



## **Brand Performance Check**

### **Espresso Fashion B.V.**

**Publication date: August 2020**

This report covers the evaluation period 01-01-2019 to 31-12-2019

## About the Brand Performance Check

Fair Wear Foundation (Fair Wear) 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. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear'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 Fair Wear 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 Fair Wear 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 Fair Wear'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](http://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: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Diemen , Netherlands
Member since:	2004-01-31
Product types:	Garments, clothing, fashion apparel, bags
Production in countries where Fair Wear is active:	Bulgaria, China, India, North Macedonia, Tunisia, Turkey
Production in other countries:	Germany, 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	89%
Benchmarking score	63
Category	Good

## **Disclaimer**

*This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.*

*While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.*

*This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.*

*Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.*

## Summary:

Expresso Fashion has met most of Fair Wear's performance requirements. Its monitoring threshold of 89% is an improvement compared to last year. To achieve this monitoring percentage, Expresso Fashion used Fair Wear 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 63 means that Fair Wear has awarded Expresso Fashion the 'Good' rating.

Expresso Fashion kept consolidating its supply chain in 2019 and was again able to present a more manageable supply chain due to its sourcing strategy. There was a significant number of new production locations in 2019 as specific styles could not be produced in the existing production locations. However, the member brand mostly used production locations from the existing portfolio of FNG Netherlands, the holding company of which Expresso Fashion is part.

There remains a split in Expresso Fashion's supplier base 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.

In the past year, the company did not organise any training to strengthen workers' knowledge on the Fair Wear Code of Labour Practices or training that supports transformative processes related to human rights. Fair Wear expects Expresso to put more effort into training workers and management at production locations to achieve progress on human rights violations.

In terms of living wages, Fair Wear 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. Although the brand has started to survey a living wage benchmark at multiple production locations, it also needs to start working towards payment of a target wage.

## 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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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.	71%	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 2019, 71% of Espresso Fashion's production volume came from production locations where it buys at least 10% of production capacity.

**Recommendation:** Fair Wear recommends Espresso Fashion to consolidate its supplier base where possible, and increase leverage at main production locations 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.	16%	Fair Wear 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 Fair Wear.	2	4	0

**Comment:** In 2017, Espresso Fashion started its efforts of consolidating its supply chain. In 2019, 16% of Espresso Fashion production volume came from production locations where it buys less than 2% of FOB. This is a continuous improvement compared to 32% in 2016, 23% in 2017, and 19% in 2018.

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.	77%	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.	4	4	0

**Comment:** In 2019, 77% of Espresso Fashion'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.	No	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.	0	2	0

**Comment:** The member brand has a process in place to ensure questionnaires are signed before production takes place. In 2019, Espresso Fashion started production at 8 new production locations. Nevertheless, Espresso Fashion was not able to show that signed questionnaires were returned before the order was placed for some of the new production locations during the performance check.

**Requirement:** Espresso Fashion needs to ensure that new production locations sign and return the questionnaire before first orders are placed.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	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:** As the company is aware of the major risks in the garment supply chain, Espresso Fashion's due diligence process starts by only looking for new suppliers within its current production countries. Whenever the brand needs a new supplier it will first approach other brands in the holding to see whether they have any suggestions or checks with existing business partners whether they can expand production. Next, it will contact the buying office of the holding to check their database although not all high-risk countries (e.g. Bangladesh and Myanmar) can be used for Espresso Fashion. When a potential supplier is selected the company collects either 3rd party audit reports or the CSR staff of the buying offices in India, China and Turkey perform an audit.

The process to start in a certain country is not yet formally put on paper yet. The plan is to put on paper that in high-risk countries Espresso Fashion cannot source. This would include large sourcing countries such as Bangladesh, Cambodia or Myanmar. The intention is not to source from new production locations.



There are three findings that will stop potential orders: (indication of) child labour, wages below legal minimum wage, severe occupational 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, the CSR and Purchasing department cooperate closely. However, a purchasing order can only be accepted if the CSR team signs off. Espresso Fashion was able to show this process in practice, including examples.

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 the 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 it is blacklisted and production cannot take place. 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, but the need for follow-up action is different based on the outcomes. 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. Overall 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 Fashion is phasing out one intermediary because of minimal cooperation on the Code of Labour Practice compliance.

**Recommendation:** Fair Wear encourages Espresso Fashion to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Such a system can show whether and what information is missing per supplier and can include outcomes of audits, trainings 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:** Espresso Fashion has four seasons per year which are split into multiple production planning cycles. This approach lessens the peak at suppliers at specific times. Suppliers are informed about the production planning and asked to indicate any problems they foresee. During this process, Espresso Fashion highlights to their suppliers that they will not allow any overtime. However, Espresso Fashion has limited 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:** It is advised to establish a system for sharing and updating forecasts with suppliers to facilitate their planning. The system may include assurance of early delivery of materials and trimmings to suppliers, ensuring samples are approved in time and that late changes are discussed with the supplier.

A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

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:** Addressing the root causes of excessive overtime at factories in China has been a specific point of attention for the local CSR liaison. The CSR liaison in the China buying office looked at what the average overtime is in factories from the whole FNG suppliers in China. The CSR liaison came to the conclusion that it is very difficult to mitigate the root causes of overtime in China. This is now adjusted in the rating for factories.

In Turkey, there was a problem with customs resulting in fabrics not timely sent to the supplier due to a holiday. If workers had to make overtime, this was shared with Espresso Fashion, on an ad-hoc basis. Workers made overtime on a voluntary basis. The supplier notified Espresso Fashion about the possibility of overtime because they are aware of the importance, not because this is integrated into the system.

**Recommendation:** Espresso Fashion 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. The outcomes of the root cause analysis can be used for identifying strategies that minimise the impact of its sourcing practice on working hours at other factories.

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:** In 2019, Espresso Fashion made an attempt to start working with the labour minute costing methodology in order to learn more about the link between its buying prices and wage levels in production locations. In 2018 and 2019, the CSR team, buyers, local FNG representatives and Espresso Fashion's suppliers were educated on this topic. However, the company changes collection frequently and hence switches regularly between their production locations. It is therefore difficult to come to conclusive insights. In addition, suppliers also did not provide the information needed for this exercise.

As a result, the situation has not changed much compared to the year before. 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 Fashion needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

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.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** Audits have not indicated any problems related to the 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

**Comment:** No evidence of late payments was observed in 2019.

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.	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	4	6	0

**Comment:** In 2019, Expresso fashion started working on living wages from a different angle as open costing did not provide the results needed. They have asked their key suppliers what is needed in terms of wages and then asked the same suppliers what that would mean for the product costs. This way Expresso Fashion will not have information on how they can cost for the wages of workers. Expresso also asked their suppliers what they would need to cost in order to be able to pay a living wage. However, this still is difficult and significantly differs per region.

**Requirement:** Expresso Fashion must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. Expresso Fashion is expected to take an active role in discussing living wages with its suppliers. The Fair Wear 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	6	0

**Comment:** Expresso Fashion is working with seven suppliers to discuss a target wage and the possibility to contribute to higher wages at one of the main production locations. A survey has been shared with the supplier to take stock of the needs of workers. This should result in a target wage for the 7 factories. The member brand is still in the process to finalise the surveys before taking the next steps.

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%	Fair Wear 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	6	0

**Comment:** In 2019, Espresso Fashion was not paying its share of a target wage or living wage.

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

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 26**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	1%	
% of production volume where approved external audits took place.	11%	
% of production volume where Fair Wear audits took place.	75%	
% of production volume where an audit took place.	87%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	2%	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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	89%	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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Yes	In case Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	0	0	-1

**Comment:** Fair Wear has provided training for local CSR liaisons to do audits at Espresso Fashion's tail-end production locations in Turkey and China. The CSR liaison for India is still planned but it was less urgent as Espresso Fashion is able to use third-party audits.

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: Fair Wear 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 Fashion highlights timelines as expressed in the Corrective Action Plan. Business partners can follow up in an online form. The CSR team also follows up via email and by visits from the local CSR liaisons.

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.	Intermediate	Fair Wear 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.	6	8	-2

**Comment:** The company uses a spreadsheet format provided by Fair Wear, also for external audits, to monitor progress. This file is shared via an online platform, so suppliers can easily access it and provide feedback. Espresso Fashion also follows up via email. Audit findings are shared with purchasing departments and staff is involved in CAP follow-up too.

Looking at Espresso Fashion's progress towards resolution of existing Corrective Action Plans there is a split between Eastern European and Tunisian 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 mostly done via email or when Espresso Fashion's CSR or buying staff is traveling to the production location. 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 more complicated even though in these countries the brand has local representatives visiting production locations regularly to follow-up.

Espresso Fashion was able to show how the CSR team and the local liaisons worked together to remediate identified problems actively. The CAP follow-up from 3rd party audits follows a slightly different process per CSR liaison. Some prefer to make a CAP themselves whereas others ask the factory to make a CAP and then follow up on the content.

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.	82%	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:** In 2019, Espresso Fashion visited 82% of its production locations.

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 2019, Espresso collected 17 external audit reports for the period counting for this review (2017-2019) which were verified and approved for the monitoring threshold. 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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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.	5	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	Advanced			6	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

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

Expresso Fashion produces in several factories in Turkey. Since the publication of Fair Wear's guidance on risks related to Turkish garment factories employing Syrian refugees, the member brand has discussed the topic with all their production locations and incorporated it as part of their due diligence process. The Turkish CSR liaison provided guidance for Turkish suppliers on working permits and (sub-)contracts in the Arabic language in order to make the contracts and the rights of workers better understandable for this group of migrant workers.

Besides the topic of Syrian refugees Expresso Fashion, as part of FNG Netherlands, has identified additional risks to production in Turkey, namely subcontracting and child labour. These risks are documented in the Group's due diligence risk analysis and the Group's local representative has been actively engaged with current and possible suppliers to address these risks.

In the other main sourcing countries, Expresso Fashion takes along the main issues in their due diligence risk analysis. If the member brand has a local CSR liaison, they will actively follow up on these issues. However, in Eastern Europe and Tunisia, there are no additional steps built in the process to address and remediate specific high risks.

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:** Expresso Fashion actively cooperates with other Fair Wear member companies but also cooperates with other FNG brands in resolving corrective actions at shared suppliers.

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.	0.0%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	0	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
Member undertakes additional activities to monitor suppliers.	No			0	1	0

**Comment:** Espresso Fashion sources in 4 production locations in low-risk countries, responsible for 2% of its total FOB. For 4 of these production locations (100%), 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	Fair Wear 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 Fair Wear and recent Audit Reports.	2	2	0

**Comment:** Espresso Fashion has audited more than 80% of its FOB volume and has conducted full audits at 51% of its 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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

**Comment:** Espresso Fashion 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%	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	0	3	0

**Comment:** The external brand Espresso Fashion 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	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

## Monitoring and Remediation

**Possible Points: 34**

**Earned Points: 29**

### 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.	1	

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of Fair Wear 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 Fair Wear 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 Fashion was able to show posted Worker Information Sheets in production locations.

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 Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** Although a requirement was set last year, Espresso Fashion has not organised any training in production locations to increase awareness of the Code of Labour Practices in 2019. The local CSR liaisons have informally shared information with factory management on the Code of Labour Practices, but no formal training in which factory management and workers were trained was carried out.

**Requirement:** Fair Wear requires members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline. Espresso Fashion should ensure good quality systematic training of workers and management on these topics. To this end, members can either use Fair Wear's Workplace Education Programme (WEP) basic module or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear'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.	No complaints received	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.	N/A	6	-2

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 Fair Wear 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

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## Complaints Handling

**Possible Points: 9**

**Earned Points: 3**

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## 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 Fair Wear 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 an internal sustainability newsletter. This newsletter also includes information regarding FWF membership. Additionally, the wholesale and retail sales teams are informed on CSR as part of each collection presentation. The marketing department has also taken the responsibility to educate staff as the member brand started to communicate more about sustainability in the past year.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** The idea was that CSR training would be organised with all buyers and other staff that is frequently in contact with suppliers, but because of the internal restructuring of the company, this has not yet happened. However, all new staff is trained individually at the moment.

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, Fair Wear 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 a joint responsibility. After an audit, Espresso Fashion tries to establish direct contact and conduct CAP follow-up directly with the production location but uses its agents and buying offices in the follow up of an audit.

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. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

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

**Recommendation:** Fair Wear recommends Espresso Fashion 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 and structural change to improve working conditions. To this end, Espresso Fashion can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist 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

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## **Training and Capacity Building**

**Possible Points: 11**

**Earned Points: 5**

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## 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 Fashion 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 2019, local staff discovered new production locations in Turkey which were used without their consent. They were audited after discovery.

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, the purchasing departments and the local buying offices on a regular basis. Additionally, this information is accessible for all relevant staff on a shared digital platform.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**

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## 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	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

**Comment:** Espresso Fashion communicates about Fair Wear membership on its website and in sales brochures. All communication is in line with the Fair Wear communications policy. In 2019, the brand also participated in events that Fair Wear organised such as the fashion show in Vietnam and the pop-up store in The Hague.

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 Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

**Comment:** Espresso Fashion publishes the performance check report on its website. Since 2017, the company has started to also communicate about production countries on its website and webshop.

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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

**Comment:** Espresso Fashion's social report is submitted to Fair Wear and published on its website.

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## Transparency

**Possible Points: 6**

**Earned Points: 5**

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## 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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** In 2019, Espresso Fashion's sustainability team met with the CEO to discuss Fair Wear membership and its requirements. During these meetings, Espresso Fashion's 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.	10%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

**Comment:** Espresso Fashion received four requirements in last year's performance check.

1.8: Although the member brand engaged with some suppliers to work on costing sheets to learn about the link between their costs and the wage in production locations, this was not finished as the member brand did not manage to get the required information on the table, partly due to the setup of its business model. The requirement still stands for this performance check.

1.11: The member brand has not been able to work on the root causes to identify the root causes of wages below a living wage due to the lack of information. The survey amongst workers in seven production locations might deliver some insights in the future. The requirement remains for next year.

1.14: The member brand was not able to ensure the payment of a living wage to workers in 2019. The requirement remains for next year.

3.3: In 2019, the member brand did not organise training to inform workers and factory management about the Fair Wear Code of Labour Practices. The requirement still stands for this performance check.

Although all requirements still stand, some progress was made in 2019 on the work of wage increases (albeit not as successful as anticipated beforehand), leading to a score of 10%.



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## Evaluation

**Possible Points: 6**

**Earned Points: 4**

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## Recommendations to Fair Wear

- Lead times for audits are still too long. Communication which is related to production countries is slow. However, over the past two years services to member brands have improved.
- Fair Wear needs to listen better to its member brands and their issues. And should have more realistic expectations.
- The Fair Wear events that were organised in 2019 were rated very positively, but communications around the events (and particular logistics) could have been better.
- Espresso Fashion would like to see further collaboration with other Responsible Business Conduct initiatives.
- The Fair Wear seminars are very good and high quality. Audience is better valued and content tailored to its needs.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	26	52
Monitoring and Remediation	29	34
Complaints Handling	3	9
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	4	6
Totals:	79	125

### Benchmarking Score (earned points divided by possible points)

63

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

07-07-2020

Conducted by:

Jesse Bloemendaal

Interviews with:

Marieke Weemaes - Sustainability manager

Jana Heuer - Sustainability officer

Kemal Ortayli - Sustainability liaison Turkey

Pooja Singh - Sustainability liaison India

Steven Tso - Sustainability liaison China