



BRAND PERFORMANCE CHECK

Espresso Fashion B.V.

PUBLICATION DATE: NOVEMBER 2015

this report covers the evaluation period 01-04-2013 to 31-03-2014

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on factory conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices. They evaluate the parts of affiliate supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with affiliate employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Expresso Fashion B.V.

Evaluation Period: 01-04-2013 to 31-03-2014

AFFILIATE INFORMATION	
Headquarters:	Diemen, Netherlands
Member since:	01-02-2004
Product types:	Fashion, Bags & Accessories
Production in countries where FWF is active:	Bulgaria, China, India, Macedonia, the former Yugoslav Republic of, Tunisia, Turkey
Production in other countries:	Greece, Italy, Morocco, Netherlands, Portugal
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	71%
Benchmarking score	67
Category	Good

Summary:

This report covers the period of April 2014 to March 2015. Espresso meets most of Fair Wear Foundation's management system requirements. Espresso systematically works towards resolution of corrective actions. After FWF audits, remediation steps were taken and follow up is being closely monitored. A total of 42% of Espresso's FOB purchasing volume is sourced from suppliers where a business relationship existed for more than 5 years. This, in addition to high leverage at suppliers and the stable relationships with suppliers, gives the company a strong basis for effectively improving working conditions.

Espresso should conduct more systematically due diligence when selecting new CMT and RMG suppliers and consistently document findings related to working conditions. The CMT suppliers are generally visited before production starts, but not all of the RMG suppliers are visited prior to production. Moreover, every CMT supplier has to sign a contract, committing to compliance with FWF and environmental norms, before starting production. The RMG suppliers, however, are not yet requested to sign this contract.

Espresso is making a serious effort to identify all production locations and include these in the monitoring system. Follow-up on CAPs should be shared by all staff responsible for relations with both CMT and RMG suppliers. In this regard, it should be noted that Espresso has recently developed a scoring tool, which is used by staff from different departments to assess suppliers on different aspects including social compliance.

Espresso's main production countries are Turkey, China, Macedonia, Bulgaria and Tunisia. Espresso has a relatively large number of suppliers, about 90, including both main suppliers and subcontractors. Espresso's sourcing model allows placing orders with suppliers that are only responsible for a small part of the production process (such as sampling or cutting), with other production processes (sewing, printing, washing) being outsourced to a myriad of small subcontractors. In turn, this increases the risks of CoLP violations. When possible, Espresso is advised to consolidate its supplier base; thereby favouring suppliers that are effectively making improvements in working conditions.

During the previous reporting year, Espresso effectively encouraged four suppliers, including subcontractors in Turkey and China to join the Workplace Education Programme. Espresso is encouraged to motivate more suppliers (and their subcontractors) in China and Turkey, but also in Tunisia and Macedonia, to join WEP trainings.

Espresso is also encouraged to continue its effort towards payment of living wages at the supplier in Macedonia. It is furthermore advised to draw lessons from the Macedonia living wage project and explore prospects for a similar approach with its other suppliers with which it has a long-term relationship and high leverage.

Espresso's monitoring percentage during the reporting year stands at 71%, which is well below the 90% required for members in 3+ years of membership. It should be noted, however, that several suppliers (accounting for 16% of Espresso's purchasing volume), were audited during the first quarter of 2012, which means these are just excluded from the monitoring percentage (which covers the period April 2012 - March 2015). With a benchmarking score of 67, and taking into account the audits and WEPs planned for the next financial year, FWF has decided to use its discretionary power and has awarded a Good status.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of affiliates will receive a 'Good' rating.

Needs Improvement: Affiliates are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Affiliates may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Affiliates who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Affiliates may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	66%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

Requirement: FWF recommends Espresso to further consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

Comment: About two-third of Espresso's FOB purchasing volume is bought from suppliers where it accounts for more than 10 % of suppliers' production capacity. At several of these, Espresso orders even account for more than 30% of suppliers' production capacity. This would allow Espresso to work effectively on the implementation of FWF's Code of Labour Practices (CoLP).

At the same time, the company has a large number of suppliers, including subcontractors, with smaller leverages due to specific requirements for expertise and machinery. Espresso supplier base in Turkey, but also in other East-European countries, consists of main suppliers (responsible for sampling or cutting), which, in turn, outsource to several subcontractors (some employing not more than 10 workers) that are responsible for other production processes such as sewing, printing or washing. This model brings additional risks and responsibility to monitor and remediate working conditions at large numbers of small suppliers. This was evidenced recently when Espresso was confronted with CoLP violations at subcontractors in Turkey.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	42%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	2	4	0
--	-----	--	---	---	---	---

Comment: A total of 42% of Espresso's FOB purchasing volume is sourced from suppliers where a business relationship existed for more than 5 years. With several suppliers, relations exist for more than 10, or even 15, years.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
--	-----	---	---------------------------	---	---	---

Comment: Espresso was able to demonstrate that all new suppliers are consistently requested to share the duly completed and signed CoLP questionnaires. The suppliers, and especially subcontractors, however, did not always return the signed forms in a timely fashion, though they usually responded after being chased for a couple times.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
---	-----	---	---	---	---	---

Requirement: A formal process should exist to evaluate the risks of labour violations in the production areas Espresso is operating. This evaluation should influence the decision on whether to place orders, how to prevent and mitigate risks, and what remediation steps may be necessary.

Comment: Espresso distinguishes between 'CMT - cut-make-trim' suppliers, for which Espresso sources the fabric, and 'RMG - ready-made garment' suppliers that source fabric and trims themselves. The CMT suppliers are generally visited before production starts, but not all of the RMG suppliers are visited prior to production. Moreover, every CMT supplier has to sign a contract, committing to compliance with FWF and environmental norms, before starting production. The RMG suppliers, however, are not yet requested to sign this contract.

During the last two years a considerable number of new suppliers were added. The decision to look for new suppliers is influenced by retail sales and is based, to some extent, on the existing relations of the responsible product manager with suppliers. Following a visit to identify new suppliers, company profiles of potential new suppliers were prepared. These profiles, however, did not take working conditions into account. Selected suppliers were subsequently requested to submit the CoLP questionnaire. When questionnaires indicate that social audits have taken place previously, the supplier is requested to share these. Based on the above, Espresso will discuss the current compliance status of the factories and the willingness of making improvements on labour conditions.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0
--	-----	--	---	---	---	---

Requirement: A systematic approach is required to integrate social compliance into normal business processes, and supports good decision-making. The approach needs to ensure that Espresso consistently evaluates the entire supplier base and includes information into decision-making procedures.

Comment: Espresso's supplier base has historically developed based on past performance, developments in retail sales and personal contacts of responsible staff. Moreover, several main suppliers outsource parts of Espresso orders to a multitude of subcontractors. This has led to a relatively large supplier base. Espresso has recently made an inventory of the suppliers per product group, which can be used as input for supplier consolidation.

Espresso CSR manager has recently developed a scoring system which requires different departments to score suppliers on different criteria, including quality, communication, delivery time, prices and social compliance. Espresso is now testing this system and started to allocate scores to some suppliers. But there is not yet a formal system to reward them for their performance.

1.6 The affiliate's production planning systems support reasonable working hours.	General or ad-hoc system.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	2	4	0
---	---------------------------	---	---	---	---	---

Recommendation: Espresso is advised to establish a system for sharing and updating forecasts with suppliers to facilitate their planning. The system may include assurance of early delivery of materials and trimmings to suppliers, ensuring samples are approved in time and that late changes are discussed with the supplier. A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

Comment: Espresso shared its planning system to its suppliers annually. Espresso is in constant dialogue with its suppliers enabling it to detect potential delays early and find a mutually agreeable solution. When a supplier cannot meet the delivery deadline, Espresso shows flexibility and does not apply penalties.

For CMT production, Espresso sources the fabrics itself, so it has certain level of control over the material delivery. Late delivery of the fabric remains the main cause for delays. A 'safety' margin of about a month is therefore taken into account to accommodate for late fabric delivery. When significant delay occurs, Espresso would fly in the goods and, depending on the reason of the delay, share the additional transportation cost with the suppliers. When samples were approved late, Espresso would take full responsibility and pay for the airfreight cost.

Espresso sometimes places flash orders, which need to be completed in a relatively short time frame. Espresso demands no insight into the available production capacity at its suppliers (for planning purposes), but simply ask its suppliers whether it can complete the order concerned by a certain deadline. Though Espresso shows flexibility, this may (at times) result in (excessive) overtime.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
--	----------------------	--	---	---	---	---

Recommendation: Espresso can develop more instruments or policies to deal with possible delays to avoid excessive overtime. Those instruments could include being flexible with delivery dates, prioritizing orders, offer support/flexibility for material delivery, ordering in low season etc. The outcomes of the root cause analysis can be used for identifying strategies that minimise the impact of its sourcing practice on working hours at other factories.

Comment: A FWF audit in 2014 showed that excessive overtime has occurred at a supplier in China, at which Espresso has very small leverage. Audits at two other suppliers did not find excessive overtime.

Expresso believes that late fabric delivery is the main reason for product delay, and probably also the reason why suppliers had to work overtime. However, Expresso feels it has limited influence on fabric delivery.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
--	----------------------	--	--	---	---	---

Recommendation: Expresso could support suppliers to increase transparency in costing and productivity. When Expresso is able to investigate further and determine more precisely the labour costs for its products, and determine daily/monthly production outputs of workers, it could have a better understanding whether its FOB prices support payment of at least minimum wages, and moving towards living wages.

Comment: Expresso does not operate in a very price-sensitive market. Prices are agreed upon in mutual consultation and Expresso tends to be flexible when suppliers demand a little extra. Expresso prefers to offer a reasonable profit margin to its suppliers.

For selected CMT products, Expresso knows the material cost and the production minutes. It is able to know how much is being paid to labour cost. For RMG products, it is difficult to know the labour costs because the factory sources the material itself. It does not share the detailed costing figures with Expresso. In such case, it is difficult to determine whether FOB prices suffice to pay at least minimum wages.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2
---	-----------------------------------	--	---	---	---	----

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0

Recommendation: Espresso is expected to take an active role in discussing living wages with its suppliers. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, Asia Floor Wage, collective bargaining wage and industrial best practice wages 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 stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

Espresso is encouraged to continue its effort towards payment of living wages at the supplier in Macedonia. It is also encouraged to draw lessons from the Macedonia LW project and try a similar approach with its other suppliers with which it has a long-term relationship and high leverage.

FWF advises companies to avoid the concept of a one-time charitable contribution, and strongly recommends Espresso to commit to a long term process that leads to sustainable implementation of living wages. FWF also recommends Espresso to seek collaboration with other brands sourcing at suppliers concerned, and develop a joint approach to improve wages. FWF is in the position to give advice on measures that need to be taken by the affiliates to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

Comment: Espresso has started a living wage project at a supplier in Macedonia, which showed transparency and was willing to share payroll information. Living wage costing sheets were prepared which helped to establish the amount needed to bridge the gap between actual and living wage salaries at the supplier. In turn, this can be used to determine the additional amount per product needed to allow payment of living wages.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 27

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	67%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	3%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	71%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2

Recommendation: To facilitate remediation, Espresso could consider:

- Hire a local consultant to follow-up on CAPs, assist factories in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars.
- Provide factory training.
- Share knowledge/material.
- providing financial support to the supplier for implementing improvements.

Comment: Espresso keeps track of progress on all CAPs from all audits, including FWF audits and third-party audits. The sustainability manager of Espresso shares the CAPs with suppliers and follows-up through e-mail communication. The sustainability manager also visits factories to raise awareness, discuss implementation and encourage factories to make improvements. The status of findings is monitored in a systematic approach with efforts that are coordinated between different staff, including product managers, which have influence over supply chain conditions. Proof of remediation work is collected by Espresso. Documents and pictures are filed in the CAP and the status of findings monitored during visits. Espresso 's suppliers had made improvements on occupational health and safety, e.g. installation of safety doors, and other issues, but issues regarding overtime and wages are more complicated and require more time.

Espresso used an agent in Turkey who systematically followed-up on CAPs. The agent, however decided to cease business operations, which made it more difficult for Espresso to follow-up effectively, especially when a large number of subcontractors are being utilized for Espresso production.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	74%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	3	4	0
2.4 Existing audit reports from other sources are collected.	Yes	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	1	3	0

Comment: When the returned questionnaire indicates that the supplier has been audited before, Espresso always requests audit reports to be shared.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
--	-----	---	--	---	---	----

Comment: The sustainability manager of Espresso shares the audit report with the supplier in a timely manner and indicates which improvements are to be made as a matter of priority

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
--	-----------------------	---	--	---	---	---

Recommendation: Based on a good understanding of specific country-related risks, Espresso staff responsible for sustainability, sourcing, production and product development should systematically investigate and monitor potential risk areas. Espresso is advised to develop practical tools to document findings and apply good practices consistently in the supply chains for both CMT and RMG products.

Comment: Drawing (mostly) from FWF country studies, as well as FWF audit reports, Espresso demonstrated a good understanding of the relevant country-specific risks. The challenge will be to devise a monitoring system to address these risks consistently throughout Espresso's supply chains. Knowing that Syrian refugees working at subcontracted workshops in Turkey is a specific risk, means that due diligence and monitoring efforts must be deployed to mitigate such risks. In this regard, it should be noted that Espresso's sustainability coordinator recently travelled to Turkey and visited several subcontractors.

Although Expresso has yet to establish systems to systematically identify and mitigate risks, it has demonstrated efforts to address country-specific risks at factory level. Expresso continued to involve suppliers in the Workplace Education Programme, which increases workers' awareness on their rights.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: Expresso is always willing to share information and collaborate with other FWF members. For a shared supplier in China, Expresso jointly followed-up on the corrective action plans of a FWF audit.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
--	-----	---	---	---	---	---

Recommendation: Espresso should visit all suppliers, including the subcontractors, in low-risk countries.

Comment: Four percent of Espresso's FOB purchasing volume is sourced from suppliers in low-risk countries, mainly Italy and Portugal. With the exception of some small subcontractors, all suppliers are visited on a yearly basis. Proof is available that the Worker Information Sheets are posted at suppliers concerned.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
--	---------------------------	--	-----------------------------	-----	---	---

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
---	---------------------------	---	---	-----	---	---

MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 19

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	0	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

Comment: Espresso checked the situation either through audits or factory visits. The production managers used FWF's Occupational Safety and Health checklist when visiting factories. The list included checking the posting of Workers information sheet. Pictures are consistently taken and kept on file.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	57%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
--	-----	--	--	---	---	----

Recommendation: Espresso can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, Espresso can use the worker information cards available for download on FWF's website.

Comment: At three factories audited in this reporting period, less than half of the workers were aware of the FWF helpline. Four suppliers had joined FWF's WEP, which helps to increase the awareness of workers.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	N/A	6	-2
--	------------------------	---	---	-----	---	----

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	-2
--	--	--	--	-----	---	----

COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 6

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: As Espresso has been a long term member of FWF, most senior employees have good knowledge of FWF requirements. Sales staff in Espresso stores have received a training/briefing on FWF membership and requirements. In addition, Espresso's sustainability coordinator periodically delivers a presentation to all staff on sustainability issues and FWF requirements.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
--	-----	--	---	---	---	---

Comment: The main responsibility regarding FWF requirements lies with Espresso's sustainability manager. Staff in charge of production and product development are briefed by Espresso's sustainability manager before factory visits and requested to follow-up on pending non-compliance issues. However, normally this is confined to the more easier to solve health and safety issues, while the more challenging issues, such as the use of subcontractors, overtime and living wages, receive less attention.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	-2
--	-----	---	---	---	---	----

Recommendation: Espresso may want to consider to hire a local resource person in Turkey to follow-up on FWF requirements. This could possibly be done together with Claudia Strater, which falls on the same parent concern 'FNG'.

Comment: Until recently, Espresso's agent in Turkey actively followed-up on FWF requirements in the local language. The agent, however, decided to cease business operations, which limits Espresso's possibilities to follow-up as frequently as before. The agent for a Chinese supplier needs more training on following up CAPs.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	24%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	2	6	0
---	-----	--	--	---	---	---

Recommendation: Espresso could motivate more suppliers (and their subcontractors) in China and Turkey, but also in Tunisia and Macedonia, to join WEP trainings.

Comment: Four suppliers in China and Turkey had joined FWF's WEP during the previous reporting year.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
---	----	--	---	---	---	---

Recommendation: Whenever Espresso contacts a new supplier, this new supplier must also be informed on the implications of FWF membership. All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace, FWF recommends Espresso to ensure suppliers participate in trainings or awareness raising programmes.

Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participation should be balanced and representative.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

Recommendation: At the very least, Espresso should demand total transparency from its main suppliers on the use of subcontractors. Due diligence must be exercised before production starts and subcontractors must be included consistently in Espresso's monitoring system.

Comment: In Turkey the use of subcontractors (sometimes not going beyond small informal workshops with 10 workers) is a widespread problem. Espresso's sourcing model, which allows placing orders with suppliers that are only responsible for a small part of the production process (such as sampling or cutting), promotes the use of large numbers of subcontractors. Though Espresso has a good understanding of subcontractors used, there is no system to prevent unauthorised suppliers and subcontractors. Having said that, Espresso consistently includes all known subcontractors in the database and has arranged FWF audits and WEP trainings at subcontractors' production locations .

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
--	-----	--	---	---	---	----

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

Comment: Espresso communicates about FWF through the company website, social media, and through publications such as the social report and the company catalogue. In addition, Espresso publishes a quarterly magazine that is, among others, used to report on sustainability issues. Furthermore, in the Espresso's stores a small booklet, that explains FWF membership requirements, is available for interested customers. Membership is described in correct wording.

6.2 Affiliate engages in advanced reporting activities	Yes	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	1	0
--	-----	---	---	---	---	---

Comment: Espresso publishes the brand performance check reports on its website.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
---	----------------------------------	---	---	---	---	----

TRANSPARENCY

Possible Points: 4

Earned Points: 4

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The sustainability coordinator has frequent contact with the CEO to discuss sustainability-related issues including FWF membership requirements.

7.2 Changes from previous Brand Performance Check implemented by affiliate	100%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2
--	------	---	--	---	---	----

Comment: During the previous brand performance check there was one requirement related to a subcontractor, which failed to pay legal minimum wages. Espresso followed-up and, through its main supplier, tried to hold management of the subcontractor accountable for respecting the relevant local labour law.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

FWF should be mindful not to involve FWF member companies too often in international lobby activities towards governments of production countries.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	27	40
Monitoring and Remediation	19	29
Complaints Handling	6	7
Training and Capacity Building	6	15
Information Management	4	7
Transparency	4	4
Evaluation	6	6
Totals:	72	108

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

67

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

26-10-2015

Conducted by:

Koen Oosterom

Interviews with:

Marieke Weemaes, Sustainability Coordinator

José Hartong, Productiemanager CMT

Esther van Eijk, Marketing

Frits Helmstrijd, Director

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data.