



Fair Wear Foundation

**Management system audit report**

**Expresso Fashion B.V.**

**21 September 2010**

***FWF member since: the 1<sup>st</sup> of February 2004***

***Sources of information***

A: Database FWF

B: Annual report and work plan

C: Archived documents

D: Benny Garcia (General director)

E: Laura Hein (CSR / contact person for FWF)

F: Mariëlle Wagemaker and Carolien Koenen (Sourcing/Production )

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Fair Wear Foundation

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Fair Wear Foundation

## 1. Introduction

In September 2010 Fair Wear Foundation (FWF) conducted a management system audit (MSA) at Espresso Fashion B.V. The MSA is a tool for FWF to verify that Espresso Fashion B.V. implements the management system requirements for effective implementation of the Code of Labour Practices, as specified in the FWF Charter.

Starting point for the MSA has been the work plan for 2010. FWF tailored the MSA to the specifics of the management system of Espresso Fashion B.V. in order to assess the key issues of interest. During the MSA, employees of Espresso Fashion B.V. were interviewed and internal documents have been reviewed.

FWF developed this report on the basis of findings collected during the MSA. The report contains conclusions, requirements and recommendations. If FWF concludes that the management system needs improvement to ensure effective implementation of the Code of Labour Practices, a requirement for improvement is formulated. The implementation of required improvements is mandatory under FWF membership. In addition, FWF formulates recommendations to further support Espresso Fashion B.V. in implementing the Code of Labour Practices. The numbering of the requirements and recommendations correspond with the numbers of the conclusions.

This report focuses on those aspects of the management system of Espresso Fashion B.V. that have been identified as key areas of interest for 2010. As FWF approaches the implementation of the Code of Labour Practices as a step-by-step process, it is well possible that MSA reports of subsequent years will focus on different aspects of the management system.

FWF will publish the conclusions, requirements and recommendations of all MSAs on [www.fairwear.org](http://www.fairwear.org). The annex with detailed findings will remain confidential. FWF encourages Espresso Fashion B.V. to include information from the MSA report in its social report.



## 2. Executive summary

Expresso Fashion B.V. (hereafter called “Expresso”) has been a member of Fair Wear Foundation since 2004. It has established long term relationships with suppliers which represent at least 90% of its total purchasing volume. Approximately 15% of Expresso’s purchasing volume was produced in low risk countries such as Poland and Lithuania.

Since the last Management System Audit (MSA) in April 2009, Expresso had audited one supplier in Bulgaria (representing 30.6% of the total production), two subcontracted factories in Turkey (approximately 11%), and two Chinese suppliers (about 9%). Audits conducted from 2008 to 2010 have covered more than 90% of Expresso’s total production, which met the requirement of Fair Wear Foundation(FWF).

At Expresso both production department and CSR department were responsible for activities in the process of monitoring working conditions in factories. Production managers visited suppliers regularly and were familiar with working conditions at most suppliers. Expresso used agents to follow up with Corrective Action Plans (CAPs) in Bulgaria and Turkey. Expresso has recently hired a new CSR manager to communicate with FWF.

Expresso was responsive to complaints filed by workers. In 2008 a worker of a Chinese supplier complained that workers’ wages were not paid in line with local law and overtime was excessive. Expresso hired a local consultant to help the factory carry out the CAPs. The work of the consultancy firm was initiated in August 2009 and concluded in March 2010. Progress has been made in the past two years. According to the recent audit in September 2010, all workers were found to receive at least minimum wage, and received the legally required rate for overtime work. The audit also demonstrated that the factory had not yet set up a functioning voluntary overtime system, and that excessive overtime still took place. FWF and Expresso agreed that Expresso would take action to assess the root causes of excessive overtime with the factory and seek cooperation with its other customers.

In Bulgaria, the latest audit result showed that the supplier had made major improvements. The supplier had improved OSH protection. Discrimination had been eliminated. Wages were above minimum requirement and at industrial best practice level. The factory did not maintain time records for overtime, though workers expressed that they worked 8-10 hours per day from Monday to Saturday. Expresso also discovered that the factory had subcontracted a significant proportion of its work to smaller factories.

Audits in Expresso’s two steady subcontracted factories (2<sup>nd</sup> tier suppliers) in Turkey showed that little improvement had been made after the audit in 2009. Overtime hours were not recorded properly and was not paid according to local law. Not all workers were covered with social security. Awareness of collective bargaining and freedom of association was low among workers. At one factory where overtime was excessive, Expresso was discussing with the 1<sup>st</sup> tier supplier on giving a longer lead time.

### 3. Positive findings

**Conclusions**

1. Espresso values long term relationships with existing suppliers and has maintained a stable group of suppliers.
2. Espresso cooperated with two other FWF members and conducted a shared audit at a common supplier in China.

### 4. Sourcing

**Conclusions**

1. Espresso aimed to build stable and trustworthy relationships with most of their suppliers. It did not switch suppliers to maximise profit margins. Due to production needs, Espresso planned to identify new supplier(s) next year. Social compliance, price, quality and delivery time were equally important in choosing a new supplier. Espresso would inform new suppliers upfront on Espresso's social and environmental requirements.
2. Espresso claimed that it has made efforts to reward suppliers which perform better in social compliance. In a factory in China, Espresso increased the amount of orders when overtime was reduced with the help of a local consultant. However, there was no formal documentation neither written policy on how to systematically apply this strategy to the overall supply chain. Espresso planned in 2009 to develop a quality manual, which would have included social requirements and sourcing policy. Due to the change of CSR manager in the company, the plan has not yet been followed up.
3. Lead time and its relation with overtime for workers in factories were discussed with suppliers. Espresso assessed how it could revise its internal inventory system to offer factories more flexibility in delivery times, which could help avoid excessive overtime.
4. Payment of living wages has not yet been included as a factor in price negotiation.

**Recommendations**

2. A written sourcing policy to be provided to suppliers would help Espresso to systematically and effectively implement the Code of Labour Practice (CoLP). It will also significantly support the work of the new CSR manager. The sourcing policy should include: labour standards of FWF, the self-reporting system of factories to follow up CAPs, as well as a specification of how Espresso would reward its suppliers based on good performance on social compliance.
4. Espresso should take an active role in discussing with their suppliers on living wages. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wages, such as local minimum wage, Asia Floor Wage, collective bargaining wage and industrial best practice wage are provided in the wage ladder. The wage ladder is included in FWF's audit reports. It demonstrates the gaps between workers' wages at a factory and living wages demanded by major local stakeholders. Espresso can use the wage ladder to document, monitor, negotiate and evaluate improvements in wages at its suppliers.

## 5. Coherent system for monitoring and remediation

### *Conclusions*

1. The supplier register maintained internally by Espresso corresponded with the supplier register in FWF's database.
2. Since the last MSA in April 2009, Espresso had audited one supplier in Bulgaria (representing 30.6% of the total production), two subcontractors in Turkey (approximately 11%), and two Chinese suppliers (about 9%). Audits conducted from 2008 to 2010 have covered more than 90% of Espresso's production. Two factories from China and India which produced more than 2% of Espresso's total production have been audited by other customers of these factories. Espresso had not obtained the recent audit reports.
3. Production managers of Espresso paid regular visits to ready-made garment suppliers in China, Turkey and Bulgaria at least annually. The production manager responsible for ready-made garments follows up CAPs in China. Espresso was familiar with the current situation and progress made by manufacturers in China.
4. Agents followed up CAPs in Bulgaria and Turkey on behalf of Espresso. The agent in Turkey has not been able to present the actual situation of the factory to Espresso. According to FWF's record, CAPs follow-up reports given by the agent showed that they had limited knowledge in labour standards. It is also noticed that working condition in the factories in Turkey have not been significantly improved.
5. CMT(Cut, Made&Trim) factories in low risk countries, such as Poland and Lithuania, were visited less than once a year. The factory in Lithuania was a former member of FWF. The factories in Poland had been audited in 2006.

### *Requirements*

2. Suppliers of own production who supply 2% or more of the Espresso's total turnover stated in the factory register, must also be audited. In case these factories have already been audited by any initiative other than FWF, the full audit reports should be obtained. Espresso is expected to discuss it during visits to the factories.
4. CAPs follow-up report from Turkey provided by the agent did not meet FWF's standards. Espresso should consider self-monitoring by trained staff for these factories. In case Espresso wishes to use the agents to follow up, it should provide capacity training to the agents on FWF's Code of Labour Practice.
3. As part of FWF's low-risk policy, Espresso should discuss FWF Code of Labour Practices during their visits to factories located in Poland and Lithuania. Since the supplier in Lithuania was not a FWF member, Espresso should ensure the factory continue to inform workers on FWF complaints procedure. Issues regarding CoLP should be systematically raised in the course of factory visits.

## 6. Complaints procedure

### *Conclusions*

1. Ms. Laura Hein, FWF's main contact person in Espresso has been designated to handle complaints received from workers at the suppliers.
2. Espresso has acted to resolve two complaints from workers working in its suppliers

since last MSA. Both complaint reports are available on FWF's website. One of these complaints was received in 2008 from China. A worker stated that overtime during weekdays was mandatory. Overtime premium was paid at a lower rate than legally required. Salaries were not paid within the legally prescribed period. In addition, workers did not know how salaries were calculated. Espresso responded to the complaint by commissioning a local consultant to implement management and workers training in the concerned factory. The project was concluded in March 2010. FWF verified the improvements in September 2010. It was found that overtime premium has been paid according to local law, salaries have been paid regularly and workers have been informed about wage calculation. Working time was still above 60 hours per week. The factory has not established a system to allow voluntary OT. The supplier expressed that flexible lead time will help them to reduce overtime.

3. A complaint in Tunisia was filed in February 2010. A worker complained that some workers were fired unjustly, and salary payment was not made on time. Espresso discussed with the factory management timely. An investigation was carried out by FWF in April. The investigation pointed out that the factory did not extend contracts with several workers, whose contracts were expired. Salary payment for January was late but had been paid before the investigation. Thus no further step was needed.

### **Requirements**

2. Espresso should discuss with the factory further to analyse the root causes of overtime. Internally, the factory could evaluate its own efficiency and seek opportunity for improvement. Externally, since Espresso accounted for 30% of the production in the factory. Longer lead time from Espresso might result in a significant change in reducing overtime. Both Espresso and the factory could further discuss OT and lead time with two other main customers, whose orders accounted for 25% of the total production respectively.

## **7. Improvement of labour conditions**

### **Conclusions**

#### **1. Turkey:**

The supplier in Turkey used two subcontracted workshops. They were both audited in 2008 and a number of violations were found. New FWF audits were conducted at these subcontractors in September 2010. Results showed that only few problems on OSH had been addressed. Overtime hours were not recorded properly. Overtime premium was not paid according to local law. Not all workers were covered with social security. Awareness of collective bargaining and freedom of association was low among workers. At one factory where overtime was excessive, Espresso was discussing with the 1<sup>st</sup> tier supplier on giving a longer lead time.

#### **2. China:**

Espresso has three suppliers in China. Espresso has worked on increasing wage and social insurance coverage of workers in one factory, where it had received a complaint in 2008. Improvements were made and verified by FWF in September 2010. (Please refer to chapter 6 on details of the improvements.) Another supplier was a common supplier with two other FWF members. All three members had conducted a shared audit in the factory in September 2010. The audit report for that factory was not yet available at the time of the MSA. No audit from Espresso has been done at the third supplier.

#### **3. India:**

The supplier in India produced only 2.8% of Express's total production in 2009. It was not Espresso's high priority. Working condition was not known by Espresso, since it



trusted the monitoring system of Reebok (another buyer of the supplier) was effective. Since Reebok might have stopped producing in the factory, Expresso would audit the factory in the future.

4. Bulgaria:

The latest audit result showed that the supplier in Bulgaria had made major improvements. The supplier had improved fire safety, reduced level of noise at the workshop, and installed needle guards for sewing machines. Discrimination, which was found in 2008, had been eliminated in the factory, according to workers' interviews. Wages were above minimum wage and at industrial best practice level. The factory did not maintain time records for overtime, though workers expressed that they worked 8-10 hours per day from Monday to Saturday. Overtime does not exceed required limit. Expresso planned to reward the factory with more work. At the same time, Expresso discovered that the factory had subcontracted a significant proportion of its work to smaller factories. It is now in discussion with the factory on regularising the subcontractors.

5. Tunisia:

The most recent audit at the supplier in Tunisia was conducted in 2008. According to the report, one 15 years old apprentice worker was found to have no apprentice contract. Not all wages of workers were paid based on their qualifications and functions according to the scale of the CBA. If workers had not reach the daily production quota, they needed to work an extra hour without payment. Overtime calculation was not in line with local law. Apprentices got only 1.5 days of paid holiday instead of 2 days per month as prescribed by law. Several OSH problems were also found during the audit. Expresso has made regular conversation with the factory and it believed that all problems had been solved. Expresso commented that there was no urgency to audit this factory in 2010.

6. Low risk countries (Lithuania and Poland):

Expresso has worked with a supplier in Lithuania which was a former FWF member. Expresso planned to move away from this supplier since there were problems regarding delivery time and quality. In Poland, Expresso did not visit the factory annually, as it believed that the factory was a reliable long-term partner.

### **Requirements**

1. Turkey:

Expresso should improve its method of following up CAPs, since little improvement had been made at the subcontractors. Expresso should organise a discussion with the agent, the 1<sup>st</sup> tier supplier and the two subcontractors as soon as possible. Expresso should identify its role on supporting the suppliers to improve working conditions. OSH issues such as fire safety should be addressed immediately. Wage and overtime problems should be included in pricing and lead time negotiation. A plan should be drafted to evaluate the improvement for 2011.

3. India:

Since the Indian supplier produced more than 2% of Expresso's production, it should be audited. Expresso is expected to acquire recent audit reports from the supplier and discuss follow-up plans.

4. Bulgaria:

Expresso should discuss with the supplier directly to obtain the names and addresses of all subcontractors. Expresso's supplier register should be updated and all subcontractors should be included in the supplier register. The subcontractors should be audited.



5. Tunisia:  
Expresso should maintain follow up reports if this factory and update with FWF regularly. According to FWF manual for affiliates, audits should be carried out at least annually if major violations of labour standards are found.

6. Low risk countries (Lithuania and Poland):  
Expresso should at least ensure that the CoLP has been posted on the factory and accessible for workers. If Expresso does not visit the factory annually, it could discuss with the suppliers on phone and require them to provide photos of the CoLP being displayed.

## 8. Training and capacity building

### *Conclusions*

1. Expresso has not made any plan to train office staff on FWF's Code of Labour Practices, since most staff were familiar with it. The CSR manager in Expresso was interested in FWF's future CSR workshops.
2. The agent in Turkey were not well guided to follow up CAPs.
3. All 1<sup>st</sup> tier manufacturers were informed about FWF's Code of Labour Practices.

### *Requirements*

2. Expresso should provide more support to and guide the agent on following up CAPs, if they would be used to monitor factories.

### *Recommendations*

1. Since Expresso recently recruited a new CSR manager, it is recommended that she participates in FWF's training for company staff to get more familiar with FWF's work. FWF is organising a training programme in 2011 to help companies to develop their management system, which supports effective cooperation with suppliers in order to sustainably improve working conditions. More information can be obtained on FWF's website soon.

## 9. Information management

### *Conclusions*

1. Expresso has a procedure to keep supplier register up to date.
2. There is no formal system to keep information of CAPs follow up reports and communications between Expresso and the factories.

<b>Requirement</b>
2. A simple but effective system should be established to collect information on the status of CAPs in factories. CSR manager can keep regular email or phone conversation with factories to discuss issues. Production managers can provide up-to-date information or verified data to CSR department, if they visit the factory. A simple logbook can be developed as a tool to record communications for both CSR and production managers.

## 10. Transparency

<b>Conclusions</b>
1. FWF membership was announced on Espresso's website to inform consumers. Annual reports were available in Espresso's corporate website. Espresso sent out a newsletter to their regular customers. Espresso's commitment to FWF's Code of Labour Practices was also reported in its newsletter.

## 11. Management system evaluation and improvement

<b>Conclusions</b>
1. Espresso did not have a formal plan to evaluate its work.

<b>Requirements</b>
1. Espresso is expected to collect feedback from its suppliers, critically review the effectiveness of the activities conducted this year regarding implementation of CoLP, revise the activity plans where necessary and define the next steps. The evaluation and future plan should be included in the workplan for 2011.

## 12. Basic requirements of FWF membership

<b>Conclusions</b>
1. Espresso submitted its work plan and annual report on time. 2. Espresso had paid its membership fee for 2010.

## 13. Recommendations to FWF

<b>Recommendations</b>
FWF should communicate more to the public on its work and its progresses.

## Annex: Factory improvement sheets

Turkey:

	<b>Summary of most important findings from FWF audits in the same factories (October 2010) carried out on behalf of Espresso in Turkey.</b>	<b>Summary of most important findings from FWF audits in the same factories (June 2009) carried out on behalf of Espresso in Turkey.</b>	<b>Summary of most important findings from FWF audits (September 2008) carried out on behalf of Espresso in Turkey.</b>
<b>Workers interviews</b>	No off-site workers interviews were conducted prior to the date of the audit since it was third audit in this workshop. Half of the workers were interviewed individually. Group discussions were organised in both factories during the audits.	All workers of both factories were interviewed.	Since both factories were small workshops with less than 20 employees, over 80% workers were interviewed prior to the date of the audit. Individual worker interviews were held with randomly selected workers of the factory.
<b>Documentation</b>	Work license and work permit were missing in both factories.	Work license and work permit were missing in both factories.	Work license and work permit were missing in both factories.
<b>Sourcing practices (price, leadtime, quality requirements)</b>	Factory management said that some improvements could not be done without the support of the buyer.	not part of this audit	Not part of this audit.
<b>Monitoring system of FWF member company</b>	Workers were given a training on CoLP, but it was not sufficient and was not followed up.	FWF CoLP was posted but contact information of local complaints handler was not included in the document.	FWF CoLP was posted but contact information of local complaints handler was not included in the document.
<b>Management system factory to improve labour standards</b>	The 1st tier supplier did not have a system to monitor and improve the conditions in the two subcontractors.	Management had received the CoLP from the agent, but workers were not aware of the FWF CoLP.	Management had received the CoLP from the agent, but workers were not aware of the FWF CoLP.
<b>Communication, consultation and grievance procedure</b>	No log book was kept for the grievance system.	Not part of this audit.	Not part of this audit.
<b>Employment is freely chosen</b>	No non-compliance found	No non-compliance found	No non-compliance found
<b>No discrimination in employment</b>	No non-compliance found	No non-compliance found	No non-compliance found

<p><b>No exploitation of child labour</b></p>	<p>No child labourers were found. There were two juvenile workers in one of the factories, who had no young worker contracts and worked OT as regular adult workers. There were no formal recruitment policy in either factories.</p>	<p>No child labourers were found. One juvenile worker had to work OT as regular adult workers.</p>	<p>One 15-year-old worker was found in a factory. Three historical child labourers were found in total in these two factories. At one factory juvenile workers aged 16 to 18 were found to have worked overtime.</p>
<p><b>Freedom of Association and the Right to Collective Bargaining</b></p>	<p>Workers were generally unaware of their rights at work and specifically about the right to organise and bargain collectively.</p>	<p>No functioning worker representation structure existed in the factories. There was no written grievance procedure. Workers were not aware of their rights to collective bargaining and organising.</p>	<p>No functioning worker representation structure existed in the factories. There was no written grievance procedure. Workers were not aware of their rights to collective bargaining and organising.</p>
<p><b>Payment of a Living Wage</b></p>	<p>Two workers were found being paid below minimum wage in one factory. There were no payslips provided to workers. There was no OT record. OT during national holidays were not paid.</p>	<p>Four and five workers were found being paid less than minimum wage in two factories respectively. There were still no payslips. There was no OT record and the calculation of OT premium was wrong. Part of OT premium was paid but working on Saturday was not paid.</p>	<p>Wages were above minimum wage level. There were no payslips provided to workers. There was no OT record, thus it is not possible to conclude whether the factories had paid OT premium according to local law. Workers were not allowed to take paid annual leave.</p>
<p><b>No excessive working hours</b></p>	<p>The system to document OT was not used properly. Findings of workers interviews showed that the factories operated about 50.5 hours per week, which was exceeding the legal 45-hours/week limit.</p>	<p>There is a timeclock in the factory but it was not used properly by workers. The factory operated about 50.5 hours per week, which was exceeding the legal 45hours/week limit.</p>	<p>There was no system to document OT. Findings of workers interviews showed that the factories operated about 50.5 hours per week, which was exceeding the legal 45-hours/week limit.</p>
<p><b>Occupational health and safety (only major problems required urgent action are listed here)</b></p>	<p>Compressor was placed inside the factory and not covered. Exit doors in both factories opened inwards. Annual fire evacuation drill and fire extinguisher rehearsal were missing. There was no document to record accidents happened in the workshops.</p>	<p>Exit doors in both factories opened inwards. Annual fire evacuation drill and fire extinguisher rehearsal were missing. There was no document to record accidents happened in the workshops.</p>	<p>Main findings in both factories were similar. There was no emergency response plans or trained factory fire fighting team. Obstacles were observed on emergency evacuation routes and exits. Exit doors in both factories opened inwards. Annual fire evacuation drill and fire extinguisher rehearsal were missing. Fire extinguishers were insufficient. Electrical wires were not isolated or covered properly. Electrical</p>

			systems of the workshops were not checked regularly. There was no document to record accidents happened in the workshops.
<b>Legally binding employment relationship</b>	25% to 53% workers were covered by social security in the two factories respectively. Not all personal files were kept complete. Some workers did not have copies of their employment contracts.	One more worker was covered by social security in the two factories respectively. Personal files were established. Workers were not given employment contracts.	Only 20% and 40% workers were covered by social security in the two factories respectively. Personal files and employment contracts were missing in both factories. A number of home workers were found without any formal employment status.
<b>Special remarks</b>	none	none	None.

China:

	<b>Summary of most important findings from a FWF audit (September 2010) carried out on behalf of Expresso in China.</b>	<b>Summary of most important findings from a FWF audit (October 2007) carried out on behalf of Expresso in China.</b>
<b>Workers interviews</b>	18 workers were interviewed prior to the date of the audit.	Workers interviews were conducted prior to the date of the audit.
<b>Documentation</b>	Most required documents were maintained.	Most documents were maintained.
<b>Sourcing practices (price, leadtime, quality requirements)</b>	The factory and the buyer should discuss on how to improve wages and decrease OT.	not part of the audit
<b>Monitoring system of FWF member company</b>	no issue.	not part of the audit
<b>Management system factory to improve labour standards</b>	The factory subcontracted embroidering process to other factories without informing Expresso.	not part of the audit
<b>Communication, consultation and grievance procedure</b>	The factory did not keep a register of complaints and suggestions of workers.	Through the FWF worker training program, workers were well informed about CoLP.
<b>Employment is freely chosen</b>	no non-compliance found	no non-compliance found
<b>No discrimination in employment</b>	no non-compliance found	no non-compliance found
<b>No exploitation of child labour</b>	no non-compliance found	no non-compliance found

<b>Freedom of Association and the Right to Collective Bargaining</b>	There was no independent union or workers committee which was run by workers without management involvement. Workers were not aware of their rights to organising.	The factory did not have any policy or practice against trade unions or freedom of association. There was no trade union or democratically elected workers representatives in the factory.
<b>Payment of a Living Wage</b>	Minimum wage and OT were paid in accordance with local law. Living wage was not achieved in this factory.	The company paid wage with more than one-month delay regularly. Wages for piece-rate workers did not meet the minimum requirements of the law. Piece-rate workers were not paid overtime wages or holiday wages according to the requirements of the law.
<b>No excessive working hours</b>	Total weekly working hour was up to 79 hours, which exceeded FWF's requirement. There was no system to ensure voluntary OT.	Workers did not have one day off a week. Occasionally workers could have one day off a month. A significant number of workers were working 8½ hours a day and another 3 hours in the evening for at least 3 times a week.
<b>Occupational health and safety (only major problems required urgent action are listed here)</b>	Some fire extinguishers and evacuation passages were blocked by production materials. One fire exit door was locked. No ergonomic programme was set up for workers.	Major passages were obstructed. There were not enough fire extinguishers. There were no labels in Chinese language for some chemical containers. First aid boxes in the dormitory were empty. Lighting on one workshop was not sufficient.
<b>Legally binding employment relationship</b>	30% workers were covered by government social insurance. The other 70% workers were covered by commercial accident insurance. Workers did not received a copy of their contract.	Most workers were offered an employment contract, but some workers did not received a copy of the contract.
<b>Special remarks</b>	none	none



Bulgaria:

	<b>Summary of most important findings from a FWF audit (September 2010) carried out on behalf of Espresso in Bulgaria.</b>	<b>Summary of most important findings from a FWF audit (September 2008) carried out on behalf of Espresso in Bulgaria.</b>
<b>Workers interviews</b>	20 workers were interviewed prior to the date of the audit	27 workers were interviewed prior to the date of the audit.
<b>Documentation</b>	There was no OT register.	There was no OT register.
<b>Sourcing practices (price, leadtime, quality requirements)</b>	no issue	Not part of the audit
<b>Monitoring system of FWF member company</b>	no issue	Workers were not informed about CoLP. Workers were not informed about the audit result in 2007.
<b>Management system factory to improve labour standards</b>	CoLP was posted at the main entrance and inside the factory. There were trained first aid and fire fighting personnel.	Not part of the audit
<b>Communication, consultation and grievance procedure</b>	There was a grievance box to receive complaints.	There was no complaints procedure.
<b>Employment is freely chosen</b>	no non-compliance found	no non-compliance found
<b>No discrimination in employment</b>	no non-compliance found	Some workers complained that they were insulted by the line manager. Some workers said that they received different payment for the same work. It was based on individual's friendship or kinship with the management.
<b>No exploitation of child labour</b>	no non-compliance found	no non-compliance found
<b>Freedom of Association and the Right to Collective Bargaining</b>	There was no workers representative or collective bargaining agreement.	There was no workers representative or collective bargaining agreement.

<b>Payment of a Living Wage</b>	Minimum wage and OT were paid in accordance with local labour law. Living wage was not achieved in this factory	Workers received at least minimum wages. There was no system to calculate OT payment. Workers complained that wages was low.
<b>No excessive working hours</b>	There was no official overtime register. OT happened occasionally.	According to workers interview, the factory operates on Saturday and some evenings occasionally. Since OT was not recorded, it was not possible to verify whether OT premium was paid.
<b>Occupational health and safety(only major problems required urgent action are listed here)</b>	All fire extinguishers were kept properly. Signs of emergency exits were updated. All relevant documentation regarding OSH were kept and updated.	Emergency exit lights were not installed. Level of noise at the buttoning department exceeded legal limit. Workers were not provided personal protection equipments. There was no accident record.
<b>Legally binding employment relationship</b>	no non-compliance found	There was no job description kept in workers' profiles. There was no written internal rules and regulations.
<b>Special remarks</b>	none	none