



Brand Performance Check

Espresso Fashion B.V.

June 2013

This report covers the period Sep 2010 to Dec 2012*

* This report covers an extended period due to the transaction to the new brand performance check template. All performance checks in the future will cover only one financial year of the affiliate.

About the Brand Performance Check

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at multiple levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of the 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.

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.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The FWF Performance Benchmarking Guide provides more information about the indicators and is available for download.

Brand Performance Check Details

Date of Brand Performance Check 18-Jun-13

Conducted by: Juliette Li

Interviews With:

| | |
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| Benny Garcia | General Director |
| Erik de Boer | Sourcing Manager |
| Esther van Eijk | Formule Manager |
| Mariëlle Wagemaker | Product Manager RMG |
| Marieke Weemaes | Current CSR Coordinator (started in January 2013) |

Scoring

Affiliate Benchmarking scores and Performance Benchmarking categories will be published starting in 2014. During 2013, FWF will be testing out the new system and evaluating the appropriate threshold levels for Benchmarking categories.

Expresso Fashion B.V.

2013 Brand Performance Check

| Affiliate Information | | |
|--|---|---|
| Headquarters: | Amsterdam | The Netherlands |
| Member Since: | February | 2004 |
| Product Types: | Fashion & Accessories | |
| Production countries: | FWF Active Countries: Bulgaria, China, India, Lithuania, Macedonia, Poland, Romania, Turkey, Tunisia Other countries: Maritius | |
| Basic Requirements | | |
| Workplan for this evaluation period was submitted? | Yes | Must be submitted before start of evaluation period |
| Projected supplier register for this evaluation was submitted? | Yes | Must be submitted before start of evaluation period |
| Actual supplier register for this evaluation period has been submitted? | Yes | Must be submitted after the end of the evaluation period. |
| Membership fee has been paid? | Yes | |
| All suppliers have been notified of FWF membership? | Yes | |
| Scoring Overview | | |
| % of suppliers under monitoring | 80% | |

Summary

Expresso is in the process of implementing FWF's requirements. It has audited 80% of the total turnover. This has not reached the monitoring threshold of 90% as a requirement for being a FWF member for more than 3 years. Expresso should improve its monitoring practice in 2013 to monitor at least 90% of its total turnover. Expresso has demonstrate efforts to building long term relationships with suppliers and continuously improving working conditions at multiple production sites. In order to implement the Code of Labour Practices efficiently, Expresso should conduct root cause analysis on overtime at headquarter level and at the suppliers. It is also encouraged to provide more FWF trainings to suppliers and workers.

Purchasing Practices

| Basic Measures | | Comments |
|---------------------------------------|----|---------------------------------------|
| % of production in low-risk countries | 3% | Countries with relatively low risk of |

| Performance Indicators | Result | Relevance of Indicator | Documentation |
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| 1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity. | 50% | Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes. | Supplier register provided by affiliate. |
| 1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years. | 67% | Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions. | Supplier register provided by affiliate. |
| | <p>Comment: Maintaining long term business relationship is an important part of Expresso's sourcing strategy. The company has specific requirements on quality and social compliance. Expresso gives supports and sufficient time for suppliers to make improvements when there is a problem. It phases out a supplier when improvement cannot be made after being in the discussion for over one or two years. Expresso also tries to identify subcontracts and maintain same subcontractors over the years.</p> | | |
| 1.3 Labour conditions are considered when selecting new suppliers. | Yes | Including labour conditions considerations in selecting suppliers supports responsible business practices. | Documentation of decisionmaking process; e.g. checklists for buyers, emails, etc. |
| | <p>Comment: In the past two years, Expresso had added a few new suppliers in Macedonia and Turkey. In practice, the production staff familiar to FWF's requirements gave a visual inspection to the factory before an order was placed. FWF's CoLP was also discussed during the selection process of new suppliers.</p> <p>Recommendation: FWF encourage Expresso to standardise the process by developing a written policy on selecting new suppliers.</p> | | |
| 1.4 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. |
| | <p>Comment: All new suppliers have signed the CoLP and returned to Expresso.</p> | | |

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| <p>1.5 Company conducts audits at all new suppliers before placing orders.</p> | <p>Yes</p> | <p>An important due diligence step. Before placing production orders, affiliates should conduct an audit at all new suppliers to assess risks for CoLP violations.</p> | <p>Audit documentation; must meet FWF audit quality standards.</p> |
| <p>Comment: Espresso commissioned FWF's local audit team to perform audits at three new suppliers.</p> | | | |
| <p>1.6 Affiliate sources from an FWF factory member.</p> | <p>No</p> | <p>When possible, FWF encourages affiliates to source from FWF factory members. The small number of factories in the programme means sourcing from FWF factory members cannot be a requirement.</p> | <p>Supplier register provided by affiliate.</p> |
| <p>Recommendation: Espresso is recommended to consider working with FWF factory members in China.</p> | | | |
| <p>1.7 Percentage of production volume from factories owned by the affiliate.</p> | <p>0%</p> | <p>Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.</p> | <p>Supplier register provided by affiliate.</p> |
| <p>1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner.</p> | <p>Yes</p> | <p>A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.</p> | <p>Documentation of systemic approach: rating systems, checklists, databases, etc.</p> |
| <p>Comment: Production staff of Espresso are responsible to follow up on the Corrective Action Plans (CAPs). According to the production department, whenever possible Espresso places more orders at a supplier if it carries out the CAPs. If the supplier does not make improvement, it is possible that the staff hold back orders until its performance is up to the expectation. This practice is not implemented systematically to all suppliers. It is a challenge for Espresso as most suppliers have their respective unique speciality for certain products. Sometimes a style can only be made at one supplier.</p> <p>Recommendation: FWF encourage Espresso to research on a practical incentive scheme to evaluate all suppliers. The first step could be to develop an index on how and what to be evaluated. This can give suppliers a clear direction on what to work on.</p> | | | |
| <p>1.9 The affiliate's production planning systems support reasonable working hours.</p> | <p>General and ad-hoc system.</p> | <p>Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.</p> | <p>Documentation of robust planning systems.</p> |

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| | <p>Comment: In practice, Expresso announced annual production plan in advance to all suppliers. Although fabric delay occasionally happens, there is a standard production lead time for each supplier. As most suppliers have already worked with Expresso for a long period of time, production department of Expresso has the knowledge of production capacity of their suppliers. Based on good communication, suppliers can also apply for a late delivery if needed.</p> <p>Recommendation: FWF recommends Expresso to participate in the Well Made project by FWF in 2013. The project aims to raise awareness among designers, purchasers and sales staff on the impact of their day-to-day work on working conditions in supplier factories. The project could help Expresso to further reduce the risk of excessive overtime.</p> | | |
| <p>1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF.</p> | <p>100%</p> | <p>Excessive overtime is one of the most common labour rights violations in high-risk production countries. It is often caused by poor production planning by brands.</p> | <p>Audits conducted by FWF auditors; Complaints filed via the FWF worker helpline.</p> |
| | <p>Comment: Excessive overtime work is found at suppliers of Expresso.</p> <p>Requirement: Expresso should take adequate steps to reduce overtime at its relevant suppliers.</p> <p>Recommendation: Expresso is recommended to conduct a study involving relevant suppliers to understand the root causes of excessive overtime. Analysing and identifying priorities is the first step to address overtime. Based on the results, Expresso can first control factors that can be influenced by its own system.</p> | | |
| <p>1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime, if found.</p> | <p>Inadequate actions taken</p> | <p>Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.</p> | <p>Examples of root cause analyses and resulting changes in production planning/policy.</p> |

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| | <p>Comment: In the past several years, Expresso had done training in a Chinese supplier to reduce overtime. It also discussed with the suppliers in Turkey on the topic. However during the last two years, due to the absence of CSR coordinator, Expresso has not continued the discussion and did not take further action.</p> <p>Requirement: Expresso should investigate to what extent their buying practices influences the working hours at supplier level. A root cause analysis should be done to investigate which steps can be most effective to decrease overtime.</p> <p>Recommendation: FWF encourages Expresso to learn from the pervious experience and conduct OT root causes analysis at suppliers in which excessive OT was found. Expresso could start reducing overtime at suppliers which it has higher leverage. Expresso could first discuss with relevant suppliers on which are the factors contributing to excessive overtime and set goals on reducing overtime in one year. Factors related to the affiliates' purchasing practice, such as fabric delay or late approval of samples, should be addressed internally by the affiliate. Issues regarding factory's production practice, such as productivity or production planning, need to be improved by the factory. FWF can provide support to the affiliate and its suppliers by recommending local consultants. This process</p> | | |
| <p>1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.</p> | <p>Affiliate can demonstrate a pricing policy based on country level data. Minimum wage levels are known by affiliate in all production countries.</p> | <p>The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.</p> | <p>Formal systems to calculate labour costs on per-product or country/city level.</p> |
| | <p>Comment: Expresso believes that it should provide suppliers with a certain level of profit margin to allow local business development. Expresso expects suppliers to raise prices in case local minimum wage increases, which is already the general practice of the suppliers. Expresso does not have a policy to increase prices based on labour costs. Expresso's suppliers commented that the brand has paid above average for the products and it allowed at least minimum wages.</p> <p>Requirement: Expresso needs to estimate the labour cost of its garments based on at least legal minimum wages in the production countries. Expresso's pricing policy should make sure that its price enables its suppliers to pay at least minimum wages to workers.</p> <p>Recommendation: FWF suggests Expresso to develop a method to estimate labour cost of its regular products. In the end of 2013, Expresso could use the method to calculate labour costs for all products.</p> | | |

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| <p>1.13 Affiliate actively responds if suppliers fail to pay legal minimum wages.</p> | <p>Yes</p> | <p>If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.</p> | <p>Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.</p> |
| <p>Comment: Expresso considers this issue high priority. Most audits at suppliers of Expresso found the factory paid at least minimum wages. Payment lower than legal minimum wages was found at one factory in 2011. The issues were resolved due to Expresso's effort. This was verified by audits conducted in 2012.</p> | | | |
| <p>1.14 Evidence of late payments to suppliers by affiliate.</p> | <p>No</p> | <p>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.</p> | <p>Based on a complaint or audit report; review of factory and affiliate financial documents.</p> |
| <p>1.15 Degree to which affiliate assesses root causes and takes action on wages lower than living wages with suppliers.</p> | <p>Basic approach Affiliate discusses wage ladders with suppliers as part of the CAP follow up process.</p> | <p>Sustained progress towards living wages requires adjustments to affiliates' policies.</p> | <p>Wage ladders, correspondance with supplier, other relevant documentation.</p> |
| <p>Requirement: Expresso should take adequate steps to support suppliers in increasing wage towards living wage estimates by FWF key stakeholders.</p> <p>Recommendation: Affiliate is expected to take an active role in discussing living wages with their suppliers. 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 stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers. Expresso could start with factories which they have a good relationship and high production volumn to start implementing living wages.</p> | | | |

Monitoring & Remediation

| Basic Measures | | Comments |
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| % of own production under monitoring | 80% | Measured as a percentage of turnover. |
| Minimum monitoring threshold based on years of membership: | 90% (does not meet threshold) | 1 year: 40%; 2 years 60%; 3 years+: 90% |

| Performance Indicators | Result | Relevance of Indicator | Documentation |
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| 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 Degree of progress towards resolution of existing Corrective Action Plans. | Moderate efforts have been made to address most CAPs. | 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. |
| | <p>Comment: CSR coordinator of Espresso or other responsible staff discuss with suppliers to resolve problems in the CAPs. All communications are documented in the CAPs and emails. Espresso arranged follow up audits at the suppliers.</p> <p>Recommendation: Espresso could conduct a brand level root cause analysis on overtime, since overtime is found at most suppliers. This will help Espresso in addressing the issue more effectively.</p> | | |
| 2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year. | 100% | 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. |
| | <p>Comment: 1. 100% of suppliers located in high risk countries were visited by Espresso staff. 2. All factory audits were conducted by FWF local staff in the last two years. 3. Espresso had an appointed CSR coordinator in 2011 and 2012, who was ill and absent for a significant period of time. During the time another staff member was assigned to follow up on the work.</p> | | |

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| <p>2.4 Existing audit reports are collected.</p> | <p>Yes</p> | <p>Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.</p> | <p>Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.</p> |
| <p>Comment: Expresso collects audit reports from other initiatives occasionally.</p> <p>Recommendation: Expresso could use FWF's audit quality check list to evaluate the quality of audit reports collected. The audit quality checklist is on the website of FWF.</p> | | | |
| <p>2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner.</p> | <p>Yes</p> | <p>FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.</p> | <p>Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.</p> |
| <p>Comment: Expresso has a system to share Audit reports and CAPs with suppliers. Reports are shared within two months upon receipt. The company regularly discusses with suppliers to explain the CAPs, set timebound actions and update the progress of CAPs.</p> | | | |
| <p>2.6 A structured approach is used to address issues that occur at multiple suppliers.</p> | <p>No</p> | <p>Issues that occur in multiple factories often need to be addressed in a systemic manner, especially when the root causes are located in brand management choices or from regionally specific issues (e.g. fire safety, gender discrimination and harassment).</p> | <p>Documentation of a systemic approach: root cause analyses, productivity assessments, guidance documents, internal system changes, etc.</p> |
| <p>Comment: Expresso is discussing with individual suppliers to gather feedback and address issues on case by case basis.</p> <p>Recommendation: FWF recommends Expresso to identify one most pressing issue such as excessive overtime or payment of living wages in 2013. The company could conduct a root causes analysis or a local stakeholders consultation to start addressing the issues.</p> | | | |
| <p>2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers.</p> | <p>Affiliate shares information about CAPs with other customers.</p> | <p>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.</p> | <p>Shared CAPs, evidence of cooperation with other customers.</p> |
| <p>Requirement Recommendation Comment: Expresso shares information about CAPs with other customers.</p> | | | |

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| <p>2.8 Monitoring requirements are fulfilled for production in low-risk countries.</p> | <p>Yes</p> | <p>Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.</p> | <p>Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.</p> |
| <p>Comment: Expresso has notify its suppliers in low risk countries on FWF's Code of Labour Practices. The suppliers have completed the questionnaires. There is no formal system to ensure the posting of workers information sheets.</p> <p>Requirements: Expresso should visit all production sites in low risk countries annually. The factories in low risks countries should demonstrate to Expresso that it has posted the Code of Labour Practices. Expresso could request a photo report from the suppliers.</p> | | | |
| <p>2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)</p> | <p>N/A</p> | <p>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.</p> | <p>Questionnaires are on file.</p> |
| <p>2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)</p> | <p>N/A</p> | <p>FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.</p> | <p>Supplier register; Documentation of sales volumes of products made by FWF or FLA members.</p> |

Complaints Handling

| Basic Measures | | Comments |
|---|--|---|
| Number of worker complaints received since last check. | No complaint was received during this performance check period. | 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 |
| Number of worker complaints in process of being resolved. | No complaint is in process by the end of 2012. | |
| Number of worker complaints resolved since last check. | One complaint was resolved since the last check. The complaint was filed in 2009 at a supplier in China regarding excessive overtime and wage calculation. | |

| Performance Indicators | Result | Relevance of Indicator | Documentation |
|---|---|---|---|
| 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. |
| | Comment: The CSR coordinator is designated to address workers complaints. There is a standard process in place. FWF suggests Expresso to put the standard process on paper. | | |
| 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. |
| | Comment: Production staff of Expresso check whether the information sheet has been posted. CSR coordinator develops an individual checklist for each factory for production staff to follow up. | | |
| 3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline. | 60% | 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 | Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism. |

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| | <p>Comment: 10 factories producing for Espresso were audited since the last performance check. Workers at six of these factories know about FWF's Code of Labour Practices.</p> | | |
| <p>3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure.</p> | <p>Yes. Appropriate action has been taken. A CAP has been agreed upon with FWF and the supplier. Remediation is complete.</p> | <p>Involvement by the FWF affiliate is crucial in resolving a complaint at a supplier.</p> | <p>Documentation that affiliate has completed all required steps in the complaints handling process.</p> |
| | <p>Comment: FWF had conducted an audit in 2010 to verify the action Espresso had taken to address the complaint. The audit found that although excessive overtime is still an issue, the factory had made improvement in reducing OT. Besides, the complainant was informed about how his/her wages were calculated.</p> <p>Requirement: Espresso is expected to conduct a root causes on excessive OT at brand level.</p> | | |
| <p>3.5 Cooperation with other customers in addressing worker complaints at shared suppliers</p> | <p>No complaints were received during past year.</p> | <p>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</p> | <p>Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.</p> |
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Training & Capacity Building

| Performance Indicators | Result | Relevance of Indicator | Documentation |
|---|---|--|--|
| 4.1 Staff at affiliate 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. |
| | Comment: Staff of Espresso are aware of FWF's membership and requirements. The CSR coordinator has a column in the company newsletter, where she regularly updates readers (including own staff and consumers) on activities regarding FWF. | | |
| 4.2 Advanced training is provided to staff in direct contact with suppliers on CoLP requirements. | 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. |
| | Comment: All production managers of Espresso have attended the FWF affiliates seminar. | | |
| 4.3 Agents are informed of CoLP requirements and act to support their implementation. | 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. |
| | Comment: Agents are informed about the requirements of CoLP via correspondence. They have not attended formal trainings. | | |
| 4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume). | 30% | Lack of knowledge 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. |

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| | <p>Comment: Two suppliers in Turkey have participated in FWF's social dialogue programme. One supplier in Marcedonia supported FWF's productivity assessment for living wages. These trainings were considered as projects to start WEP. In the last two years Expresso has made efforts to convince its suppliers in China to join the WEP. It is now still in negotiation with the suppliers. Until the end of December 2012 Expresso suppliers have not confirmed their participation.</p> <p>Requirement: In order to further communication between employers and workers in the workplace, FWF developed the Workplace Education Programme in 4 priority countries. The affiliate should motivate its main supplier(s) to join WEP trainings.</p> <p>Recommendation: The affiliate is recommended to enrol a greater number of its suppliers in FWFs Workplace Education Programme (WEP), which offers trainings factories producing for FWF members. WEP trainings contribute to social dialogue between workers and management. The introductory training of WEP builds awareness of labour standards and strengthens dispute handling mechanisms.</p> | | |
| <p>4.5 Factory participation in trainings (where WEP is not offered; by production volume).</p> | <p>0%</p> | <p>In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own. Trainings must meet FWF quality standards to receive credit for this indicator.</p> | <p>Curricula, other documentation of training content, participation and outcomes.</p> |
| | <p>Recommendation: In order to further communication between employers and workers in the workplace FWF recommends affiliates to arrange trainings on their own in areas where the Workplace Education Programme is not yet offered. Trainings must meet FWF quality standards to receive credit for this indicator. Topmanagement, 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 participations should be balanced and representative.</p> | | |

Information Management

| Performance Indicators | Result | Relevance of Indicator | Documentation |
|--|--------|--|---|
| 5.1 Supplier register for the previous financial year is verified as being complete and accurate. | Yes | Any improvements to supply chains require affiliates to first know all of their suppliers. | Completed supplier register; Financial records of previous financial year. |
| 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. |

Transparency

| Performance Indicators | Result | Relevance of Indicator | Documentation |
|---|--|---|---|
| 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. |
| 6.2 Affiliate engages in advanced reporting activities. | No | 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. |
| | Recommendation: FWF recommends the affiliate to publish one or more of the following reports on its website: Brand performance check, Audit Reports, suppliers register. Good reporting by members helps to ensure the transparency of the affiliate and FWF’s work. | | |
| 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 brands to transparently share their efforts with stakeholders. | Report adheres to FWF guidelines for Social Report content. |

Evaluation

| Performance Indicators | Result | Relevance of Indicator | Documentation |
|---|------------|--|---|
| 7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management. | <p>Yes</p> | <p>An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.</p> | <p>Meeting minutes, verbal reporting, Powerpoints, etc.</p> |
| 7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate. | <p>83%</p> | <p>In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.</p> | <p>Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.</p> |
| <p>Comments: There were 12 requirements in the previous report in 2010. Expresso has taken actions to meet 10 requirements. It is still in the process of meeting two requirements.</p> <ol style="list-style-type: none"> 1. Expresso is expected to audit suppliers that are producing more than 2% of its total turnover. This is a requirement for brands that have been FWF members for more than 3 years. 2. Expresso is expected to conduct overtime root cause analysis at its suppliers. | | | |