



BRAND PERFORMANCE CHECK

Espresso Fashion B.V.

PUBLICATION DATE: MAY 2017

this report covers the evaluation period 01-04-2016 to 31-12-2016

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of 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 member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Expresso Fashion B.V.

Evaluation Period: 01-04-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Diemen, Netherlands
Member since:	01-02-2004
Product types:	Fashion, Bags & Accessories
Production in countries where FWF is active:	Bulgaria, China, India, Republic of Macedonia, Tunisia, Turkey
Production in other countries:	Italy, Morocco, the Netherlands
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
SCORING OVERVIEW	
% of own production under monitoring	81%
Benchmarking score	66
Category	Good

Summary:

Expresso Fashion has shown progress and met most of FWF's performance requirements. Its monitoring threshold of 81% is a big improvement compared to the last two years. To achieve this monitoring percentage, Expresso increased the number of FWF audits conducted at its production locations and continued to use external audit reports to address labour conditions. An important next step is to ensure that audits also occur at all production locations where more than 2% of production takes place, or where Expresso has over 10% leverage. The monitoring percentage, combined with a benchmark score of 66, means that FWF has awarded Expresso Fashion the 'Good' rating.

As of 2017, Expresso shifted its financial year, which means that this brand performance check covers the months April through December 2016. During these nine months, Expresso was able to consolidate its supply base, focusing on production locations where it had produced for over five years and production locations where it had high or increased leverage. As a next step, Expresso plans to reduce the number of production locations where it buys less than 2% of FOB.

The previous brand performance check included requirements regarding Expresso's due diligence process, mitigating excessive overtime at suppliers, CAP follow-up and monitoring in low-risk countries. Expresso showed progress on all these issues in 2016, specifically for its cut-make-trim (CMT) suppliers, as Expresso now has more control over the production process. The company can improve on these issues for its ready-made garment (RMG) suppliers, where it has less control. FWF recommends Expresso to consider these issues a priority in its monitoring and remediation efforts.

PERFORMANCE CATEGORY OVERVIEW

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

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

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

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

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	75%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: Espresso has made progress in optimising its supplier base by increasing the production volume that came from production locations where it buys more than 10% of production capacity to 75% in 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	32%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

Comment: In 2016, 32% of Espresso Fashion's production volume came from production locations where it buys less than 2% of FOB.

Recommendation: FWF recommends Espresso to further consolidate its supply base by limiting the number of supplier in its 'tail end'. To achieve this, members should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	59%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: In 2016, 59% of Espresso Fashion's production volume came from production locations where a business relationship has existed for over five year. This is a big improvement compared to last year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: The CSR department of Espresso Fashion has drafted a policy for the purchasing department outlining the process of bringing new suppliers on-board, including signing and returning the questionnaire with the Code of Labour Practices before the first bulk orders are produced. For the production locations where Espresso started in 2016 not all signed questionnaires had been returned yet, but during the performance check active follow-up could be shown.

Recommendation: FWF recommends to make sure the questionnaire with the Code of Labour Practices are returned before first orders are placed.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	Intermediate	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.	2	4	0

Comment: Before new production locations are selected Espresso visits the location. During this visit Espresso staff uses the FWF Health & Safety checklist, looks at previous audit reports and discusses the CSR approach of the production location. Part of Espresso's due diligence process is to only look for new suppliers within their current production countries, because the company is aware of the major risks and how to address these with suppliers.

Turkey is one of the sourcing countries for Espresso. In 2016, Espresso has given much attention to the issues related to Syrian refugees, through discussions with factory managers and agents.

Recommendation: It is advised to describe the process of assessing working conditions at potential new suppliers in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location 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

Comment: Within Espresso Fashion the purchasing team closely cooperates with the CSR team. Therefore, production locations' compliance with the Code of Labour Practice and attitude towards remediation influences production decisions. However, the evaluation is not yet done in a systematic manner.

Recommendation: Espresso is encouraged to develop an evaluation or grading system where compliance with the Code of Labour Practice and involvement in remediation of audit results are monitored and used as a criterion for future order placement.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: Throughout the year Espresso Fashion has four seasons and each season is split into four production planning cycles. This approach lessens the peak at suppliers at specific times. Suppliers are informed about the production planning and asked to indicate any problems they foresee. During production, purchasing managers are in weekly contact with each of its main production locations to monitor production to allow suppliers to indicate any possible problems or delays.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory, including its subcontractors, for regular working hours. This means Espresso is expected to collect this information from its different production locations and discuss the production planning system with its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: In 2016, 14 audit reports indicated excessive overtime. For each production location Espresso looked into the reasons behind this finding and tried to mitigate this. It turned out that the overtime happens more often at RMG suppliers, possibly because Espresso has less control over their production planning. So far Espresso has not addressed some of the root causes for this excessive overtime.

Recommendation: FWF recommends Espresso to discuss the causes of excessive overtime with factory management, especially the RMG suppliers, and provide support to manage overtime. If necessary, Espresso could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

FWF recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company'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

Comment: Sales prices for Espresso Fashion are set by the sales department. Then the purchasing department will ask for prices from the production locations. When the two do not match, Espresso evaluates the design and may make changes there to cut costs, rather than trying to negotiate lower prices. If no reduction is possible on product costs, Espresso will reduce its own margin to reach retail price target. This system allows for production locations to ask for a price that is high enough to cover legal minimum wages. However, other than through audit reports, it is difficult for Espresso to know whether suppliers pay legal minimum wages. Espresso tried in 2016 to get information about the build-up of prices but was unable to get this information. Suppliers seem reluctant to share the detailed costing figures with Espresso.

Recommendation: Increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF member companies 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

Comment: Audits in 2016 did not show minimum wage problems.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations 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 production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Comment: With a few factories Expresso Fashion has started to discuss the topic of living wages and the process to realise wage increases. This includes a costing analysis of a possible wage increase and discussing the possibility for open costing with production locations. In one factory in Macedonia, Expresso has already managed to increase the purchase price of the goods by 2-3%

Recommendation: FWF encourages Espresso to discuss with more suppliers about possibilities to work towards higher benchmarks. It is advised to start with suppliers where the member company has high leverage and long term business relationship. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give Espresso specific guidance on process roll-out on request.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	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 member company's score.	Supplier information provided by member company.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 25

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	79%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	2%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	No	Implementation will be assessed next BPC
Total of own production under monitoring	81%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% 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

Comment: Espresso fashion has a team designated to follow up on problems identified by the monitoring system.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. 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: Audit reports and CAPs are shared either directly with the factory or through the agent. Sharing CAPs through agents has caused some trouble in the past where factories were not aware of audit reports and CAPs. Since Espresso Fashion is now more and more using Google docs to follow-up, it can more closely follow the remediation process.

Recommendation: FWF recommends Espresso Fashion to check that agents have shared the audit reports and CAPs with factories and have shared the proposed timelines for improvements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	4	8	-2

Comment: Espresso Fashion could show active follow-up on existing Corrective Action Plans. The company uses the Excel format provided by FWF, also for external audits, to monitor progress. This Excel file is shared through Google docs, so suppliers can easily access it and provide feedback. Additionally, CAP follow-up is discussed whenever someone from Espresso visits a production location.

In 2016, all attention was geared towards addressing factory-level issues rather than root cause analyses.

Recommendation: FWF recommends Espresso to take a shared responsibility approach when addressing CAP resolution. To facilitate remediation, Espresso Fashion could consider:

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	64%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	3	4	0

Comment: Espresso Fashion aims to visit suppliers at least twice a year. During these visits focus lies on visiting agents and main production locations, rather than subcontractors.

Recommendation: FWF recommends Espresso to make sure production locations and subcontractors are also visited.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	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.	3	3	0

Comment: Espresso Fashion has collected existing audit reports from other organisations from their production locations. For each of these audit reports Espresso has assessed the quality and based on these assessment has drafted a corrective action plan. During the brand performance check Espresso was able to show some progress on these corrective actions.

Espresso indicated that is was difficult to do active remediation on existing audit reports from other organisations, because production locations found it difficult to understand why Espresso wanted them to go beyond complying with the standards of the organisation that had done the audit.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2

Comment: Part of Espresso Fashion's materials policy is the ban on abrasive blasting, which all suppliers are expected to comply with. Whenever Espresso visits a denim supplier it is checked that abrasive blasting is not taking place and when selecting a new production location that this is not using abrasive blasting. Espresso makes sure all internal staff are aware and complying with the materials policy.

Recommendation: In 2016 FWF has developed a risk policy focused on Turkey and the employment of Syrian refugees. FWF recommends Espresso to ensure it has incorporated this policy into its own supplier policies and monitors compliance.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances 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: Espresso Fashion shares several suppliers with other FWF members. In 2016 Espresso has actively cooperated with other FWF member companies in resolving corrective actions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

Comment: Espresso Fashion fulfills the monitoring requirements for 93% of its production volume from low-risk countries. Espresso visited all its production locations in low risk countries, except for the ones where production started in 2016. These new production locations have signed and returned the questionnaire.

Requirement: FWF requires Espresso to make sure production locations in low-risk countries are visited on a regular basis.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	None	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	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.	1	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	0%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	0	3	0

Comment: Espresso has one external brand it resells. This brand is not a member of another credible initiative.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 34

Earned Points: 24

Additional comments on Monitoring and Remediation:

FWF requires Espresso to ensure it audits all production locations that are responsible for over 2% of production and production locations where Espresso is responsible for over 10% of the location's production capacity.

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	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	1	

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

Comment: Espresso Fashion's sustainability department is designated to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place 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 production location visits, etc.	2	2	0

Comment: Whenever a representative from Espresso Fashion visits a production location photos are taken of the worker information sheets.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	79%	The FWF complaints procedure is a crucial element of verification. If production location 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. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	4	4	0

Comment: In 79% of the FWF-audited production locations at least half of workers were aware of the FWF worker helpline.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: Espresso Fashion received two complaints in 2016. One complaint in China was resolved, however Espresso was unable to address the complaint in Tunisia because the factory went bankrupt before the complaint could be completely resolved. Espresso has addressed the complaints received from production location in accordance with the FWF complaints procedure. So far, Espresso has not yet taken steps to prevent similar situations from happening.

Recommendation: Once the complaint has been resolved, FWF recommends Espresso to address the root cause of the complaint with the factory management to prevent a similar situation happens.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company 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	0

Comment: There were no other FWF members producing at the production locations where the complaints occurred. The one complaint was resolved quite quickly and did not need cooperation with other customers. The other complaint could not be resolved because of other circumstances, which made it not possible to cooperate.

COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 10

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	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: Espresso Fashion's sustainability department publishes a monthly sustainability newsletter. This newsletter also includes information regarding FWF membership. Additionally, the wholesale and retail sales teams are informed on CSR at the start of each season.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF 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.	2	2	-1

Comment: Staff of the different purchasing departments of Espresso Fashion are aware of FWF membership and its requirements. Audit findings are shared and staff is involved in CAP follow-up.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
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 member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	0

Comment: Espresso Fashion uses several agents for their production. They are actively informed about FWF's Code of Labour Practice. Some of them are also actively involved in the implementation of the CoLP in production locations. However, Espresso Fashion also has a number of agents that have limited understanding of FWF and are a bit reluctant to cooperate on CoLP implementation.

Recommendation: FWF recommends Espresso to actively train their sourcing contractors/agents on monitoring and remediating labour related issues and enable them to support the implementation of the CoLP.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	22%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. 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

Comment: 22% of Espresso Fashion's production locations participated in the Workplace Education Programme between 2014 and 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, member companies 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.	N/A	4	0

Comment: .

TRAINING AND CAPACITY BUILDING

Possible Points: 11

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 member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: Before production starts Espresso Fashion asks its main suppliers to fill in which production location it is planning to use for the specific products. Once the production has been delivered the main supplier is asked where the production has actually taken place. This way Espresso Fashion keeps track of the production locations that may be used for production of their products. However, audit reports sometimes show different data than the internal information system. In 2016, Espresso has taken action to immediately cross check this information, internally and with the supplier/agent, but this remains something to closely monitor.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	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

Comment: Information regarding production locations, audit reports and CAP follow-up is shared between the sustainability department and the purchasing departments on a regular basis during meetings. Additionally this information is accessible for all relevant staff on shared computer server.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: Espresso Fashion communicates about FWF membership on its website and in its brochures. This is done in line with FWF Communication Policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: Espresso Fashion publishes its performance check reports on its website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Espresso Fashion's social report is submitted to FWF and published on their website.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

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: Espresso Fashion's sustainability team regularly meets with the CEO to discuss FWF membership and its requirements. During these meetings membership is also evaluated.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	50%	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: The previous performance check included requirements regarding Espresso's due diligence process, mitigating excessive overtime at suppliers, CAP follow-up and monitoring in low risk countries. Espresso showed progress on all these issues in 2016, but can still improve. All the issues should remain on top of Espresso's agenda regarding monitoring and remediation.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Expresso Fashion would like FWF to more actively communicate to consumers. This will strengthen Expresso's own message.

Expresso Fashion would like the CAPs to be available in the local language especially in Turkey, so factory management can better follow-up on the findings. At the moment, the inability of factory managers to understand English is a reason for agents not to share audit report and CAPs.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	25	44
Monitoring and Remediation	24	34
Complaints Handling	10	13
Training and Capacity Building	6	11
Information Management	4	7
Transparency	5	6
Evaluation	6	6
Totals:	80	121

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

66

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

05-04-2017

Conducted by:

Anne van Lakerveld, Emma Conos

Interviews with:

Frits Helmstrijd (CEO)

Marieke Weemaes (Sustainability)

Jana Heuer (Sustainability)

Kim ter Haar (Product Development)

Carolien Koenen (CMT production Manager)

Larissa Doorn (Ready made (GP) production Manager)

Esther van Eijk (Marketing Manager)