar and Turkey are among the other main locations.

The countries highlighted on the map are home to our sewing operations, in which the main part of the production takes place. This is where the individual components are processed to create each garment. In 2020, operations commenced in our first in-house footwear manufacturing facility in Germany, the new CI-Factory located not far from our headquarters.

WHY DOES ENGELBERT STRAUSS MAKE ITS PRODUCTS PRIMARILY IN ASIA?

Many of our partner businesses have the specific expertise and technology needed to ensure that we live up to our quality standards. The regions in which they are located also offer the required infrastructure. Based on their particular specialisation, we work with partners from Asia and, in doing so, have a positive influence on local economic development.

WHO ARE ENGELBERT STRAUSS' PARTNER BUSINESSES?

We list all sewing businesses on pages 44-47. This year, we have also published the names and addresses of the businesses on the Fair Wear Foundation website at www.fairwear.org

BANGLADESCH

12 SITES
36 % PV
Proudly made in Bangladesh – this claim is also reflected in our figures: our orders provide for around 8,000 jobs in the three largest partner businesses alone. Overall, we work with 12 businesses in Bangladesh, who account for 36 percent of our production.

LAOS

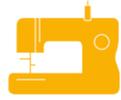
1 SITE
12 % PV
A partner business in Laos with some 2,500 workers manufactures around 12 percent of all Engelbert Strauss clothing. This manufacturer produces exclusively for us.

VIETNAM

7 SITES
15 % PV
Production for Engelbert Strauss at two of our partners in Vietnam provides jobs for more than 1,600 workers. The seven businesses in Vietnam represent 15 percent of our production.

PV: Purchasing volume

As at: 31/12/2020



PRODUCTION CYCLE & PURCHASING CRITERIA

WHICH PROCESSES ARE BEHIND OUR PRODUCTS?

Stability and trust are the basis for successful cooperation with our production partners. This foundation opens up many opportunities to grow together with our partners and develop new collections while improving local working conditions and implementing environmental standards.

HOW IS PRODUCTION STRUCTURED AT ENGELBERT STRAUSS?

Eighty percent of our footwear and clothing range consists of largely unchanged products. We only tweak their design or functionality, if anything. Beyond our permanent range, we present new products twice a year – in our spring/summer and autumn/winter collections. In parallel to this, we bring out limited series from time to time. We always seek to establish long-term partnerships, as these are essential to ensure the quality of our products and to provide mutual development opportunities.

HOW DOES HAVING A PERMANENT RANGE AND FOSTERING LONG-TERM COOPERATION HELP TO IMPROVE LOCAL WORKING CONDITIONS?

The positive effects are felt in various areas. Long-term cooperation gives our production partners the certainty they need to plan for the future. There is also less time pressure in production, as a permanent range guarantees long production runs. This means that production capacity can be better planned and overtime avoided. Moreover, as workers gain experience in manufacturing the product, there is less waste and better use of resources. This is also kinder on the environment.

HOW LONG DOES IT TAKE TO DEVELOP A PRODUCT?

It takes around one year from the design stage to having a product that is available to order. We always work one year in advance, in parallel to the current season. We issue our production releases and orders four to six months in advance so that our production partners have the freedom to plan accordingly. If there are any national public holidays during this time – such as Chinese New Year, or Eid wherever Islamic customs are observed – we place our orders earlier to account for this.

HOW ARE PRICES SET?

Whenever we develop new products, we give our partner precise specifications with regard to design, material and function. Based on this, the partner proposes a price. If this does not seem reasonable to us, we jointly seek a solution in order to find a fair price for both parties.

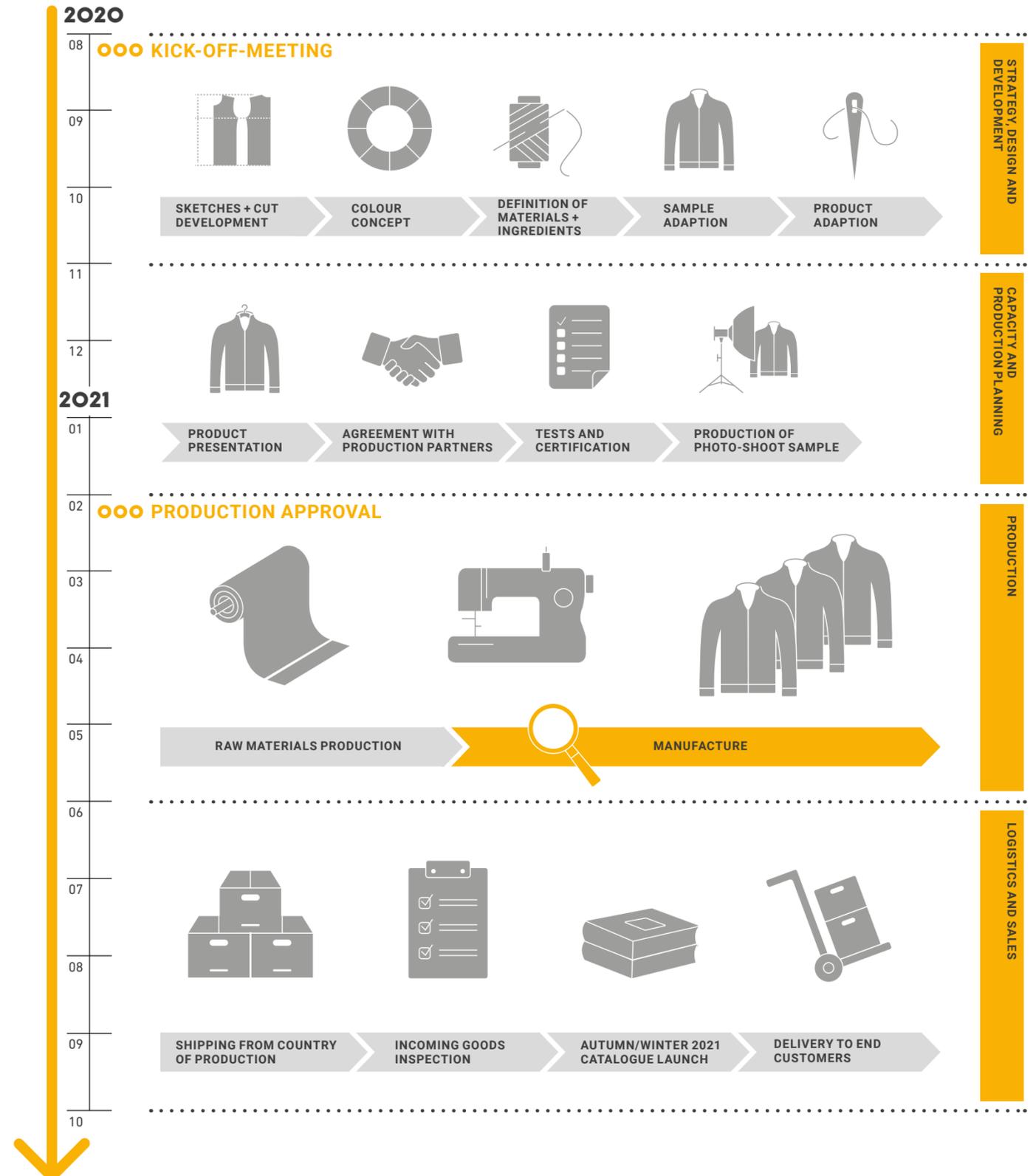
WHAT CRITERIA DOES ENGELBERT STRAUSS USE TO SELECT NEW PRODUCTION PARTNERS?

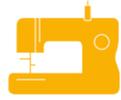
Quality, price, performance and sustainability – these are the most important criteria for us in deciding whether we want to work with a supplier. With regard to sustainability, potential production partners must commit to meeting our requirements and those of Fair Wear Foundation. We see their agreement to observe our Code of Conduct as the basis for a partnership. If a partner refuses to accept these requirements or makes no effort to meet them, we do not pursue the cooperation. The decision is taken by the Purchasing department, involving the purchasing manager, buyers, product developers and the sustainability team.

FAIR WEAR FOUNDATION is focused on the manufacturing process. There are still few automated processes in the majority of sewing businesses and that is why most people are employed there. Fair Wear believes that companies like Engelbert Strauss can have the greatest positive impact on working conditions in production in these areas in particular.



SIMPLIFIED PRODUCTION CYCLE, USING A JACKET AS AN EXAMPLE





SELECTION & FURTHER DEVELOPMENT

We impose high standards on our production partners in terms of social standards and environmental protection. We therefore choose new business partners carefully and assist existing ones in their further development in line with our requirements.

HOW DO WE STRUCTURE THE COOPERATION WITH OUR PRODUCTION PARTNERS?

CODE OF CONDUCT

The basis of collaboration with our production partners is formed by the requirements set out in our Code of Conduct. We require all our partners and suppliers to adhere to the Code of Conduct and we ask them to display it at their production sites so that their employees have access to it.

ASSESSING NEW BUSINESSES

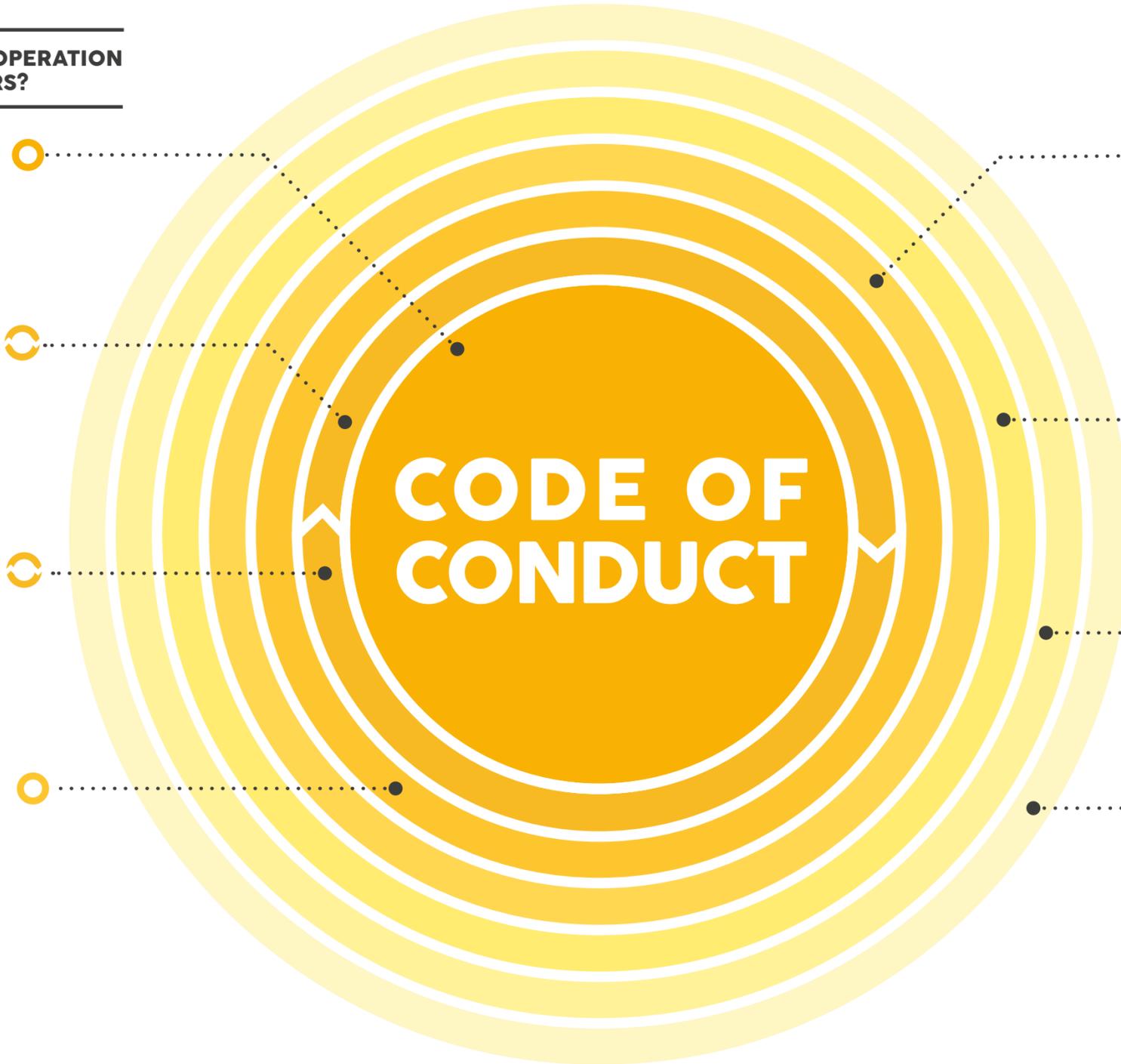
Every production site has to fill out a self-assessment form, which provides us with valuable information about the production conditions. Additionally, it highlights to businesses the aspects of working conditions and environmental protection that are important to us. Analysis of available audit reports and visits to new production sites helps us assess whether they meet our standards or have the potential to develop to reach our standards.

ASSESSING THE SITUATION IN EACH COUNTRY

We ascertain to what extent human and workers' rights are implemented – for all existing and, in particular, new production countries. We take into account country profiles and consult with stakeholders or other brand manufacturers. We then use this information to carefully weigh up the risks and opportunities of production in each country.

AUDITS

Audits are conducted to review and rate the extent to which the production site is adhering to the requirements of the Code of Conduct. We commission an independent auditing organisation or Fair Wear Foundation auditors to carry out these audits. Fair Wear Foundation also carries out independent audits of selected production sites. In the course of their checks, the auditors talk to the local managers, analyse relevant operational documents, inspect the entire production plant and conduct confidential discussions with the employees and their representatives. At least one member of the audit team always speaks the local language and at least one is a certified SA8000 advanced lead auditor. We generally announce the audit visits in advance. This ensures that everyone with relevant responsibility is present. The costs for all audits and follow-up visits to the site are borne by Engelbert Strauss.



CORRECTIVE ACTION PLAN

If during an audit any deviations from the required standards are identified, the auditors discuss these with the managers responsible and, if there are any, the workers' representatives while the audit is still going on. Together we draw up a binding corrective action plan (CAP). This lists all necessary improvements and sets out actions and realistic timeframes for rectifying the deficiencies. We assist the production site in analysing the reasons for the deviations, make suggestions for improvements and review implementation of the actions.

SUPPLIER TRAINING

We help our production partners improve their social and environmental standards through further training. In training sessions, workshops and seminars, we raise awareness among management and workers of good working conditions and how these can be achieved. The key topics include complaint mechanisms and communication aimed at finding common solutions.

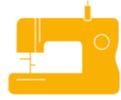
FOLLOW-UP VISITS

Depending on the outcome of the audit and to what extent the production site is showing improvements, we arrange for auditors to pay another visit. Our colleagues from Product Development and Purchasing are also at the production sites several times a year. During their visits, they systematically check whether and to what degree the previously deficient points have been improved.

SUPPLIER ASSESSMENT

If partners perform well, this has a positive influence on our production decisions. If they do not adhere to our requirements and show no progress or will to improve, we sever our relationship. However, this is the last resort. We much prefer to give our partners opportunities and to assist them in developing and fulfilling our specifications.





CODE OF CONDUCT

**YOU WILL FIND THE COMPLETE CODE OF CONDUCT, WHICH IS BINDING FOR OUR PRODUCTION PARTNERS, AT:
[ENGELBERT-STRAUSS.DE/SUSTAINABILITY](https://www.engelbert-strauss.de/sustainability)**

THE KEY POINTS OF OUR SUPPLIER CODE OF CONDUCT:

Our requirements in respect of appropriate working conditions and protection of the environment in our production sites are summarised in our Code of Conduct. The code forms the basis for our collaboration with our production partners.

Our Code of Conduct is based on the conventions of the International Labour Organization (ILO), the United Nations Universal

Declaration of Human Rights (UDHR), the Global Compact, the OECD Guidelines for Multinational Enterprises, and internationally recognised environmental standards. In terms of content, our Code of Conduct is in line with the strict Fair Wear Foundation Code of Labour Practices.

MANAGEMENT PRACTICE

It is expected of every production partner that fulfilment of the Code of Conduct and the statutory provisions is implemented through systematic management practices. This includes all employees being informed of all rights and obligations arising from the code. If the standards have not yet been achieved, the production partner has an obligation to define corrective actions and to implement these within a reasonable timeframe. All employees must be given a written contract of employment that sets out all duties pursuant to labour and social welfare legislation. In addition, Engelbert Strauss does not tolerate any form of corruption or bribery.

REASONABLE HOURS OF WORK

Working hours must at least meet the requirements of the law. Regular working hours may not exceed 48 per week. Overtime must be voluntary. The maximum amount of overtime permitted per week is 12 hours. The employee must be granted at least one day off per week. (ILO Conventions 1, 14 and ILO Recommendation 116 apply.)

FAIR COMPENSATION

The compensation paid for regular working hours must reach the applicable statutory minimum wage and be sufficient to cover the cost of living and to have money left over for discretionary spending. The wage paid should therefore be a living wage. All overtime worked must be remunerated at the statutory additional rate and all statutory wage components must be granted. If there are any deductions from wages, these must conform to the statutory regulations. Employees must receive written and understandable information about the precise composition of their remuneration for each accounting period. (ILO Conventions 26, 102 and 131 apply.)

PREVENTION OF CHILD LABOUR

No children may be employed under the age of 15 or who have not completed statutory compulsory education. In relation to young workers, adherence to youth protection laws must be ensured. The work entrusted to them must not constitute a danger to health, safety or morals. Young workers should be allowed to take part in vocational training or enabled to participate in training programmes. It must be ensured that no form of slavery or trafficking of children takes place. (ILO Conventions 79, 142, 182 and ILO Recommendation 146 apply.)

EMPLOYMENT IS FREELY CHOSEN

The working relationship must be voluntary. This also includes all employees being allowed to leave the production facility site at the end of their regular working hours. All forms of illegal disciplinary measures are prohibited. (ILO Conventions 26 and 105 apply.)

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

All employees are to be given the statutory right to form or join trade unions or labour organizations. The right to collective bargaining is to be recognised. Where legislation relating to union rights is limited, employees should be allowed to find an alternative form of representation of employees' interests. It is necessary to ensure that employee representatives are not exposed to harassment, discrimination, intimidation or reprisal. They must have free access to the workplace, in accordance with the legal provisions. (ILO Conventions 87, 98, 135, 154 and ILO Recommendation 143 apply.)

NO DISCRIMINATION

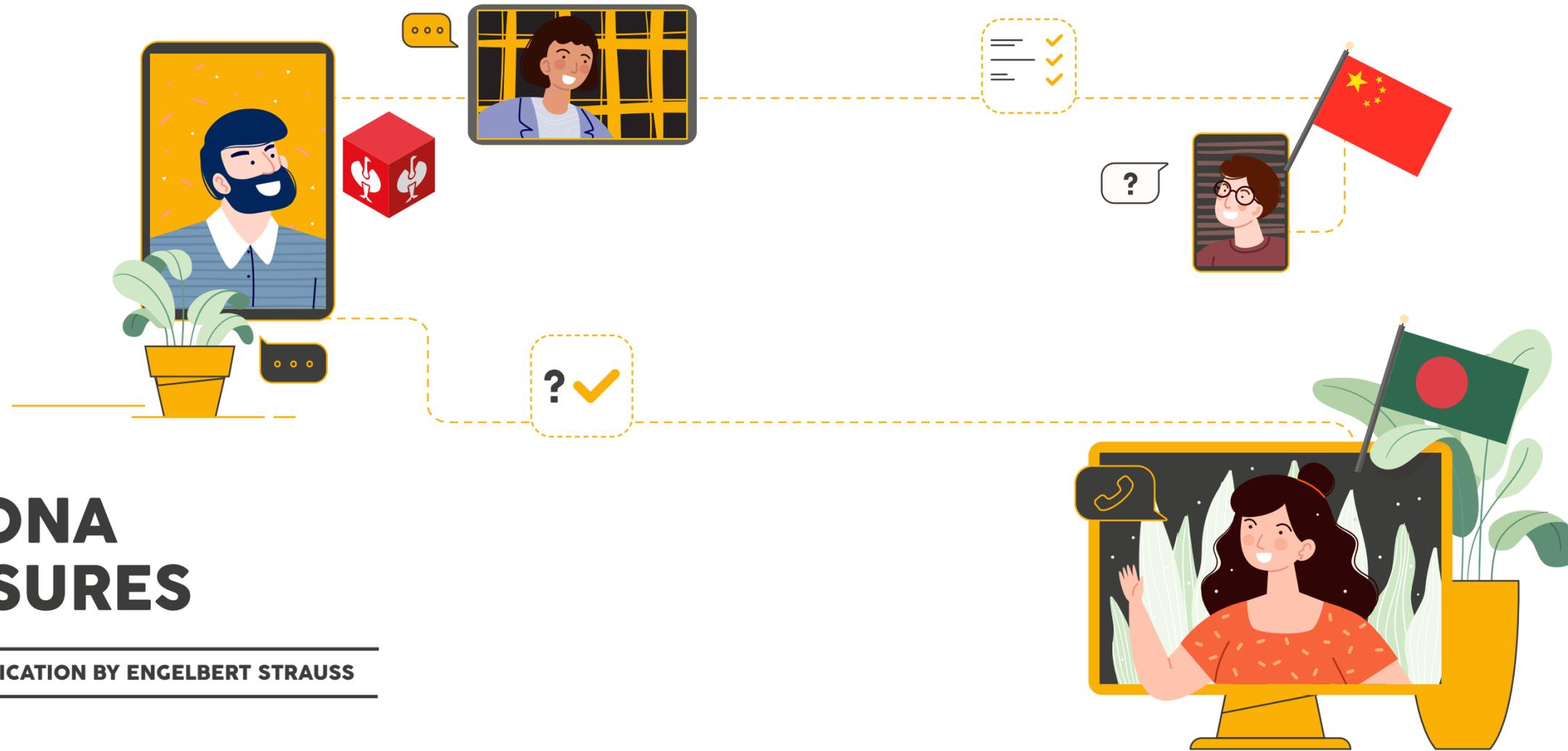
Unequal treatment based on personal or group-specific characteristics such as ethnic or national origin, skin colour, language, political or religious beliefs, sexual orientation, gender, age, family responsibilities, marital status, disability or membership of a labour organisation or union is not permitted. (ILO Conventions 100, 111, 143, 158, 159 and 183 apply.)

OCCUPATIONAL HEALTH AND SAFETY

Employees must be provided with healthy and safe workplaces. The best possible solutions for industry-specific occupational health and safety must be sought. Preventive measures must be implemented at least in accordance with the legal requirements and include building safety and stability, fire safety, machine safety, chemical safety and emergency medical care. (ILO Convention 155 and ILO Recommendation 164 apply.)

ENVIRONMENTAL PROTECTION

The company is required to minimise the impact of production on the environment. It must adhere to all statutory regulations and/or internationally established standards or industrial standards relating to environmental protection in commercial operations. Operational environmental protection demands inter alia appropriate handling and disposal of environmentally hazardous substances, waste and water, the reduction of emissions and water consumption and an increase in energy efficiency.



CORONA MEASURES

CLASSIFICATION BY ENGELBERT STRAUSS

2020 was dominated by the COVID-19 pandemic. The effects were felt not only here in Germany, but also in all of our procurement markets. We responded quickly in February 2020 and took measures to protect the people for whom we are directly or indirectly responsible. These were primarily intended to safeguard both their financial and physical well-being, factors that are directly interwoven for many workers in our production countries.

HOW DID ENGELBERT STRAUSS RESPOND TO THE PANDEMIC IN GERMANY?

Fortunately, we managed to move quickly to put in place the necessary infrastructure to facilitate working from home. All travel and supplier visits were cancelled. We were able to ensure that employees still felt comfortable in the workplace through our own laboratory capacity and a comprehensive package of measures that included free testing and masks, staggered break times and packed lunches, free fever screening and additional ventilation systems.

WHAT ABOUT IN OUR PRODUCTION COUNTRIES?

Strict lockdowns were imposed in our production countries by the end of March at the latest, but there was already disruption to production chains before then. Millions of people worldwide – predominantly women – lost their jobs. In view of what was happening, we felt it was incumbent upon us to maintain order stability and thereby contribute to the livelihoods of the people in our procurement markets. In times like these, reliable partners are more important than ever. That is why we are in continuous dialogue with our production sites.

While many textile brands cancelled most of their orders, we were able to maintain normal operations with the exception of a single order. In addition to order stability, we place great value on paying invoices on time. We also accepted delays in delivery and covered any additional transport costs resulting from these.

We provided guidance to our partners on minimising the risk of infection in the production sites. We also urged them to pay and support their workers in the event of lockdown, quarantine or illness.

EXAMPLES OF SUPPORT

BANGLADESH

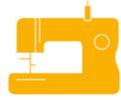
In Bangladesh, our most important production country, our partners introduced strict hygiene concepts. They also provided the workers with information on how they could protect themselves against the virus. While complying with safety measures, we had an external service provider investigate the impact of the pandemic on selected production sites. This involved an examination of payroll records and interviews with workers. These partners were found to have taken adequate steps.

Our partners also provided us with transparent documentation regarding their treatment of their workforce. In one production site in Bangladesh, absences during lockdown were improperly deducted from a kind of special paid leave. All other suppliers confirmed that the workers were paid at least their statutory wage entitlements during lockdown and the sick leave due to them in the event of illness.

CHINA

China was the first procurement market affected by the pandemic. Chinese New Year celebrations accelerated the spread of the virus, with many Chinese people traditionally returning home. When lockdowns and travel restrictions were then imposed, many of them found themselves stranded away from their place of work. This caused delays in delivery in the textile industry, which affected not only end products but also materials and components exported from China to other markets.

The shortage of workers and backlog of materials led to an increase in overtime in some cases. In spite of the challenging situation, our suppliers were able to implement hygiene measures and keep paying their workers.



AUDIT RESULTS 2020

HOW WERE THE COMPANIES EVALUATED?

Have our production partners met our requirements? Or even exceeded them? Where is there need for development? We commissioned external auditors to find out.

The following pages contain detailed information for each country on how the production sites performed during audits in 2020. When auditing sites for us, the auditors assess each business on the basis of the nine criteria set out in our Code of Conduct. For each criterion, they award points on a scale of 1 to 10, depending on how well the sites are implementing the requirements contained in the Code of Conduct. In essence, the auditors examine the extent to which processes are firmly established in each site's systems so as to avoid deviations. For the 'Protection of children and minors' criterion, the auditors evaluate, for example, the production site's control mechanisms for ruling out child labour. If, in addition, a site offers training to young workers, this has a positive effect on their rating.

We audit our suppliers about every three years. The extent to which social and environmental standards are established in the respective country, a site's performance in previous audits and how much they produce for us are some of the factors that determine whether we plan an audit. We often conduct joint audits with other brand companies that have items manufactured in the same production sites as ourselves. The goal of this cooperation is to increase our influence on suppliers and make efficient use of resources.

We achieve a high audit coverage rate: most of the Engelbert Strauss products come from audited production partners. The businesses which jointly manufacture 71 percent of our range have all been audited at least once in the last three years.

The pandemic also affected the carrying out of audits. For example, only ten audits in total could go ahead at our production partners' premises in 2020.

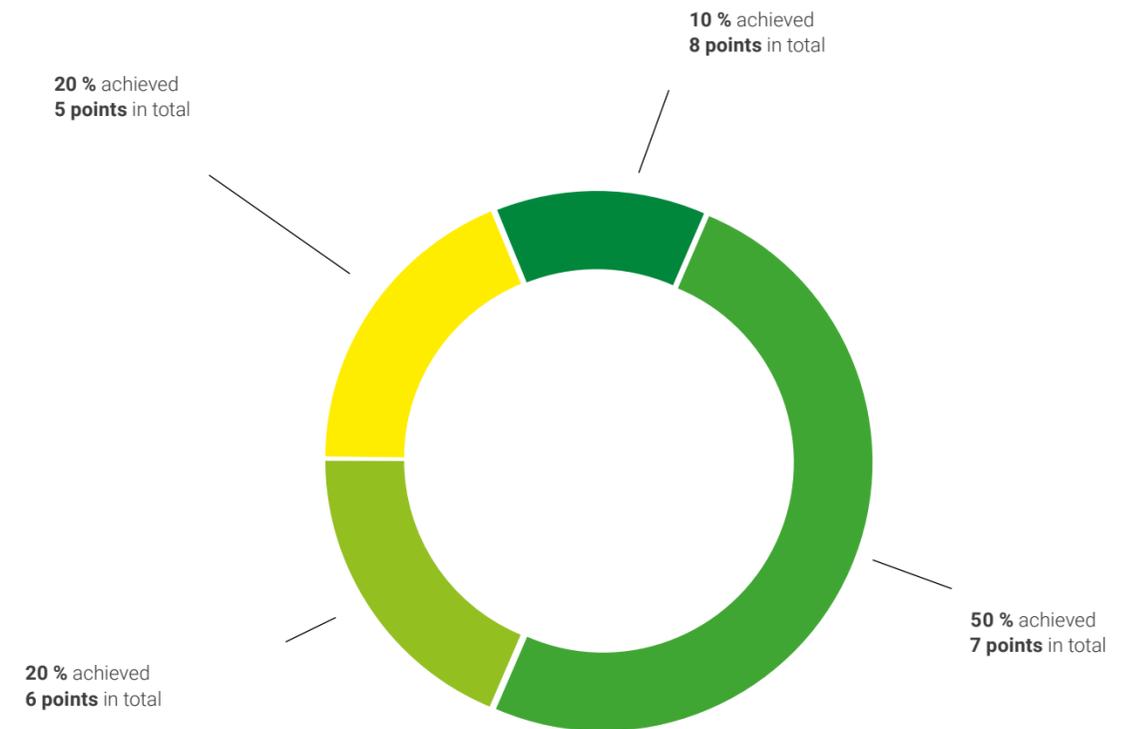
Fair Wear Foundation verified the results in five businesses. In three follow-up visits to other sites, our auditors compared the progress made to the previous year's audit results. An auditor team also made an advance visit to one prospective production partner.

The chart shows the total points scored by the production sites in the audits. In all, 60 percent of the businesses were fully or largely compliant with the requirements of our Code of Conduct. Improvements were recommended for 20 percent of the production sites checked and deemed necessary in the case of another 20 percent. Overall, our partners worked hard to eliminate deviations from the Code of Conduct.

THE ASSESSMENT CRITERIA

- MANAGEMENT PRACTICE
- REASONABLE HOURS OF WORK
- COMPENSATION
- PROTECTION OF CHILDREN AND MINORS
- EMPLOYMENT IS FREELY CHOSEN
- FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING
- DISCRIMINATION
- OCCUPATIONAL HEALTH AND SAFETY
- ENVIRONMENT

TOTAL POINTS SCORED OF THE PRODUCTION SITES AUDITED IN 2020:



- 10 Outstanding level of commitment
- 9 Approaching a level of commitment above the specifications
- 8 Compliant with the Code of Conduct (systematic management)
- 7 Largely compliant with the Code of Conduct
- 6 Improvements recommended
- 5 Improvements needed, though in non-critical areas
- 4 Improvements needed
- 3 Cause for concern
- 2 Cause for great concern
- 1 Not acceptable



•• 100 % compliance with the Code of Conduct

CHINA



China is the second-largest economy, most populous country (with some 1.4 billion inhabitants) and fourth-largest country by area in the world. Globally, it is also the largest producer and exporter of textiles and clothing.

The activities of the textile and clothing industry there cover a wide spectrum, from the production of raw materials through to the manufacture of end products. In spite of the COVID-19 pandemic and the global economic downturn, China's textile and clothing exports increased 30.4 percent year on year in 2020, mainly due to the additional production of masks and personal protective equipment.¹ Nevertheless, the economic, social and health effects of the pandemic pose major challenges for the country.

China is our largest procurement market. In 2020, we worked with 34 production sites – in the areas of clothing (15 sites), gloves (six sites), caps and hats (four sites), footwear (six sites) and accessories (three sites). 16,000 workers, 65 percent of them women, manufacture Engelbert Strauss products in these production sites.

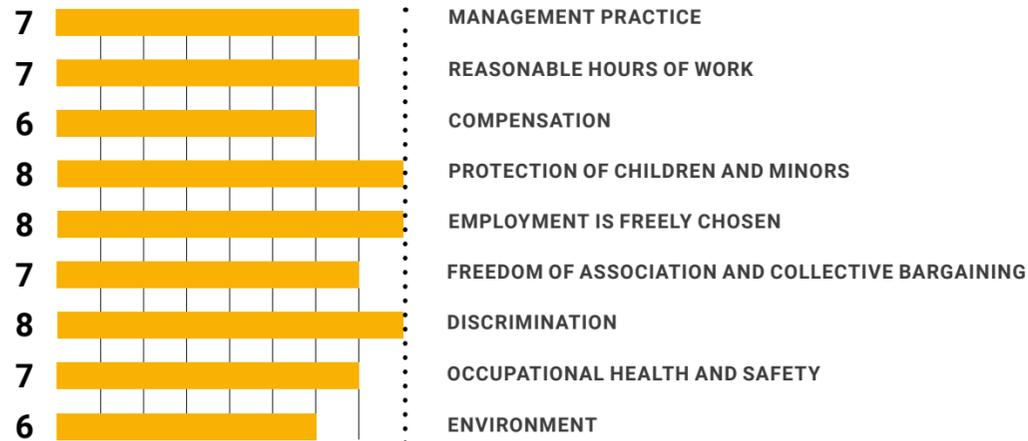
All of our most important producers have been audited in recent years, some even twice or three times. The audit results have identified particular room for improvement in respect of management practices, excessive overtime, compensation, and occupational health and safety. By monitoring the corrective action plans remotely, we have been able to verify the full or partial implementation of many of the improvements needed.

Nine audits and two follow-up visits were planned for 2020, but coronavirus restrictions meant that only one Fair Wear Foundation audit could be carried out as well as two visits in which our external partner examined the progress being made with corrective action plans.

The company audited by Fair Wear Foundation was found lacking in various areas, especially management, working hours and compensation. In one of the businesses visited, the 2019 audit result had been unsatisfactory due to a lack of transparency in its documentation. Improvements were noted during the follow-up visit and the issues were deemed resolved. Unfortunately, no improvement was evident in the second company visited by our partner.

However, the audit and visits did indicate that the companies had implemented comprehensive hygiene measures aimed at reducing the risk of COVID-19 infection.

¹Source: just-style (2021): China textile exports surge in 2020 on PPE demand



• 100 % compliance with the Code of Conduct

BANGLA- DESH



Bangladesh is the world's most densely populated country. Here, too, the pandemic has had a huge impact on the country's population and economic situation. The textile industry has become by far the most important export sector over the years and now accounts for some 80 percent of all exports. However, it has also been enormously affected by the consequences of the virus. Hence, our main aims in 2020 were to ensure that we did not leave our partners in Bangladesh in the lurch and to safeguard the incomes of the people who manufacture our textiles.

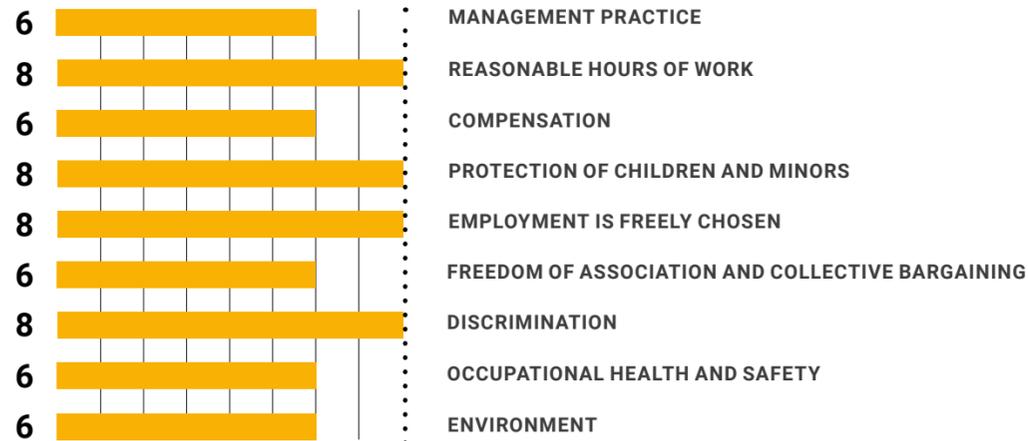
We have been producing in Bangladesh since 2006 and it has become our most important production country over the years. Thanks to our long-term cooperation, our partner businesses have developed an outstanding level of expertise in the production of sophisticated textiles compared with the country's typical standards. This particularly benefits the workers, who are offered wages that are higher than average.

In Bangladesh, we manufactured 36 percent of our high-tech clothing at 12 production sites in 2020. Compared to the previous year, the production volume decreased by 0.25 percent. One new production site was added in 2020. This already had audit reports that reflected positively on the company. We confirmed these findings in an advance visit made on our behalf.

On account of the coronavirus pandemic, only one audit could be conducted on our partner businesses by Fair Wear Foundation and three visits by an external service provider in 2020. The Fair Wear Foundation audit confirmed the high level of implementation of social standards. However, there were areas in need of improvement, especially in respect of the training systems and workers' knowledge of their labour rights. A complaint was also raised at this partner business with regard to the granting of social benefits to former workers.

One of the visits was a follow-up visit. This showed that agreed corrective action had been taken and that hygiene measures aimed at preventing COVID-19 infections had been implemented. However, the auditors had doubts as to the correctness of documents relating to working time and payment. Visits to another two production sites indicated that a variety of measures aimed at minimising the risk of COVID-19 infection had also been implemented there. Moreover, it was confirmed that the workers were given basic financial support during the lockdown and if they fell ill.

The other production sites in Bangladesh have been audited on demand since 2016. The businesses have been found to be fully or largely compliant with important requirements in respect of social and environmental standards in most categories. The auditors' proposed improvements have mainly related to management of social standards, freedom of association and collective bargaining, and occupational health and safety. Our partners also worked on implementing the corrective action plans in 2020 and we were kept updated at all times on their progress. We were also in constant contact with suppliers regarding the effects of the coronavirus.



• 100 % compliance with the Code of Conduct

PAKISTAN



With a population of 216 million, Pakistan is now the world's fifth-most populous country. In spite of ever-growing exports and access to advanced technology, the country still faces major structural challenges. In 2015, 24 percent of the population was living below the poverty line. That number had increased to 30 percent in 2020. Tough coronavirus restrictions introduced in early 2020 further worsened the situation of millions of workers. For this reason, a strict lockdown was not reimposed during the second wave. Although the situation did not deteriorate further on account of this, the International Monetary Fund (IMF) still expects poverty as measured by the Multidimensional Poverty Index (education, health and standard of living) to rise to 80 million people.² Here, too, we see it as our responsibility as a reliable partner to keep the order book stable in spite of all the difficulties in order to safeguard the workers' incomes.

We manufacture in ten production sites in Pakistan. Work gloves are manufactured in eight of these. Given the size of these production facilities and our comparatively low share of production, we often have only limited influence on the implementation of major changes. Our share of turnover is less than two percent at six of the production sites. Due to specific technical requirements we are not in a position to reduce the number of production sites at this time.

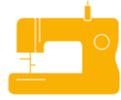
Nevertheless, we have successfully focused on encouraging these production sites to implement sensible development measures. These have primarily involved strengthening awareness around female participation at every level of the work hierarchy, addressing the prevailing waste problem, creating means of conserving resources and providing training on non-discrimination standards and functioning procedures for reporting complaints.

²Source: International Growth Center (2020): Poverty eradication in Pakistan: Past, present, and future

All of the production sites for work gloves have been audited once or twice since 2017. Already in January of 2020, we audited four production sites that account for 0.4 percent of the purchasing volume.

All four of them maintained their high rating or showed a slight improvement, with an average of seven out of eight points. Need for development mainly related to management practice. For example, workers do not yet have sufficient codetermination rights, or service providers such as security firms are not comprehensively vetted. Deviations were also identified in respect of occupational safety and environmental protection. According to our own research, our partners have continued to substantially comply with statutory sick leave and job protection regulations, even during the pandemic.

The problem of the extensive use of contract workers who are paid and dealt with directly, and not always fairly by their supervisors, was found to have been resolved in all production sites this time around. In general, almost all workers are now covered by health and pension insurance. The safeguarding of employment relationships through contracts is also established almost everywhere at this stage. This represents remarkable progress in terms of social security. Furthermore, child labour was ruled out in all production sites.



•• 100 % compliance with the Code of Conduct

VIETNAM



After China and Bangladesh, Vietnam is the world's third-largest garment exporter. The textile industry accounts for 16 percent of the country's total exports. Vietnam is also one of our most important procurement markets. The clothing industry employs 2.5 million people, of whom 80 percent are women. In 2020, we cooperated with seven production sites in Vietnam, five of which produce clothing and the others footwear. These seven production sites employ more than 20,000 workers, of whom over 90 percent are women.

A million workers have reportedly lost their jobs in the vietnamese clothing sector on account of the pandemic.³ 80 percent of the companies in the industry have laid off workers due to order cancellations by eight out of ten of their global customers. In Vietnam, too, we helped to protect the incomes of the mostly female workforce in 2020 through stable order and procurement patterns.

Five businesses have been audited once or twice in recent years – achieving a high score of at least seven out of eight points. Two production sites are yet to be audited. One of these was added in 2020, while the other has been our partner since 2018. In accordance with our Code of Conduct, the two new partner businesses were checked to determine whether they recognised the required standards. One of the production sites not only provided a promising self-declaration, but has also been certified by Worldwide Responsible Accredited Production (WRAP).

Five audits had been scheduled for 2020, but only one Fair Wear Foundation audit could go ahead due to the coronavirus pandemic. The business concerned had already been audited in 2016 and 2019. The result in 2019 was insufficient due to a lack of transparency in the documentation. Therefore, the company was audited again in 2020. Fair Wear Foundation deemed many of the previously raised deficiencies as resolved or partially resolved, but there were numerous new complaints in other areas. The main aspects in need of improvement were management, occupational safety, and freedom of association and collective bargaining. However, the audit also showed that hygiene measures aimed at preventing COVID-19 infections had been implemented.

³Source: business-humanrights (2020): Vietnam



INDONESIA



With a population of 240 million, Indonesia is the world's fourth-most populous country and the largest economy in Southeast Asia. It is also the world's largest island country, with more than 17,500 islands and 54,000 km of coast, and is home to over 300 ethnic groups speaking 365 different languages.

Indonesia is among the top 10 textile-producing nations in the world. The country recorded consistent economic growth prior to the coronavirus pandemic, putting it in the upper middle income status within Southeast Asia. Thanks to successful political and economic measures, it has managed to cut the poverty rate by more than half since 1999, to 9.78 percent in early 2020. However, the benefits of this economic growth have not been evenly distributed within the country. Poverty is concentrated in rural areas, in which 14.3 percent of the population live below the poverty line. It is estimated that many people have lost their jobs due to the coronavirus situation, with the poverty rate in Indonesia having increased to 12.37 percent again in 2020.

Indonesia is a minor player among our production countries. Our only manufacturing link with it is through two of our German partners. Both production sites are small producers, with fewer than 500 workers.

One of these sites has been manufacturing safety vests for us since 2019. Clothing is produced in the other. While our share of the latter's turnover was only five percent in recent years, this added up to 74 percent in 2020 due to other customers cancelling their orders. Fair Wear Foundation audited the production site in

2020. This showed that the company faced many challenges that year and did not meet our requirements to the desired extent. Our order volume for the company remained almost constant year on year. The company had to reduce its workforce significantly due to the cut in orders from other customers. The auditors positively noted that the remaining workers did not have to work overtime, although two discrepancies were found in the documentation.

The wages paid by the company do not correspond to the levels recommended locally or within the industry and therefore do not meet our requirements either. Even though the wage level has been set in agreement with workers' representatives, we do not find it satisfactory. Moreover, holiday entitlements were not granted to the usual extent in some cases and a number of workers lacked social security protection. The audit also identified room for improvement in respect of occupational safety.

The company only employs workers aged 18 and older and ensures there is no child labour. The auditors were also able to confirm that the company does not practice forced labour.

SUPPLIER TRAINING

HOW DO WE HELP OUR PARTNERS TO IMPROVE THEIR SOCIAL AND ENVIRONMENTAL STANDARDS?

Our claim that 'nothing is more sustainable than education' is also reflected in the cooperation with our production partners. In addition to our audits and corrective measures, we offer our manufacturers training sessions and seminars. These cover the implementation of social and environmental standards in the production facilities and give our partners the opportunity to make progress in these areas.

We work with our partner Fair Wear Foundation in particular to offer these further development programmes, promoting awareness of compliance with our Code of Conduct through its seminars and Workplace Education Programme (WEP). The aim of the WEP is to give production site managers and workers the tools they need to engage in open dialogue and deal with critical aspects. By increasing their awareness of important labour standards, in tandem with a functioning complaints procedure, we want to help to continuously improve working conditions. In terms of training, specific modules that cover the particular

challenges and realities of the respective production regions are also offered. In order to maximise the impact of these activities, the trainers speak the local language and are familiar with the cultural etiquette in the various countries.

Our training sessions and seminars were also affected by the coronavirus pandemic. Only a restricted number could go ahead in 2020, as we did not want to expose the workers in the production sites to any additional, avoidable risk. Two training sessions were held in China, while observing the hygiene and safety standards in place. As an alternative to in-person training, we tried to support our partners by inviting them to attend webinars offered by Fair Wear Foundation.



TRAINING IN CHINA

Two of our Chinese production partners took part in WEP Basic training.

This raised their awareness of appropriate working conditions and was intended to actively foster dialogue between management and the workforce, among other things.

WEBINARS

Fair Wear Foundation held a series of country-specific webinars on the effects of the coronavirus pandemic, covering the biggest risks for the textile industry and the impact on it.

This included providing manufacturers with tools and guidelines designed to help them with wage restructuring and occupational safety in their production sites. We invited our partners in the

following countries to attend the webinars: Bangladesh, China, India, Indonesia, Myanmar, Tunisia and Turkey. In Vietnam, three of our manufacturers took part in a Fair Wear Foundation information seminar on the new wage policy there.



FAIR WEAR FOUNDATION COMPLAINTS PROCEDURE

○○○ FINDING SOLUTIONS TOGETHER

The Fair Wear Foundation complaints procedure serves as a safety net and provides us with an additional mechanism for determining whether the requirements of our Code of Conduct are being implemented in the respective production sites.

Workers can use the complaints procedure to turn to the independent Fair Wear Foundation. It provides an information sheet in the respective national language with labour rights and contact details for complaints. The production sites must display this sheet prominently. We explain the system to management and workers during training sessions and visits. Fair Wear Foundation publishes all complaints and corrective action taken on its website.

We received two complaints in 2020. We have already been able to resolve one complaint regarding a Chinese production partner together with management at the production site, Fair Wear Foundation and other Fair Wear Foundation member companies. Regarding all other outstanding complaints, we are in close dialogue with all concerned and are in the process of finding solutions together.

CHINA #776*

In August 2019, a worker in a Chinese business complained that he was not informed about his piecework wage, that he did not receive a written payslip and that several workers were regularly instructed to clean up after their hours of work had ended – for no pay. We discussed the complaint and drew up a plan of corrective measures together with our production partner, another company manufacturing in the same business, and Fair Wear Foundation. Management at the production site gave assurances that all workers would receive payslips from then on and would be informed about their piecework wage. It also provided an undertaking that the workers concerned would be given back pay for the overtime they had worked.

An audit was conducted in August 2020 to review the measures taken. It was found that the measures in relation to pay had not been fully implemented. In late 2020, the business provided evidence of payment for the clean-up work. After reviewing this, we decided to continue to work on improving the implementation of the accounting and payment measures and ensuring that the necessary records were being properly kept. We are in continuous dialogue with our partner regarding this – another visit is planned for 2021 in order to review the situation and progress on the ground.

BANGLADESH #813

We received a complaint about a production partner in Bangladesh in December 2019. Two former workers stated that following their dismissal they had received their pay and provident fund, but had not been given additional service benefits for long-serving workers. According to our production partner, workers are contractually entitled to such benefits, but not if they are at management level. As both complainants were part of management, they had not been given the requested benefits.

The complaint has been filed with a local court. This will decide whether the two workers should be considered management or are entitled to the service benefits they have requested. We have been working with Fair Wear Foundation and another Fair Wear Foundation member company manufacturing in the same business to find a good solution and are in constant communication with the parties involved.

VIETNAM #859

In late March 2020, a worker at a Vietnamese partner business complained that the workers did not have sufficient access to personal protective equipment such as face masks and earplugs. There was also criticism regarding a confrontational or obstructionist attitude shown to workers in some instances, such as when they requested time off or holiday leave. It was claimed that statutory entitlements and related company guidelines had not been adequately communicated. Unequal treatment of workers and managers was criticised, along with the handling of overtime, which was sometimes unpaid and perceived as mandatory during the peak season.

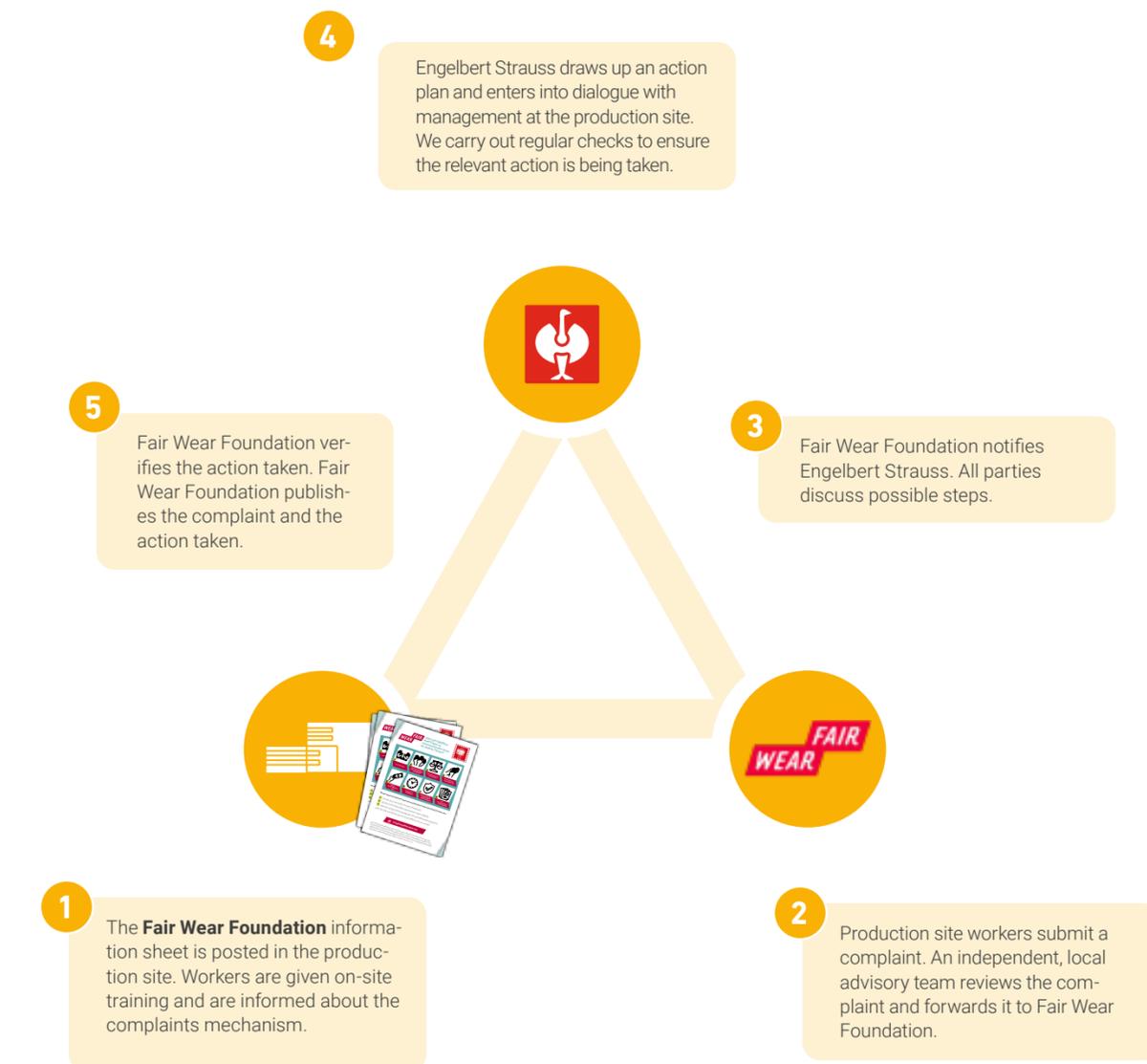
Management at the production site largely denied these allegations and backed up its assertions with the relevant documents. However, it did acknowledge that there may have been misunderstandings between managers and workers, and committed to investigating the complaints internally. In order to gain a clearer picture of the situation, an audit was conducted in July. Several workers were interviewed for this, some of them away from the production building. The auditors were unable to confirm most of the complaints. Nevertheless, Engelbert Strauss worked with Fair Wear Foundation and another company manufacturing in the business to draw up a plan of corrective measures aimed at improving the areas identified as unsatisfactory. Most of these improvements had been implemented by late 2020.

PAKISTAN #866

In March 2020, a worker at a Pakistani production partner filed a complaint claiming unfair treatment. The complainant had not received the wage increase he had been promised, a supervisor had behaved inappropriately towards him and he had been unlawfully dismissed. Engaging closely with Fair Wear Foundation, we discussed possible ways to support the worker in the interim, such as by making contact with and referring him to the local trade union. Engelbert Strauss also acted as a mediator between the production partner and the complainant.

As both parties were unable to come to an agreement, the complainant filed a claim with the local court. The production partner is now awaiting the court's decision. Engelbert Strauss is following the proceedings and is in contact with the complainant. As Fair Wear Foundation is not active in Pakistan, we are working together with an independent external organisation in this case.

○○○ HOW THE PROCESS WORKS



* sequential numbers at Fair Wear



PRODUCTION PARTNERS

FROM ALBANIA TO VIETNAM – THESE PRODUCTION PARTNERS HAVE MANUFACTURED FOR US IN 2020



FAIR WEAR-NR.	PRODUCTION COUNTRY	PRODUCT CATEGORY	YEAR OF STARTING BUSINESS	PURCHASING VOLUME	LAST AUDIT
10853	Albania	Shoes	2004	0.76 %	
12683	Ethiopia	Textiles	2018	0.963 %	2017
10845	Bangladesh	Gloves	2012	0.15 %	2020
10861	Bangladesh	Textiles	2010	3.24 %	2018
10876	Bangladesh	Textiles	2011	4.41 %	2018
2910	Bangladesh	Textiles	2013	15.734 %	2018
9325	Bangladesh	Textiles	2013	9.954 %	2018
9686	Bangladesh	Caps & Hats	2016	0.26 %	2018
10957	Bangladesh	Textiles	2015	0.10 %	2016
10963	Bangladesh	Textiles	2015	0.21 %	2019
14459	Bangladesh	Textiles	2019	2.02 %	2018
15425	Bangladesh	Textiles	2020	0.03 %	2019
7847	Bosnia and Herzegovina	Textiles	2007	0.06 %	2018
13782	Bulgaria	Shoes	2018	0.006 %	2019
12391	Bulgaria	Textiles	2019	0.01 %	2016
10838	China	Accessoiries	1997	0.045 %	2019
3289	China	Shoes	2012	3.01 %	2017
10856	China	Shoes	2009	4.08 %	2018
3140	China	Gloves	2008	0.23 %	2018
10863	China	Accessoiries	2010	0.29 %	2018
4591	China	Textiles	2004	0.379 %	2019
10868	China	Textiles	2008	2.08 %	
2127	China	Textiles	2005	0.32 %	2018
14460	China	Shoes	2019	0.62 %	2019
10859	China	Shoes	2013	1.53 %	2019
10886	China	Textiles	2009	2.174 %	2018
11003	China	Accessoiries	2016	0.04 %	2019
10896	China	Textiles	2011	0.280 %	2019
33356	China	Textiles	2020	0.047 %	2017
14451	China	Textiles	2019	0.140 %	2018
10905	China	Textiles	2010	0.04 %	2017
10916	China	Textiles	2007	0.055 %	2018
10919	China	Gloves	2004	0.008 %	

FAIR WEAR-NR.	PRODUCTION COUNTRY	PRODUCT CATEGORY	YEAR OF STARTING BUSINESS	PURCHASING VOLUME	LAST AUDIT
10920	China	Gloves	2005	0.008 %	2019
10921	China	Textiles	2000	0.041 %	2017
10923	China	Textiles	2003	0.041 %	2017
10924	China	Textiles	2007	0.041 %	2017
10928	China	Shoes	2009	0.707 %	2016
15468	China	Textiles	2020	0.05 %	
14453	China	Caps & Hats	2019	0.05 %	
3817	China	Gloves	2015	0.03 %	2018
10964	China	Shoes	2015	0.12 %	
10966	China	Gloves	2017	0.10 %	2018
4575	China	Caps & Hats	2016	0.001 %	
10787	China	Caps & Hats	2016	0.004 %	
11805	China	Textiles	2017	0.51 %	
12140	China	Caps & Hats	2017	0.01 %	
10922	Germany	Textiles	2005	0.041 %	
11968	Germany	Shoes	1975	2.029 %	
10938	Germany	Textiles	1995	0.03 %	
10940	Germany	Shoes	2007	0.01 %	
10942	Germany	Textiles	2007	0.02 %	
10943	Germany	Textiles	1994	0.020 %	
10926	India	Shoes	2009	0.102 %	
15173	India	Gloves	2019	0.03 %	
15306	Indonesia	Textiles	2019	0.23 %	
10917	Indonesia	Textiles	2007	0.055 %	
10852	Italy	Shoes	2004	0.76 %	2019
10900	Italy	Shoes	2006	0.273 %	2018
10901	Italy	Shoes	2004	0.295 %	2018
11808	Italy	Textiles	2015	0.179 %	
4580	Lao People's Democratic Republic	Textiles	2006	12.269 %	
10947	Latvia	Textiles	2004	0.01 %	
10850	Malaysia	Gloves	2000	0.058 %	
10888	Myanmar	Textiles	2015	5.072 %	
10839	Pakistan	Gloves	2012	0.006 %	



FAIR WEAR-NR.	PRODUCTION COUNTRY	PRODUCT CATEGORY	YEAR OF STARTING BUSINESS	PURCHASING VOLUME	LAST AUDIT
10846	Pakistan	Gloves	2009	0.255 %	
10847	Pakistan	Gloves	2009	0.143 %	
10848	Pakistan	Gloves	2014	0.026 %	
10849	Pakistan	Gloves	2009	0.294 %	2019
10912	Pakistan	Gloves	1993	0.014 %	
10913	Pakistan	Gloves	1985	0.014 %	
2262	Pakistan	Textiles	2011	0.002 %	2017
10965	Pakistan	Gloves	2016	0.27 %	2016
11964	Pakistan	Textiles	2017	0.03 %	2017
11811	Poland	Textiles	1990	0.029 %	2019
10939	Portugal	Shoes	1990	0.05 %	2018
10891	Romania	Shoes	2012	0.01 %	2018
10867	Zimbabwe	Textiles	2010	0.42 %	
10945	Slovakia	Textiles	2010	0.04 %	
10841	Sri Lanka	Gloves	2009	0.002 %	2016
10842	Sri Lanka	Gloves	2008	0.152 %	
10843	Sri Lanka	Gloves	2008	0.153 %	
12597	Sri Lanka	Gloves	2006	0.02 %	2019
12182	Sri Lanka	Textiles	2017	0.038 %	2018
12136	Sri Lanka	Textiles	2017	0.901 %	2018
10879	Republic of Korea	Textiles	2016	0.321 %	
14455	Thailand	Textiles	2017	0.24 %	2018
11804	Tunisia	Textiles	2012	0.038 %	2020
10935	Tunisia	Textiles	1990	0.058 %	2017
10885	Turkey	Textiles	2008	2.817 %	2019
15349	Turkey	Textiles	2020	0.07 %	2018
15307	Turkey	Textiles	2020	0.04 %	
10951	Turkey	Textiles	2014	0.127 %	
10952	Turkey	Textiles	2014	0.064 %	
13781	Turkey	Textiles	2018	0.013 %	2017
11810	Ukraine	Textiles	2000	0.139 %	
10851	Vietnam	Shoes	2013	2.67 %	2019
10081	Vietnam	Textiles	2003	5.138 %	
10894	Vietnam	Textiles	2010	1.711 %	2019
10895	Vietnam	Textiles	2011	3.993 %	2019
15308	Vietnam	Textiles	2020	0.24 %	2019
13498	Vietnam	Shoes	2018	0.38 %	
13780	Vietnam	Textiles	2018	0.51 %	



OUR SOCIAL REPORT COVER

We are amazed by Bangladeshi art, tradition and culture – and wanted to reflect this in the cover of our social report as well. So we linked up again this year with an artist from Bangladesh. Let's meet her!

MORE ABOUT ARTIST SUMAITA TAHSEEN

SUMAITA, TELL US SOMETHING ABOUT YOURSELF!

I am Sumaita Tahseen, an architect with a Bachelor's degree in my subject. I have developed a special interest in sustainable architectural solutions and design over time. Currently, I am pursuing a Master's in sustainable architecture and landscape design in Italy.

WHAT ROLE DOES ART PLAY FOR YOU?

Parallel to architecture, I am also very interested in art and design. I am passionate about sketching, conceptual illustrations and exploring different colour combinations in abstract paintings. My artwork has already been exhibited several times. My canvases do not try to capture any particular subject, but portray atmosphere instead.

WHAT DOES SUSTAINABILITY MEAN TO YOU?

My interest in self-sustainability and natural building has led me to volunteer at organic farms and sustainable communities around the world. I love to explore mountainous terrains, forests and sunlight, and these always inspire me to continue pursuing my dreams.

MORE ABOUT THE COVER

WHAT WAS YOUR INSPIRATION FOR THE COVER?

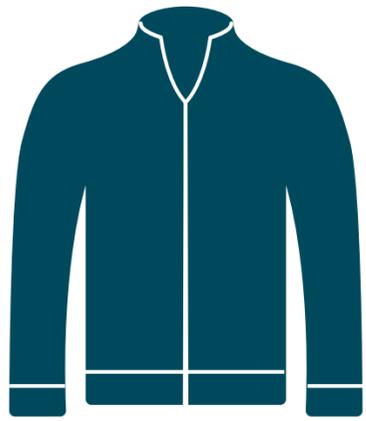
I wanted to take the opportunity to portray the tangible and intangible knowledge hidden in Bangladesh – the land of rivers. Hence I have incorporated these prominent landscape elements into the illustration. The vibrant palette characterises the lifestyle and celebratory atmosphere. The local communal life ingrained in the paddy fields and rivers is as organic as it appears in the illustration. All of these elements together tell a story about this country.



OBJECTIVES & ACHIEVEMENTS

OBJECTIVE	DATE	STATUS	ACHIEVEMENT IN 2020
Fair Wear Foundation positively evaluated the management of social standards .	2020	✓	Fair Wear Foundation again rated management practice for the implementation of fair working conditions in the textile supply chain as 'good' in 2020.
The production partners have agreed to both the Code of Conduct and the Engelbert Strauss monitoring programme .	Ongoing	➔	100 % of our production partners have agreed to both the Code of Conduct and the Engelbert Strauss monitoring programme. They have all disclosed their production sites – including any subcontractors. This practice has become a fundamental element of all production partnerships.
The suppliers that together manufacture at least 90 % of the purchasing volume were audited in the first three years of Fair Wear Foundation membership in accordance with the Engelbert Strauss Code of Conduct or operate in non-risk countries*.	2020	✓	The businesses audited in the first three years of Fair Wear Foundation membership according to the Engelbert Strauss Code of Conduct cover a total of 92 % of purchasing volume. The other businesses are either in non-risk countries (2 %), were audited in previous years (<0.1 %) or have a purchasing volume of at most 1 % (5 %). Only approximately one third of the audits planned for 2020 were able to go ahead on account of the coronavirus situation.
All audited suppliers are showing improvements in relation to the audit results a year ago / are putting corrective action into practice and have implemented this systematically.	Ongoing	➔	The ability of the production partners to implement the required corrective measures was restricted in 2020 due to the coronavirus situation. Some audits also found room for improvement. We are monitoring the implementation of the corrective measures with the suppliers concerned.
We repeatedly collaborate with other selected manufacturers/traders in our audits.	Ongoing	➔	The audits and the subsequent monitoring of improvement measures were carried out, where possible, in conjunction with other manufacturers. This collaboration enables us to combine our influence on the production partners and to avoid duplicate audits.
The employees who are in regular contact with production partners and visit the production sites are trained on sustainability requirements in the production operation.	Ongoing	➔	Our sustainability representatives attended conferences and workshops given by Fair Wear Foundation and the Partnership for Sustainable Textiles. Product Development and Purchasing employees received training from Fair Wear Foundation in 2017 and 2019. Prior to visiting production facilities, employees are given general checklists as well as specific information regarding issues that need to be checked.
Training on compliance with the Engelbert Strauss Code of Conduct and the complaints procedure was conducted at selected suppliers.	Ongoing	➔	Fair Wear Foundation conducted two training sessions at our suppliers in 2020. Another three suppliers attended a Fair Wear Foundation seminar concerning the new wage policy in Vietnam. In addition, Fair Wear Foundation held a series of country-specific webinars on the effects of COVID-19 for our production partners. Online Fair Wear Foundation training was recommended to all suppliers.
The Fair Wear Foundation complaints procedure is in place. Complaints received are resolved.	Ongoing	➔	We introduced the Fair Wear Foundation complaints procedure in 2017. Since then, we have been continuously raising awareness among suppliers. Two complaints were received in 2020. One is very close to being concluded and we are currently working on the other.
The production sites where Engelbert Strauss garments are manufactured have been published .	2020	✓	Fair Wear Foundation has been given a list of all businesses where Engelbert Strauss garments are manufactured. In 2019, we agreed to have this published on the Fair Wear Foundation website. This was then actioned in 2020.
We have launched our own educational initiatives in Bangladesh .	2020	✓	We are building the campus in the paddies in Chittagong – a development centre for the training and further education of young members of staff in the textile industry. We are also cooperating with GLZ to establish a Chair for Sustainability and Textile Innovation in Bangladesh. In 2020, we filled the position of Assistant Professor. The person selected is taking part in a further education programme given by our partner universities, the United Nations University (UNU-FLORES) and the Dresden University of Technology (TU Dresden). This is due to be completed in March 2021.
An Engelbert Strauss social report 2020 is available.	2021	➔	You're looking at it.
There is internal communication to staff on current sustainability activities.	Ongoing	➔	All employees have been provided with information on current Engelbert Strauss sustainability activities – via the intranet or through workshops.

* In determining which countries are high-risk countries, we follow the Fair Wear Foundation's classification. This means that all countries outside the EU, as well as Bulgaria and Romania, are considered high-risk countries. Switzerland is not included.



HIGHEST QUALITY STANDARDS

In addition to function and design, our understanding of product quality also includes aspects of safety and environmental sustainability. In our quest for continuous improvement, we are always looking for sustainable materials and technologies that will make our products and production more environmentally friendly.

PRODUCTS



RESEARCH AND DEVELOPMENT

HOW DO WE USE NEW TECHNOLOGY TO MAKE OUR PRODUCTS MORE SUSTAINABLE?

Our garments must meet our high quality standards. In addition to product safety, we especially incorporate health and environmental requirements into product development. We have been conducting research and development in our new Laser Lab & Dyeing House in the CI-Factory since 2019. By using innovative filter systems and progressive laser technology, for example, we can achieve garment washing effects that require almost no water or chemicals.

WHAT HAPPENS AT THE LASER LAB & DYEING HOUSE?

The Laser Lab & Dyeing House, where we use e-flow technology, is our cutting-edge research and development facility. It is part of our CI-Factory, the new production site located not far from our headquarters. Here, we give technicians and designers the space they need to work together on new products. This results in samples and prototypes that may one day be ready for series production. We focus on the following things: we want to conjure up new looks and harness technological advancements to create significantly more sustainable products.





ECO-EFFICIENCY – LESS IS MORE!

Textile manufacturing uses huge amounts of water and energy. We can make a distinction here between dry and wet processing: dry processing covers yarn production, weaving and knitting, while wet processing includes fabric preparation (e.g. bleaching), dyeing (e.g. printing) and finishing (e.g. applying water repellents or flame retardants). High water, energy and chemical use is associated with wet processing in particular. This is where we are focusing our attention. We are looking to boost output while reducing resource consumption and using fewer chemicals – essentially, we want greater eco-efficiency!

ECO-EFFICIENCY: FOCUS ON WET PROCESSING

LASER VS. GARMENT WASHING – WHICH IS MORE SUSTAINABLE?

Our developers have access to the most advanced processing technologies on the market, including a high-end laser that opens up completely new textile-finishing possibilities. For example, we can use this to imitate the pleated and faded effects otherwise achieved with denim washes. The garment washing is usually required to create such looks. Generally it involves 18 to 24 different work steps and the use of considerable amounts of water and chemicals. Our laser process is more environmentally friendly: we achieve a uniform look, consume hardly any water and use no chemicals, while the fibres remain intact.

FINISHING A PAIR OF JEANS – GARMENT WASHING VS. LASER

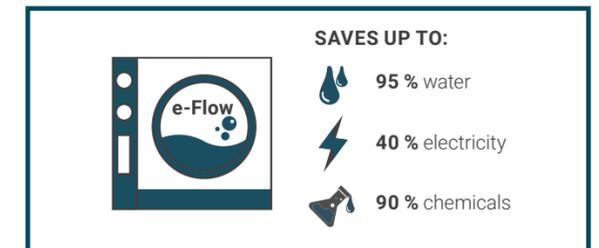


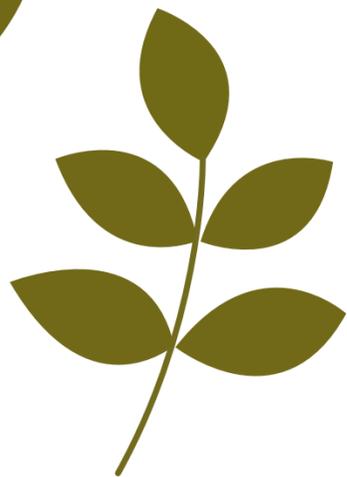
DYEING HOUSE & E-FLOW

The laboratory is also equipped with state-of-the-art washing machines. This offers great potential for conserving resources. Only around a quarter of the usual amount of water is needed for the dyeing process.

By also using a filtration system, we are thus minimising resource consumption: water is first passed through sand, then ozone and finally membranes to remove chemicals such as dyes, detergents and bleach – like a small-scale water treatment plant. We completely reuse the treated water in the washing process for three months. This allowed us to reuse 25,473 litres of water in 2020.

STATE-OF-THE-ART WASHING MACHINES OFFER GREAT POTENTIAL





○○○ ENVIRONMENTAL AWARENESS IN ALL DIVISIONS

We want to ensure that future generations also enjoy the living conditions and resources available to us today – and that is especially important to us as a family business. We are gradually putting environmentally friendly innovations and ideas into practice. Read on to find out over the following pages what we are doing to protect the climate and natural resources in the context of our business activities.

ENVIRONMENT



PROTECTING THE CLIMATE AND NATURAL RESOURCES

○○○ RESOURCE PROTECTION: FOCUS ON PACKAGING

Packaging plays an important role in the shipping of Engelbert Strauss products – it protects the product on its way from production to customers and facilitates smooth handling of logistics. However, large quantities of packaging materials are required for this. We try to cut down on these materials wherever possible and look to optimise any essential packaging.

CONSIDERING ALL OF THE PARCELS SHIPPED TO CUSTOMERS EACH DAY, HOW ARE WE GOING ABOUT SAVING RESOURCES IN THIS INSTANCE?

We have reduced the amount of packaging that we use to ship products in recent years. Since 2018, we have been sending shipments containing only a few or small items in a shipping bag instead of a box. This bag was initially made of plastic, but we switched to sack kraft paper that can be disposed of with waste paper in 2019. This has enabled us to reduce the material weight by 73 percent compared to boxes and also shrink the size of the parcels. This has resulted in lower transport emissions, as more items fit in each truck.

The bags have only been used by our logistics service provider to date. We are currently investigating ways of using these in our own logistics, as well. We also worked on our shipping boxes in 2020 and managed to save on packaging material there too by analysing and optimising the filling level.

IS IT REALLY NECESSARY TO PACKAGE EACH GARMENT SEPARATELY, AS IS PRESENT PRACTICE?

We are working on this, too. We have been able to considerably reduce the packaging material for shirts and blouses in recent years, for example. Many small pieces of plastic, metal and paper were previously used to stabilise garments. We have managed to minimise the use of these and completely switch to cardboard for the pieces that are still required. We have also changed the folding dimensions of shirts and blouses so that they fit in our smallest shipping box. This has allowed us to cut transport volumes as well.

Further reducing the packaging we use on our garments is high on our agenda. But it is not so easy in practice: for instance, the plastic bag that surrounds each individual Engelbert Strauss garment protects it against moisture and dirt, as each item passes through several hands, is carried along conveyor belts and lies in cartons on its way from the production site to customers via our logistics. Film packaging is light, transparent and thin, but still stable enough for logistics requirements. Until we find alternatives, we will continue our long-established practice of using bags made of recycled plastic.



CLIMATE PROTECTION PROJECT IN INDONESIA
 In order to offset the carbon emissions generated by sending out our parcels, we supported a project on the island of Borneo in 2020. The goal of the project is to protect the tropical peat swamp forest there from clearing and to reforest it so that it can be preserved as a valuable habitat for countless endangered species. The project is certified by the Verified Carbon Standard and the Climate, Community & Biodiversity Standard. By protecting woodland with valuable peat soil covering 16,626 m², we were able to avoid some 4,963 tonnes of CO₂ emissions in 2020.

CLIMATE PROTECTION

Climate change is a global concern and combating it is one of the world's biggest challenges. We are taking action in this regard and are working to prevent, reduce and offset carbon emissions wherever possible in order to counteract climate change.

HOW IS ENGELBERT STRAUSS COMMITTED TO THE CLIMATE?

We are working on finding more eco-friendly solutions, particularly when it comes to logistics, mobility and office buildings. We have already achieved a great deal in these areas in recent years.

SUCH AS?

We use climate-neutral shipping when sending products to customers. Our service provider GLS calculates the CO₂ emissions generated by sending out parcels. We offset these via GLS and the PRIMAKLIMA e.V. non-profit organisation in a certified forest conservation project on the island of Borneo.

From production to the warehouse, we mainly transport our products by ship and rail, reducing carbon emissions and costs in the process. We cut down on air and truck transports wherever possible.

We procure 100 % of electricity for all our business premises from renewable sources. Photovoltaic systems are in operation on the roofs of several of our business premises and workwearstores®. Any additionally required electricity has been procured from hydropower since 2016.

THE NEW CI-FACTORY OPENED IN LATE 2019. TO WHAT EXTENT DID ENVIRONMENTAL PROTECTION PLAY A ROLE IN ITS CONSTRUCTION?

We also installed a photovoltaic system on the roof of our new production facility in Germany to provide green power. It has an output of 800 kWp, corresponding to the consumption of around 200 homes. A combined heat and power plant (240 kW output), heat recovery in the ventilation systems and other measures ensure economical and efficient energy usage. There is also plenty of colour around the CI-Factory thanks to the large flowering meadows created over the 86,000 m² plot. These provide a habitat for insects, especially bees.

WHAT ARE THE BIGGEST FUTURE CHALLENGES?

There is still a lot to be done. Most of the energy consumption and emissions in relation to Engelbert Strauss workwear result from production – especially the production sites located in Asia. We have limited influence there, as these are not our own companies, but production partners. Nevertheless, we have set ourselves the challenge of limiting the effects on the climate there, too, going forward.





○○○ COMMITMENT LOCALLY AND WORLDWIDE

Above and beyond our entrepreneurial activities, we seek to make a useful contribution to society. We believe that nothing is more sustainable than education and development – in Bangladesh and on our own doorstep. That is why we get involved in educational projects in countries in which our products are manufactured, such as the university cooperation in Bangladesh. We also play our part in fostering and developing skills and talents locally.

SOCIETY



TALENT DEVELOPMENT, INCLUSION AND EDUCATION

○○○ HOW DO WE GET INVOLVED IN OUR OWN REGION?

Engelbert Strauss supports the work of the antonius: gemeinsam Mensch foundation not far from our headquarters in Biebergemünd, Germany. This is based on an inclusive concept that enables people with a disability to lead a self-determined life, improves their chances of making a good start in life, boosts their prospects and helps them to participate in society.

WHAT IS SPECIAL ABOUT THE ANTONIUS: GEMEINSAM MENSCH CONCEPT?

The work of the antonius: gemeinsam Mensch community foundation is based on the principle that every person is of equal worth, is capable of learning and has strengths and talents. We all need space and support in order to discover our abilities and grow. That is why the foundation is committed to ensuring that people with a disability are given a better start in life and enjoy a higher standard of living. To this end, the antonius foundation develops innovative projects in all areas of life. These include living, working and leisure initiatives as well as early intervention and education programmes. antonius integrates people with a disability into the working world in many areas – from the market garden and GestaltenWerk workshop through to the shop café, kitchen, bakery and its own farm with direct sales to the public. People with and without disabilities live, learn and work together, bringing to life the vision that everybody is accepted as they are and can fully contribute with their strengths and weaknesses.

WHAT IS ENGELBERT STRAUSS' ASSOCIATION WITH ANTONIUS?

We have maintained close ties with antonius for years. Back in 2015, our company donated over a million euros to fund the construction of a new school building to house the Antonius von Padua Schule in Fulda. Engelbert Strauss has also made a significant financial contribution to a new building named 'mittendrin' (fully integrated). Beyond our financial commitment, we also greatly value the exchange element of this cooperation – for example, our apprentices regularly visit the aforementioned primary school, the antonius farm and the GestaltenWerk workshop as part of the

'SeitenWechsel' (change of perspective) project day. In 2019, our team leaders received training at antonius within the scope of a development programme for managers.

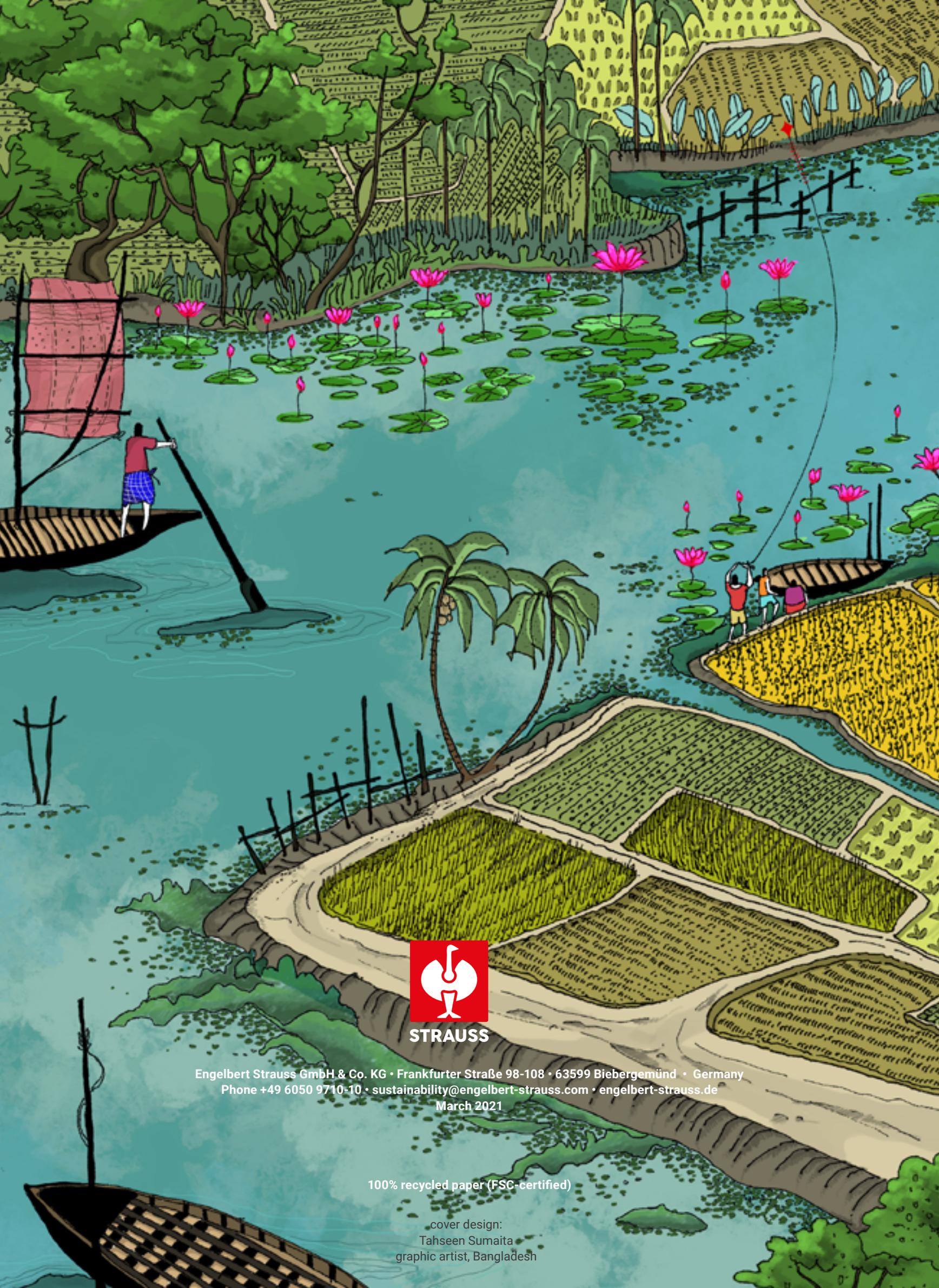
WHAT IS THE STORY WITH THE 'MITTENDRIN' BUILDING?

Construction work on the 'mittendrin' building began in September 2018. The building was then completed and opened in May 2020. The various offerings within the 'mittendrin' facility are now enabling people with a disability to develop their strengths and abilities in everyday life, with a clear focus on furthering their talents. The largest part of the building is taken up by the adult day centre. This is where people with the most severe multiple disabilities are given targeted support aimed at facilitating their participation in working life. The top floor houses six apartments. This is particularly practical for students and young people who have to travel long distances each day and need accommodation close to school – or who want to move out of the family home in order to gain more independence. There are also seminar rooms as well as family and school support areas.

"The 'mittendrin' building enables people with severe multiple disabilities to play their part in society and lead a self-determined life. We are delighted to be able to support this concept."
Steffen Strauss

HOW DO ANTONIUS AND ENGELBERT STRAUSS COOPERATE AT A PERSONAL LEVEL?

We never stop learning – which is why we have been giving our team leaders the opportunity to participate in a development programme for managers offered by the antonius: gemeinsam Mensch foundation. The programme aims to foster exchange and encourage managers to embrace a different perspective. It gives the participants a new perception of how different potential can be recognised and released by focusing on strengths rather than weaknesses. And since we don't want to reserve such new insights for our managers, our apprentices have also been able to benefit by taking part in a 'SeitenWechsel' project day at an antonius centre and working alongside people with a disability as they go about their tasks.



STRAUSS

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