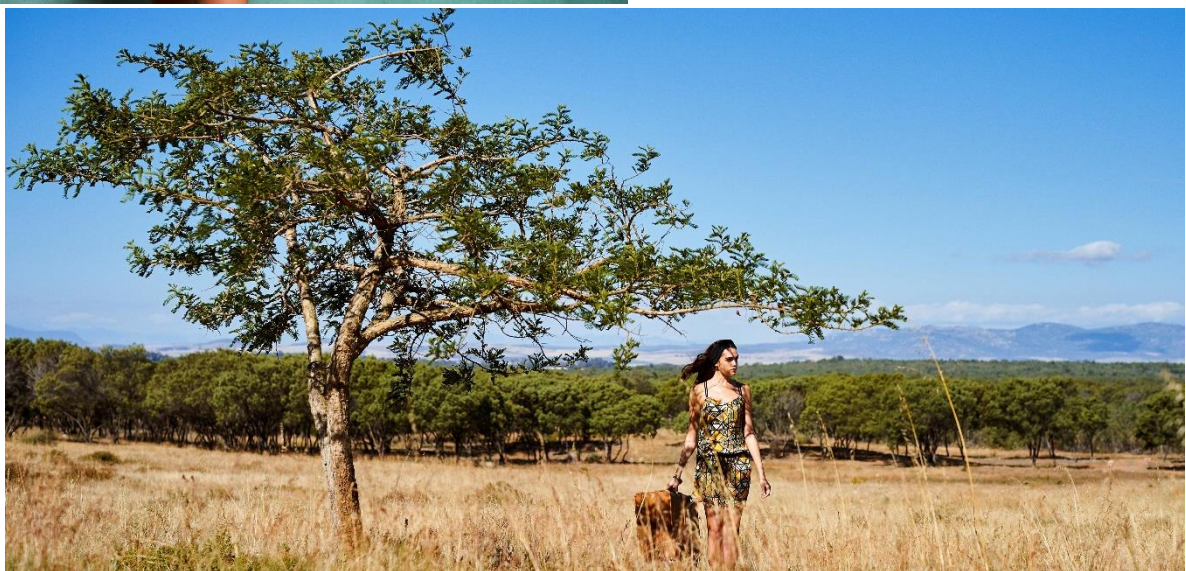




EXPRESSO



SOCIAL REPORT 2018





MEMBERS SINCE 2004

Social Report about the financial year 2018

1st January 2018 – 31st December 2018

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Who is Expresso?

Expresso Fashion is a Dutch fashion brand founded in 1984 and taken over by the FNG Group in 2013. Expresso has its own clear signature and distinctive, feminine style. That is not surprising, because both the founder Tilly Garcia, as well as more than 80% of the Expresso team, are women. And who better than women know that fashion should make a woman feel good.



Our mission

We design, develop, produce and distribute our collections to help women accentuate their strongest features, subtly camouflaging where necessary. In our collections the excellent cut is available from size 34 to 46 with the key words for each size being elegance, comfort, originality and individuality.

Our Vision

Regarding ethics and social responsibility, Expresso is very concerned about both people and the environment. This is also the reason why Expresso permanently supports the work of the Fair Wear Foundation. Yet, Expresso does not stop there. For the past years, a part of the collection has been produced from organic cotton and other environmentally-friendly materials. Plastic and paper is separated and plastic hangers are recycled. Read more about our vision at our website under 'vision'.



Our collection

Expresso delivers four collections per year, based on different themes. Each theme has striking style items but also good basics and accompanying accessories.

Our team

From the Expresso Head Office in Diemen, a team of more than 70 employees works with enthusiasm on the design, development, production and delivery of collections for the Dutch, German and Belgian markets. Expresso has 30 own Expresso Stores in the Netherlands and Belgium and delivers to around 650 retailers within the Netherlands and abroad.



Summary of the year 2018 from a social perspective

For 2018, we set ourselves several goals. Our main goals were to continue consolidating our supply chain and first screen and monitor the production locations we were going to start with and visit in the countries we have our local officers.

In order to achieve these goals, we need the whole company to work together with the CSR team. Therefore, Espresso joined several events and took action to create more awareness among Espresso colleagues. In the beginning of the year, our CSR team joined our collection presentations in different cities in the Netherlands to inform our “CSR ambassadors” (our staff in our shops) about our achievements, updates and generally about our policies.

We joined the Fashion Revolution Week in April through posting pictures on our social media channels of workers of the majority of our factories, while they were holding “I made your clothes” posters and we joined the Facebook Live Stream of Fair Wear Foundation during this week.

We also hosted the Annual Dutch Stakeholder Meeting at our headquarters, together with Claudia Sträter. For getting to know what a perception our suppliers have from us and what we can improve in our sourcing strategies, we sent out an anonymous survey through BETTER BUYING. Unfortunately, we haven’t received the results yet, but we definitely are very excited.

Furthermore, we started producing clothes in the Netherlands, at a factory that brings people with different backgrounds back to the labour market. This was a very special project, which involved a lot of our staff.

Unfortunately, it does not solely depend on our efforts. In 2018 we faced challenges in form of market changes, such as new demanded product groups (e.g. shoes) or different proportions of the demand of product groups (e.g. more jersey and knit), that lead to new factories. Additionally, we are often dependent on the information about production locations that we receive from our suppliers and agents. This information is not always correct or complete.

As a result, we started working with 15 new production locations that were mostly added by our main suppliers and stopped working with 18 production locations. With the help of our colleagues in China, India and Turkey and other third-party audits than FWF, we managed to monitor factories that are responsible for 94% of our collections in 2018.

Besides, our CSR officers in India, Turkey and China and our colleagues from the Headquarters achieved to visit production locations that are responsible for almost 90% of our collections in 2018. In other words, we collectively visited 71% of the production locations in 2018. We failed to visit three production locations before starting to produce there due to miscommunications with our agents.



1. Sourcing strategy

1.1. Sourcing strategy & pricing

One of our sourcing norms is that suppliers subscribe the Code of Labour Practices of Fair Wear Foundation. The production manager or CSR Team ask the supplier for a company profile, the policy regarding labour conditions and previous audit reports.

Expresso informs suppliers about corporate social responsibility and explains them the need of an open approach towards the policy of Fair Wear Foundation. In case a supplier does not want to cooperate, we cannot start the business relationship.

The pricing of the items is majorly influenced by previous collection prices, current wage circumstances and labour intensity of the style.

1.2. Organisation of the sourcing department

The responsible persons for sourcing are the Product Development Manager in combination with the Production Manager of CMT, the Production Manager of RMG and the Styling Team. All of them are in direct contact with our CSR Manager and our CEO directs our sourcing policy.

1.3. Production cycle

The Styling department creates four main collections per year, two flash collections and one Never-Out-Of-Stock collection.

Expresso's styling and production departments are divided in two parts: a Ready Made Garment (RMG) team and a Cut Make Trim (CMT) team.

The RMG collection is produced by suppliers in Bulgaria, Turkey, China, Italy, India, Tunisia, Netherlands and Morocco.

The lead time for RMG is around three months, which is due to the time-consuming arrangement of yarns/fabrics, patterns and trimmings and long shipping times.

The CMT collection is made by suppliers in Macedonia, Turkey and China. The lead time for CMT varies between 6 and 16 weeks, depending on the delivery of the collection and on the production country (relating to shipping times). The fabrics, patterns and the trimmings are arranged by the production department at Expresso.

1.4. Supplier relations

We are proud to say that the business relations between our production teams and more than 72% of our suppliers are long term relations. When a new supplier is needed, our production teams try to find the best suiting suppliers in terms of quality, lead-time, margin and compliance with the CSR standards equally.

We deliberately do not leave suppliers when they don't completely comply with FWF requirements. Instead we strive for continuous development and improvement through training and support.

The production managers always carefully discuss the orders with our suppliers before setting them, as we want to make sure the factories will be able to handle the production. Some of them agree on all order, others don't. We especially discuss it together, in case the orders are bigger than expected. A Macedonian supplier, for example, informed us that they will not be able to produce more, as their workers need to have holidays.

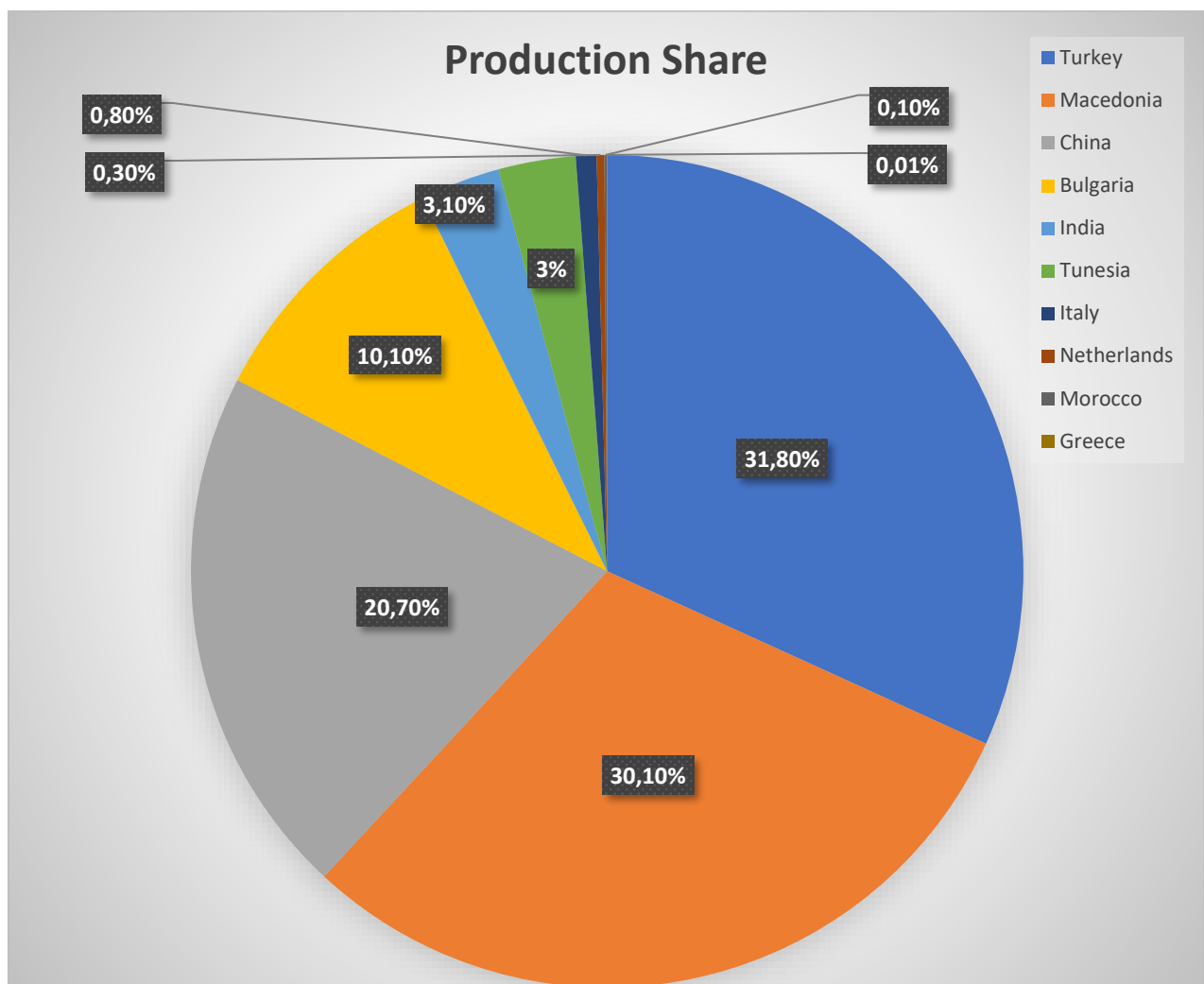
1.5. Integration monitoring activities and sourcing decisions

In order to always be updated about all ongoing monitoring, the CSR Team works in the same office as the CMT production team and is in close contact with the RMG production team. There is a constant exchange of information about the suppliers, which is helpful for the CSR team, as well as very necessary for the production teams.



2. Coherent system for monitoring and remediation

Production divided by country



The production shares are based on FOB figures.



2.1. Turkey

In 2018 Expresso had 13 production locations in Aksaray, Istanbul, Izmir and Malatya, which includes the main suppliers as well as their subcontractors. We have a local CSR officer in Turkey, who is located in Istanbul, in the office of our holdings owned sourcing office. He is mostly on the road to visit the production locations all over Turkey.

In Turkey, we mostly focused on legal contracts with refugees who came to Turkey, which might lead to unregistered payment and thus, cash payment, which makes it difficult to trace legal minimum payment, and preventing child labour. Other than that, it was a big challenge to uncover subcontracting that we were not informed about. This is a very big risk, as especially in the area around Istanbul there are still a lot of small workshops with little to no knowledge about sustainability or human rights.



Supplier A:

This supplier, located in Aksaray, is a blouse producer of Expresso since 2011, produced 12,10% of Expresso's collections in the last financial year and was audited by FWF in May 2016. In April 2019 they will have their next FWF audit. Our CMT production team visit the production location regularly.

Due to a minimum wage increase in Turkey in 2016 and 2017, we agreed by then on increasing our purchasing prices and their price per working minute.

Other issues that came up during the audit, just as excessive working hours, as well as their records and mainly Health and Safety issues, were improved. Every week they are checked by an external organisation for health & safety issues. Every worker gets pay slips, they receive trainings and they stopped production on Saturdays and improved their planning. Besides, they provide trainings, food, transport and health care services and they organize social activities, such as sports, for the workers and their families.

**Supplier B:**

This supplier produces denim for Expresso in Istanbul since 2007, but only does the sampling for Expresso nowadays. They were last audited in 2015 and were visited by our local officer in 2018. This supplier worked with a subcontractor for Expresso in 2018.

Expresso and the supplier need to cooperate on developing a structure of how to implement a better calculation system of the wages and the relation with the (purchasing) prices, also for the subcontractor.

Supplier B – Subcontractor:

Supplier B – Subcontractor started to produce for Expresso in 2016. The denim production location, also situated in Istanbul, and produced 5,13% of our collections in 2018. They were FWF audited in December 2016. Our local officer visited them in 2018 to do a follow up of their improvements and further consult them in issues regarding Health & Safety, but especially work permit and contracts, social legal payment requirements, proper records of working hours, age verification and worker awareness. Unfortunately, the mindset of the owner was not in accordance with ours or the main supplier's and he refused to change or improve certain issues, which is why we had to stop working with this factory.

**Supplier C:**

This supplier, which is shared with another FWF member, is an Istanbul based knitwear producer of Expresso since 2012 and produced 3,75% of our collections in the last financial year. They were visited by our production manager, as well as our local CSR officer. They had a FWF audit in November 2016 and will have a new FWF audit in May 2019. Due to various former audits from other audit organizations they had already improved on Health & Safety and other open issues. For example, they implemented a worker committee that is solely run by workers. They only need to provide training for worker representatives and about grievance mechanism and training on Health and Safety needs to be provided.



**Supplier D:**

We also have a supplier in Izmir. They produce Denim for Expresso since 2012 and they produced 2,53% of our collections in 2018. They had an audit in June 2017 and we did not visit them in 2018.

**Supplier E:**

This supplier is a jersey supplier and has been producing for Expresso since 2014. They work with five subcontractors, which is why in they only do the sampling process. All of the six locations are located in the area of Istanbul. Our local officer visited each location several times in 2018.

Supplier E – Subcontractor 1:

This production location is owned by the main supplier, but located in a different area of Istanbul and has been producing for Expresso since 2016. They produced 1,65% of the total collections in 2018 and were visited several times by our local CSR officer.

In the end of 2018, they were audited by FWF and the findings were concerning legal contracts, overtime issues and Health and Safety.

Supplier E – Subcontractor 2:

This factory has started to produce Expresso clothes in 2018, but was already visited and inspected by our local CSR officer in 2017. In 2018 they produced 0,95% is located directly next to Subcontractor 1 and Subcontractor 4, so they work very closely as well. During the audit by our local CSR officer it was noted that they need to change their juvenile workers procedures, improve their overtime hours and work on Health and Safety for the workers.

Supplier E – Subcontractor 3:

This factory belongs to the main supplier and was originally only a cutting and finishing location, but they added more machines and now they are also do the sewing process since 2018, where they produced 0,5%% of the collections.

They also were FWF audited in the end of 2018 and, as mentioned previously, visited several times by our local CSR officer.

The major finding during the during the audit was overtime, which was directly discussed with our production managers, in order to find how big our impact in this issue is and how we can improve it. We will follow up how this problem is solved in 2019.

Supplier E – Subcontractor 4:

Subcontractor 4 is located in the same building as – Subcontractor 3, but is not owned by the main supplier. Still, they only produce for Supplier E. They are producing for Espresso since 2017 and had a share of 0,24% of the production of our collections in 2018.

As they are in the same building as – Subcontractor 3, they were also FWF audited, as it is possible that workers happen to run up or down the stairs to help out in the other factory. In order to make sure that the working conditions of all workers that work at – Subcontractor 3 are audited, – Subcontractor 4 was also included.

They need to improve in fire safety and Occupational Health and Safety.

Supplier E – Subcontractor 5:

Subcontractor 5 is also a new sewing location for Espresso since 2018 and produced 0,48% of our collections. The fact that this production location was producing for us, was not properly communicated by the supplier. This mistake was thoroughly discussed with the main supplier. Our local CSR officer found out about it during one of his audits, where also visited this production location for possible production. He did an audit at this factory and the biggest issue was overtime problems.

**Supplier F:**

This supplier from Istanbul is a Jersey producer of Espresso since 2005 and only does the sampling process for Espresso. They were last audited in 2016 and worked with one subcontractor for us. In cooperation with another FWF affiliate we are cooperating on the follow up of the monitoring activities.

Supplier F - Subcontractor:

This subcontractor, also located in Istanbul, was audited in January 2016, produced 2,25% of our collections last year and improved their system of filing their documents.

They still need to improve their maintenance of records, their disciplinary policy, Health & Safety conditions and reasonable hours of work.

**Supplier G:**

Supplier G is an agent and works with main suppliers and subcontractors. Our communication from the headquarters go through the agents, which is why they are always informed and trained about our Code of Conduct. Our local CSR officer is in direct contact with the factories.

Supplier G – Subcontractor 1:

This factory, located in Istanbul, is both, the main supplier of jersey and a production location. They have been producing for Espresso since 2016 and had a production share of 0,9% in 2018. It is that low, because they added another location and our clothes were mainly produced there. Still, they were audited by another third party in 2017 and our local CSR officer visited the factory in 2018 to monitor the improvements. This location is not producing for us anymore now.

TURKEY FACTORY – Subcontractor 2:

This factory started producing for Espresso in 2018, with a production share of 1,4%, as soon as it was done and the workers have been trained. This factory is newly built and they were directly audited by another third party and our local CSR officer visited the factory and monitored and verified the improvements, such as legal contracts, worker representation and remuneration issues.



There are two more production location, both located in the area of Istanbul and both are denim suppliers. Together they produced 0,32% of our collections in 2018. With one of the supplier we just started (first test orders) and with the other one we stopped due to, mostly, communication problems .



2.2. North Macedonia



The five production locations that produce for Expresso are located in Kocani, Probistip, Stip, Prilep and Bitola. At four of the following six production location our leverage is bigger than 10% and, also, with these four production locations we have been working together for more than 5 years. A risk in North Macedonia is that there is high level of informal employment and that employees are not receiving the benefits they are entitled to, especially because overtime and excessive working hours are problematic in the Macedonian garment industry. Furthermore, in some factories there is still some discrimination again Roma people.



Supplier H

This supplier is our third biggest supplier with a 10,13% production share. They (mostly) produce blazers for Expresso since 201 and are located in Prilep. They were visited several times by our Production Managers in 2018 and will have their next FWF audit in 2019.

Many Health & Safety issues have been improved, as well as issues in overtime recording. We are excited about the results of the new audit.

**Supplier I**

This supplier is a blouse producer of Espresso since 2010. Since 2013 they have two production location producing for Espresso. One factory in Shtip produced 0,79% of our collections in 2018. The factory in Shtip has been visited several times in 2018 and was audited in June 2017 by FWF. They improved their overtime issues and are working on the last findings of Health & Safety and they started to offer breakfast to the employees.

Supplier I.2 :

The other production location is located in Probishtip and they had a production share of 8,87% and will be audited by FWF in 2019.

The majority of issues found during the audit in 2016 were fixed. Especially Health and Safety findings were quickly improved and at this factory, they also started to offer breakfast to the employees. We are excited to see the results of the new audit next year.

**Supplier J**

This supplier is a trousers producer of Espresso since 2012, located in Kocani and produced 7,52% of the collections in the last financial year. They were audited by FWF and visited by our production managers several times in 2018.

It was the first FWF audit in their new factory (they moved in 2017) and there were only so few findings, that everything was improved within a few weeks.

Together with Danitex we are working on the Living Wage Project.



**Supplier K**

Saitis was a new location for us in 2017 and they were located in Bitola. Before starting to produce there, we asked FWF to make an audit there. After the outcome of the audit, they immediately organised a canteen meeting for the workers in order to properly explain the the Code of Conduct and improved Health and Safety issues, as well as they did some electrical works. There were no further big issues.

Unfortunately, we only worked with them for a few months, until we were informed that they went bankrupt. Still, they produced 2,19% of our collections in 2019.

**Supplier L**

This supplier is a new supplier for 2018 and has one main location in Kocani for sampling and smaller orders and a bigger factory in Probishtip.

We visited both places before and saw that there some issues to improve, but there were not impossible to quickly fix.

Unfortunately, they never got to have an audit for us, as we had to stop with these factories because of mostly communication issues. In total, they produced 0,61% for us of our collections last year.

**2.3. China**

Expresso worked with 16 production locations in Huizhou, Zhangjiajiang, Jiaxing, Hangzhou, Rugao, Tongxiang, Tonglu, Hefei, and Haining,. At one location our leverage is bigger than 10% and with two of the production locations we already work longer than 5 years. In China our focus is on overtime and legally required payments of leave and insurances, which includes looking for legal working contracts, complete production records and immigration.



Supplier M

This supplier is a Knitwear producer of Espresso since 2008 and had a production share of 13% of our collections in the last financial year. They are located in Huizhou. They were audited in September 2017. We cooperate with another FWF affiliate, as well as with another non-FWF member brand on the monitoring activities.

Our local CSR manager met the supplier to go through the CAP and they are now working on improvements in worker awareness, overtime issues, minor issues regarding Health and Safety issues and legally required social payments. They implemented trainings, provided fans and curtains, provided different tastes of food, they had a fire safety training and updated the equipment. Besides, they made an ergonomic risk assessment and started to provide floors mats. There are still pending issues with social insurance, which is a very common and delicate topic.



Supplier N

Espresso has been working with Supplier N, who is a Dutch Chinese agency, since 2015. They take our Ready-Made Garment orders and place it to the locations they work with. Due to communication and quality problems, we stopped working with them throughout 2018. During this year, four of their locations produced for us and in total they produced 2,96% of all our collections in 2018.

Supplier M – Subcontractor:

This subcontractor was the location that produced most of our items through this agent. They produced almost 2% of our collections. They started producing for Espresso in 2018 and our local CSR officer went to Zhanjigang, where they are located, to visit them and to follow up on another third-party audit. As we stopped working with Vision, we also stopped working with Great Tone.

Furthermore, three other production locations produced for Espresso through Supplier N. They are located in Hangzhou, Rugao and Tongxiang and all of them were visited by our local CSR officer before their last production took place.



**Supplier O**

Supplier O is a Dutch agency with an office also in China and we have been working with them since 2011. In 2018 they worked with two factories for us and share 1,46% of the total collection of 2018.

Supplier O – Subcontractor 1:

Supplier O – Subcontractor 1 produced for us since 2017 and they produced 0,31% of our collection for us. They were FWF audited in June 2017 and we were working on improvements with them on worker awareness, payments of leave benefits and overtime premium, as well as generally overtime and some minor issues regarding Health and Safety issues.

Unfortunately, they went bankrupt last year.

Supplier O – Subcontractor 2:

Supplier O – Subcontractor 2 is located in Jiaxing and they produced only one order for Espresso, which made 1,15% of our total FOB and was visited by our local CSR officer.

**Supplier P:**

Supplier P is a Dutch agent and works with two production locations that are producing for us. We have been working with them since 2017 and together, the two production locations produced 1,25% of our collections in 2018.

One of the production locations was visited by our local CSR officer in order to follow up on a third-party audit in 2018, the other factory was not visited in 2018.

**Supplier Q:**

Supplier Q is one of our mother company's own buying offices. Through them we worked with three factories, who produced in total 0,67% of our collection in 2018. All of the locations started producing for us in 2018.

Supplier Q – Subcontractor 1:

is the supplier that produced most of the three locations, with 0,54% of our total FOB. They are located in Jiaxing and were visited by our local CSR officer to follow up on a third-party audit. The biggest issues to be solved were payment of social insurance, overtime and building safety.

The other two locations are in Hangzhou) and Hefei. Both are not producing for us anymore and were visited.

**Supplier R:**

Supplier R is a Spanish agent that Expresso has been working with since 2015.

In 2018 the produced one order for us at the factory Zhejiang Jiali, located in Haining and share 0,22% of the entire production of 2018. We did not visit them.

**Supplier S:**

This supplier is located in Dongguan and is a Knitting supplier of Expresso since 2000.

They produced 0,019% of the collections in the last financial year. 2017 was the last year of the business relation between Expresso and that included one order for Spring 2018, which was actually produced in 2017.



There are two more factories, that produced for Expresso through two agencies and share a 0,24% of all the collections in 2018. Both factories are not working for us anymore and also were not visited in 2018.





2.4. Bulgaria

In total, there were 4 production locations producing for Expresso in Sandanski in 2018.

At all four factories Expresso has a bigger leverage than 10% and they are also producing for Expresso longer than 5 years. The biggest risk are double bookkeeping, together with overtime and social benefits payments and late payments of salaries. Also occupational Health and Safety conditions might be outdated. Still, most of the employers have to fight to keep their workers, as there are not a lot of workers in the garment industry due to lower conditions than to other industries.



Supplier T:

This is a Greek agent Expresso works with since 2008. All of their factories that produce for Expresso are located in Sandanski and produce Jersey items for Expresso.



Supplier T – Subcontractor 1:

This production location from Sandanski produced 3,3% of the collection in the last financial year. They produce for Expresso since 2008, were audited in April 2017 and visited at the beginning of 2017 by two production managers.

The supplier implemented a written policy regarding discrimination, and has had regular health and safety inspections. They also improved ergonomics, elected a worker representative, explained wages and its calculations to the workers and medical tests were done. Now, there are almost no open issues. One of the biggest improvements was that they implemented a system to reduce overtime. They have made improvements in critical Health and Safety issues and are working on their payment of living wage.

Supplier T – Subcontractor 2:

This production location from Sandanksi had a production share of 2,7% of our collections in the last financial year. They have been audited in September 2018. The audit verified that the Health and Safety responsible was trained, a worker representative has been elected and they did a health analysis. Most importantly, they implemented an overtime register.

Supplier T – Subcontractor 3:

Supplier T – Subcontractor 3 is also located in Sandaski and produced 2,1% of all the production for Expresso. They have been producing for Expresso since 2013. They had their second FWF audit in September 2018 and several improvements are noticed. They implemented a proper job description, are paying paid leave now, maintain an overtime register, make a health analysis of the workers, renewed the measurement of noise, temperature and lightning, they generally improved Health and Safety issues, as they hired a service who helps and supports them.

Supplier T – Subcontractor 4:

Supplier T – Subcontractor 4 is the third subcontractor Supplier T and has been producing for Expresso since 2010. In 2018 they produced 2% of all the collections of Expresso in their factory in Sandanski. They were also audited by FWF in 2018 and still have to work on their overtime payroll records. They very well implemented the overtime register; made a dust measurement and they made a health analysis based of sick leaves and medical checks. Lastly, the updated their first aid kit.



2.5. India

With our mother company FNG, we have our own local CSR officer in India, as India is a big production country for us and there are a lot of possible risks that need to be check regularly and with the knowledge of a local person. The risks are, for example, outsourcing or subcontracting to homeworkers, different production locations for all processes, which might make it more difficult to create transparency, double book keeping and lack of transparency in wages and working hours, gender discrimination an women right might not be respected, child labour and a lack of training in fire safety and occupational health and safety.



**Supplier U:**

Supplier U is a scarf supplier and produced 1,17% of our total collection in 2018. It is one of our longest business relations, as we have been working together since 2006. They are located in West Mumbai, were visited by our local CSR officer in 2018 and were audited by FWF in 2016.

They improved keeping records of salary slips and personnel files. There is a grievance committee, but they need to be trained properly. The factory is mainly working on improving Health and Safety issues.

**Supplier V**

This is a Dutch agency for accessories, who co-owns a factory in Ludhiana. We have been working with this agency since 2017, they produce scarves for Espresso and had a production share of 0,69% in 2018. They were visited several times in 2018 by our local CSR officer and will have their first FWF audit in February 2019. We will follow up on the Corrective Action Plan with another FWF member brand.

There are two more suppliers that produced for Espresso in 2018 and are located in Noida and Karur respectively and produced together 0,71% of the total collections of Espresso in 2018.

One of the factories is working for Espresso for a longer time and has been visited by our local CSR officer in order to follow up on the Corrective Action Plan of another social auditing organisation. The other factory was a one-time order and was placed by one of our agents. Unfortunately, we didn't visit this factory.





2.6. Tunisia

There are some risks that might come with producing in Tunisia. It is known that many workers don't receive a contract, that they don't know about their labour rights (in terms of overtime, for example), there are a lot of juvenile workers and the risk of child labour is low, but exists. Furthermore, there is a lack of occupational Health and Safety.

We have one supplier in Tunisia that we have been working with since 2014. **Supplier W** is one of our denim suppliers and their main office is in Monastir, where they do the sampling, finishing and have their warehouse and the production location is located in Mahdia. Indeco produced 2,95% of our collections in 2018.

The main location and the production location had a FWF audit in 2016 and the production location will have a new audit in April 2019. Espresso visited both factories in 2018.

The findings during the audits were mostly about occupational health and safety and worker representation and were all very quickly improved. They posted a time schedule of working hours, elected worker representatives, implemented a fire alarm system, organized their warehouse in a different way, implemented electrical safety, an occupational health and safety responsible was elected by the workers and they have a weekly check of occupational health and safety now. They also started making canteen meetings to update and train the workers. They are no further major issues to be improved and we are excited about the outcome of the new audit of Supplier W – Subcontractor..





2.7. Italy

The potential risks in the garment industry in Italy are that a big part of garments from Italy come from factories (often owned by Chinese) located in or around Prato and it is possible that some factories are not actively following CSR standards and regulations. Also, there is big risk of subcontracting to other, usually smaller, locations that often have a lack of knowledge or capacity to fulfil formal policies on CSR. There might be illegally employed workers with no working contract and no benefits and cash payments. Excessive overtime is also a big risk and hard to monitor. Migrant young workers are mostly employed by family businesses in the factory or homework and there is a high risk that there are a high number of Health and Safety violations.



Supplier X

Supplier X is one of our knit suppliers since 2011, they are located in Prato and they produced 0,59% of our collections in 2018. They work with another linking factory for us and both locations were visited and checked in 2018.



Supplier Y

We have another Italian supplier that produces shape wear for us and we have been working with them since 2012 and produced 0,24% of our FOB.

2.8. Other countries

We produced 0,96% of our collections in 2018 at suppliers in Greece, the Netherlands and through two agents that placed the orders in China, India and Morocco. We visited the production locations in the Netherlands and the supplier in Greece is a long term trimmings suppliers.

We stopped working with one of the agents in the beginning of the year and, therefore, didn't visit the locations and also didn't visit the factory in Morocco.



3. External production

Expresso works with one supplier as an external producer. It is a Dutch brand that produces shape wear with its production locations in Italy and China.

4. Compliant Handlinging

The CSR Team is responsible for dealing with complaints. In 2018 no complaints were filed at production locations for Expresso. The procedure in case a complaint will be filed in future is the following: when FWF receives a complaint by the FWF local team, FWF' case manager will contact the CSR Team and they will discuss this internally with the relevant Production Manager and if needed with CEO. Then the supplier themselves are contacted. Regarding the outcome of this talk and using the feedback from FWF, it is decided which steps, if any, need to be taken.

5. Training & Capacity Building

5.1. Activities to inform staff members

New staff at the head office got an introduction about the activities for the membership of Fair Wear Foundation. The CSR Team has regular meetings with the production managers, the CEO and the holding to update everyone about the ongoing process.

At the beginning of 2018, the CSR team of Expresso visited all the collection presentations to train and inform our staff in the stores about our FWF membership, what it means and updated them on current happenings.

Furthermore, we have an internal CSR newsletter to inform our colleagues in the head quarter, as well as in the stores.

5.2. Activities to inform agents

If we work with a production location through an agency, the communication and sustainability and human rights is usually through the agents. If not through them, they are at least included in the discussions. Therefore, they are always up to date and informed about the last happenings.

5.3. Activities to inform manufacturers and workers

All our new suppliers get the FWF Code of Labour Practices (the worker information sheet), and have to post it at all production locations. In addition, when production managers visit the production locations, the production managers also fill out the Health & Safety checklist, from FWF. Most of the times, the factory managers walk along with the production manager in order to have a better understanding of the checklist and the things that might be needed to improve.

In any case, we asked all our suppliers to fill out the checklist and make a picture of the posted CoLP. In the event that the outcome of the audit stated the workers were not aware of the Code of Labour Practices, we asked the suppliers to organise a (canteen) meeting to inform their workers about the FWF Code of Labour Practices.



6. Transparency & Communication

We proactively informed our customer service department with FAQ regarding different topics. FWF concerning topics as working conditions at our production locations, our FWF Membership and the 8 labour norms and child labour, topics about our environmental care in terms of sustainable production processes and what materials we use, our transparency, Espresso Foundation, product waste and how consumers can take action as well.

Espresso values sustainability highly as we want to grow our business and create beautiful products, whose production process respects people and the environment. We are certainly transparent about our sustainability efforts, but we communicate about this very carefully to both consumers, b2b relations and the press.

We recognize the need for increased transparency as a result from the growing consumer desire to know which brands produce more sustainable. Therefore, we are slowly communicating more about our sustainability policy, which obviously includes our FWF membership of which we are very proud.

Our main communication platforms to our customers and the press are our website, our magazine, social media and the sustainability brochure.

We use the sustainability brochure to further inform them about the content. We also ask them to place our sustainability brochure close to the place where they sell our collections.

The Social Report and the results of our Brand Performance Check is published on our own website as well as the Fair Wear Foundation website.

We are happy to provide our customers with a sustainability page in our magazine, due to the fact we need to pro-actively work on the right way how to communicate.

7. Stakeholder input

We have an email address specifically for sustainability related inquiries (mvo@expressofashion.com).

7.1. Het Convenant

In 2016 Espresso and other Dutch Textile brands signed Het Convenant. Het Convenant is a coalition of brands, trade unions, social organisations and the Dutch government that concentrates their forces and international responsibility in the textile and clothing industry. The goal is to improve working conditions, reduce environmental pollution caused by this industry and strengthen animal welfare.

7.2. Stakeholders information about production countries

In order to properly improve the current working conditions of workers in the factories, we always need to know what the current situation in the country is. There we use the country studies from Fair Wear Foundation as well as our visits and audits by our local officers. Apart from these main sources, we included information from Clean Clothes Campaign reports, seminars organized by the AGT, FWF and Modint and the *Rijksdienst voor Ondernemen Nederland, arbeidsomstandigheden 2017*. Also, we included Transparency International, Corruption Perceptions Index 2018, 2019, *mvoorisicochecker.nl* and the research paper “Fabric of Slavery” from the India Committee of the Netherlands, published in December 2016.

