



BRAND PERFORMANCE CHECK

Espresso Fashion B.V.

PUBLICATION DATE: JUNE 2019

this report covers the evaluation period 01-01-2018 to 31-12-2018

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: 01-01-2018 to 31-12-2018

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 North Macedonia, Tunisia, Turkey
Production in other countries:	Greece, Italy, Morocco, 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	94%
Benchmarking score	60
Category	Good

Summary:

Expresso Fashion has met most of FWF's performance requirements. Its monitoring threshold of 94% is an improvement compared to last year. To achieve this monitoring percentage, Expresso used FWF audits conducted at its production locations and continued to use external audit reports to address labour conditions. The monitoring percentage, combined with a benchmark score of 60, means that FWF has awarded Expresso Fashion the 'Good' rating.

Expresso started consolidating its supply chain in 2016, which led to a critical evaluation of the required production locations. This process included an integration of its purchasing and CSR efforts, not just within the specific brand but also within its holding company, FNG Group. In 2018, the company was able to present a more manageable supply chain and a sourcing strategy in which CSR is a deciding factor.

Looking at Expresso's supplier base there is a split between Eastern European production locations and production locations in Turkey, China, and India. This split influences the company's ability to follow up on CAPs and more generally address human rights issues. The former are smaller production locations, within which Expresso has leverage and good working relationships. Audits conducted at these production locations reveal limited findings and CAP follow up is quick and effective. On the other hand, the brand sources from a number of production locations in Turkey, China, and India. In these locations, the audits reveal many more findings and CAP follow up is slow and difficult. This is despite the fact that the brand has local representatives in these countries that regularly visit the production locations in order to follow up.

Although living wage has been on Expresso's radar for a few years now, the brand has not been able to show specific results. Fair Wear Foundation requires the company to ensure it knows how buying prices relate to wages and use this knowledge to contribute to higher wages in different production locations. The company is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdowns.

When visiting production locations, Expresso staff share information with workers to increase their awareness of FWF Code of Labour Practices and the complaints mechanism. However, the company has not yet organised any training to reinforce this or training that supports transformative processes related to human rights. Fair Wear Foundation expects Expresso to put more effort into training workers and management at production locations to achieve progress on human rights violations.

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.	68%	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.	3	4	0

Comment: In 2018, 68% of Espresso Fashion's production volume came from production locations where it buys at least 10% of production capacity.

Recommendation: FWF recommends Espresso to continue to consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	19%	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.	2	4	0

Comment: In 2017 Espresso started its efforts of consolidating its supply chain. In 2018, 19% of Espresso's production volume came from production locations where it buys less than 2% of FOB. This is a continuing improvement compared to 32% in 2016 and 23% in 2017.

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.	74%	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 2018, 74% of Espresso's production volume came from production locations where a business relationship has existed for over five years.

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: In 2018, Espresso started production at 10 new production locations. Most of these were already linked to existing business partners. During the performance check Espresso was able to show signed questionnaires for these locations.

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.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

Comment: 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. Over the past year Espresso has improved its sourcing practices. Whenever the brand needs a new supplier it will first approach other brands in the holding to see whether they have any suggestions and checks with existing business partners whether they can expand production, next it will contact the buying office of the holding to check their database. When a potential supplier is selected the company collects existing audit reports and in India, China and Turkey, local CSR staff perform an audit. There are three findings that will stop potential orders going through, (indication of) child labour, wages below legal minimum wage, severe health & safety violations. Other findings will form the basis of discussions to improve. If a supplier is willing to cooperate, production can start. In this process CSR and Purchasing cooperate closely. Espresso was able to show this process in practice, including examples where production did not start based on initial audits.

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, and leads to production decisions	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.	2	2	0

Comment: Espresso is part of FNG Group, which has developed its own audit template based on the FWF audit methodology, scoring production locations on compliance with the Code of Labour Practices in China, India, and Turkey. Possible scores are green, amber, red and black.

When a production location is marked black production will not start. If major violations are found while production is already taking place, the location is marked grey and all future orders will be paused. When a production location is marked another colour, the local FNG representative will monitor the production location to support with improvements. An overview of all production locations, including the scores, is kept in a central location.

Phasing out suppliers has been part of the consolidation process. Willingness to cooperate on CSR topics, including compliance with the Code of Labour Practice has been taken into consideration. The CSR department meets with purchasers to discuss CSR performance of suppliers and input from CSR influences production decisions.

Evaluation does not only happen on production location level but also on business partner level. Espresso is phasing out one intermediary because of minimal cooperation on Code of Labour Practice compliance. Besides evaluating suppliers, Espresso is participating in the Better Buying initiative to receive input on their performance from their suppliers.

Recommendation: FWF encourages Espresso to further develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. The current approach where CSR performance influences production decisions would be part of this system. Such a system can show whether and what information is missing per supplier and can include outcomes of audits, training and/or complaints.

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 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. Espresso highlights to the factories that they will not allow any overtime. Espresso does not have insight in capacity and peak times at production locations.

During production, purchasing managers are in weekly contact with each of its main production locations to monitor production allowing 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 for regular working hours.

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 2018, addressing root causes of excessive overtime at factories in China has been a specific point of attention of the local FNG representative. This has led specifically to a discussion of a more realistic planning (on the side of the factory and of the brand) and the possibility to train workers to be more efficient. The actual training did not happen in 2018, also due to a change in staff. Additionally, with one production location where overtime was an issue the company discussed the possibility of using subcontractors to alleviate production pressure. In response, Espresso has created a policy on how to deal with subcontractors.

In addition, in discussions with suppliers it turned out that during production in 2018 the Chinese government had closed some wet processing factories, creating a delay in fabric and thus causing delays at the production location, causing overtime at production locations. As this only came to light after production was finished, Espresso could not do anything to prevent it rather than agreeing with the factory to signal this at an earlier stage.

Recommendation: Espresso could develop 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, keeping stock etc.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Insufficient	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	0	4	0

Comment: Espresso could not demonstrate the link between its buying prices and wage levels in production locations. Its purchasers do know labour minutes for different products, but do not have insight in related labour costs or the link between the prices, minutes and prevailing wages.

Requirement: Espresso needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for at least the payment of the legal minimum wage.

Recommendation: Espresso is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

Comment: Audits have not indicated any problems related to legal minimum wage.

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 and responds to root causes for wages that are lower than living wages in production locations.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

Comment: In 2018, Espresso has discussed the topic of wages with one production locations in Macedonia in depth, resulting in commitment from the production location and brand to establish the relevant living wage level before implementing measures to increase wages.

A similar discussion has not happened at other production locations.

Requirement: Espresso must assess the root causes of wages that are lower than living wages, taking into account it's leverage and effect of its own pricing policy. 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, to document, monitor, negotiate and evaluate the improvements at its suppliers.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	4	0

Comment: Espresso is discussing a target wage and the possibility to contribute to higher wages at one of the main production locations and has discussed that the budget will come from the company's margin.

Recommendation: We advise companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

Comment: At the moment Espresso is not paying its share of a target wage.

Requirement: Espresso is expected to begin setting a target wage for its production locations.

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 23

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	93%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	1%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	94%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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.	Yes	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.	0	0	-1

Comment: In 2018, FWF has started training for local staff to do audits at tail-end production locations in Turkey, this process continues in 2019.

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: Audits are shared with the production location and relevant business partners (agents/intermediaries). Espresso highlights timelines as expressed in the Corrective Action Plan and follows up via email.

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: 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. Espresso also follows up via email. Audit findings are shared with purchasing departments and staff are involved in CAP follow-up too.

Looking at Espresso's progress towards resolution of existing Corrective Action Plans there is a split between Eastern European production locations and production locations in Turkey, China and India, especially when there is no direct relationship with the production location.

The first are smaller production locations, where Espresso has leverage and a good working relationship. Audits done at these production locations show limited findings and CAP follow-up is quick and effective. On the other hand, the brand sources from a number of production locations in Turkey, China and India, where audits have many more findings and CAP follow-up is slow and difficult even though in these countries the brand has local representatives visiting production locations regularly to follow-up.

Recommendation: FWF encourages Espresso to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices.

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.	89%	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.	4	4	0

Comment: Espresso's purchasing managers visit production locations at least twice a year. In addition, in 2017 Espresso hired local staff who visit different production locations to follow-up on audits and to monitor the production process. In 2018, Espresso visited production locations responsible for 89% of production volume.

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: In 2018, Espresso collected eight new external audit reports and assessed the quality using the FWF Audit Quality Assessment Tool, this is complemented by local CSR staff's own audit report and CAP is created using information from external report and own observations. For six production locations Espresso was able to show active follow up, these will be counted towards the monitoring threshold.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	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.	4	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
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: Espresso produces in several factories in Turkey. Since the publication of FWF guidance on risks related to Turkish garment factories employing Syrian refugees the company has discussed the topic with all their production locations and have incorporated it as part of their due diligence process. In 2018, the company drafted a policy outlining its approach to this topic. The policy has not been implemented yet. Besides the topic of Syrian refugees Espresso, as part of FNG Group, has identified additional risks to production in Turkey, namely subcontracting and child labour. These risks are documented in the Group's general risk analysis and the Group's local representative has been actively engaged with current and possible suppliers to address these risks.

Espresso has a policy outlining its approach to the prevention of abrasive blasting and informs and monitors its suppliers of denim.

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 actively cooperates with other FWF member companies in resolving corrective actions at shared suppliers. Espresso also cooperates with other FNG brands that are not part of FWF. In 2018, the company also reached out to other customers, who are part of the Dutch Agreement on Sustainable Garments and Textiles, to seek cooperation in addressing human rights issues at production locations.

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. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

Comment: Espresso sources in 5 production locations in low risk countries, responsible for 1 % of total FOB. For 3 of these production locations (77%), the company has met monitoring requirements for low-risk countries.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	Yes	FWF encourages its members to 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.	2	2	0

Comment: Espresso has audited more than 80% of its FOB volume and has conducted full audits at tail-end production locations.

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, and member has collected necessary information	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.	2	2	0

Comment: Espresso has one external brand it resells. It has collected the questionnaire and additional information about production countries.

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: The external brand Espresso resells is not part of another CSR 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: 37

Earned Points: 27

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	1	
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

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Espresso was able to show posted Worker Information Sheets in production locations. This is also something that is regularly checked during visits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	0%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: Espresso has not organised any training in production locations to increase awareness of the Code of Labour Practices. However, in Turkey the local representative discussed the Code of Labour Practices with workers at several production locations. He learned that workers did not fully understand the CoLP and that the phone number did not work on the Worker Information Sheet. This has been reported back to FWF.

Requirement: FWF requires members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline. The member should ensure good quality systematic training of workers and management on these topics. To this end members can either use FWF's Workplace Education Programme (WEP) basic module, or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF's guidance on training quality standards is available on the Member Hub.

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: During the past financial year Espresso has one open complaint, related to freedom of association in Turkey. Espresso has handled in the starting fase in line with the FWF complaint procedure. Due to complicated circumstances follow-up is still pending. The brand has not taken any specific preventive steps, but has incorporated learnings related to discussing freedom of association with its other suppliers.

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

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 6

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	0

Comment: Espresso Fashion's sustainability department publishes a monthly internal 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 are aware of FWF membership and its requirements. Audit findings are shared and staff are involved in CAP follow-up. There were regular meetings with sustainability and purchasing and product development departments.

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 + actively support COLP	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.	2	2	0

Comment: Espresso uses different agents that are informed about FWF's Code of Labour Practice. Agents also have to sign the Code of Labour Practice, so it is joint responsibility. After an audit, Espresso tries to establish direct contact and conduct CAP follow-up directly with the production location. When possible, Espresso has its local staff visit production locations, but ensure to include the agent or intermediary in communication. In addition, the brand shares some general information with all business partners, for example regarding transparency requirements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: Espresso has not organised any trainings at supplier level.

Recommendation: FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end members can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 5

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	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.	6	6	-2

Comment: Espresso has a policy on unauthorised subcontracting. In Turkey, China and India, the company has (local) representatives visit production locations regularly, when production is taken place. This enables the company to identify any unauthorised subcontracting in these countries. In 2018, the local staff member visited a production location in Turkey and discovered that production was done in another factory. Production had not started yet, but it was an unknown production location. The location was checked and wasn't up to Espresso standards and therefore all materials were transported back to the original production location. Also, FWF audits in 2018 did not identify unknown subcontractors.

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: 7

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 sales brochures. All communication is in line with FWF communications policy.

In 2018, Espresso participated in the FWF live stream during Fashion Revolution Week.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or 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 publishes the performance check report on their website. In 2017, the company has started to also communicate about production countries on their website and in the webshop the different articles are linked to the specific production country.

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 submitted to FWF AND 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'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.	No requirements were included in previous Check	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.	N/A	4	-2

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

- Espresso would like to stress that they are not happy with the audit team in Turkey, especially regarding the training and treatment of the FNG local person. It is not encouraging to ask FWF audit team to do audits in Turkey.
- Espresso wants CAPs to be agreed on at the end of an audit and information shared on the day, so they can begin remediation immediately.
- Espresso would like FWF to focus on general better communication between factory and auditors and include the brand in email communication in the preparation of the audit.
- FWF should ensure the brand is informed when FWF reaches out to suppliers.
- FWF should create more structure in its guidelines, so new staff at brands can be easily updated.
- Espresso would like to have updated information on working conditions in Italy and a timeline when this can be expected.
- Espresso shared that having FWF's country teams present at the 2018 Member Day was helpful for brands. Espresso would like FWF to create more opportunities like this where brands and FWF's local representatives can sit down and talk.
- Espresso stated that its teams respond well to the methods of the Dutch Agreement on Sustainable Textiles. They suggested that FWF should make brands put CSR policies on paper, rather than just checking their practices.
- Espresso's marketing department would like to know what FWF is going to do to gain more media attention. They have also requested FWF to provide more communication material (positive stories, facts, and figures) that brands can use to talk about FWF.
- Espresso is happy with the way FWF is developing, they feel like they are listened to more and can be more transparent with FWF.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	23	47
Monitoring and Remediation	27	37
Complaints Handling	6	15
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	75	125

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

60

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

20-03-2019

Conducted by:

Anne van Lakerveld

Interviews with:

Frits Helmstrijd - CEO

Marieke Weemaes - Sustainability

Jana Heuer - Sustainability

José Hartong - Purchasing manager for CMT

Carolien Koenen - Purchasing manager for Full Business

Valerie Boersma - Marketing and communication