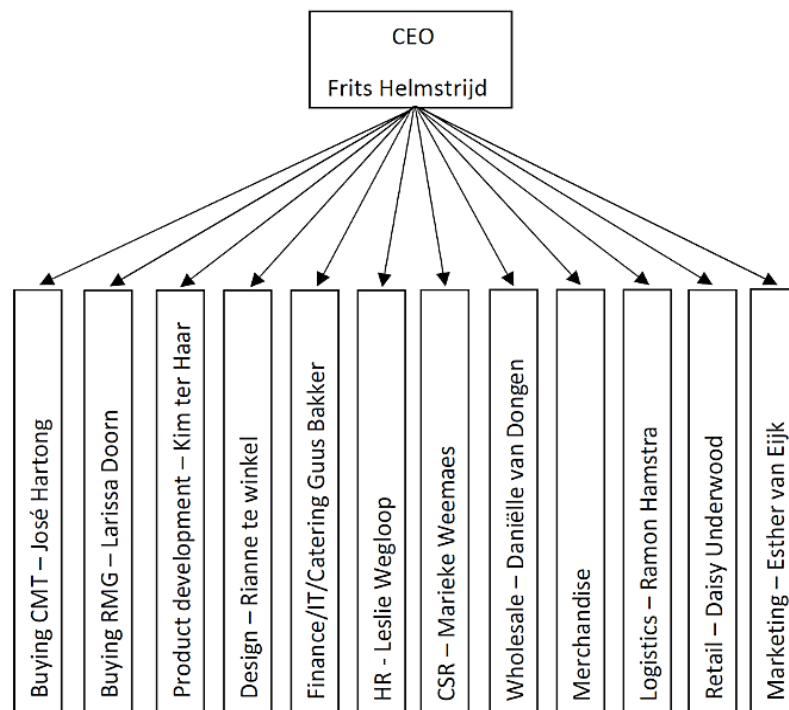




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Fair Wear Foundation

Member since 2004



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Expresso Fashion is a Dutch fashion brand founded in 1984 with 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.

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.

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'.

Collection

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

The 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 31 own Expresso Stores in the Netherlands and Belgium and delivers to around 650 retailers within the Netherlands and abroad. The retailers have a turnover share of 40% of Expresso's turnover.

SUMMARY: GOALS & ACHIEVEMENTS 2016

Our ultimate goal is to have a positive impact on the circumstances of people working along the supply chain of our garments. Therefore we maintained regular contact with our suppliers on the importance of social compliancy and in order to implement the FWF Code of Labour Practices along our supply chain.

We expect changes and improvements according to the Corrective Action Plans at production locations.. Ten production locations have been audited this financial year of nine months by the Fair Wear Foundation audit teams.

Also in the financial year 2016 we started working with some new suppliers and new production locations. The CSR Team together with the responsible production manager actively inform them about our policy on social compliancy and that for us it is highly important to keep track of all production locations. Apart from only informing them, we created a new more bureaucratic, yet more transparent procedure for new production locations, as well as already existing production locations.

This way, we improved our transparency, but had to clearly notice again that increasing transparency goes hand in hand with an increasing number of production locations.

Expresso organised a presentation about Health and Safety in factories for the production managers in 2015, which has been followed up and actively executed in 2016.

In order to increase their level of awareness and knowledge, due to the fact that they visit the production locations, they were given an overview of important safety facilities in factories (fire and electrical safety, chemical and equipment safety and general work environment) to take these safety standards into consideration.

Furthermore, Expresso started a research about the improvement of production planning at the beginning of 2016, so that in the future we have the best outcome for both parties the suppliers and Expresso. This research, however, was only executed with the production locations that are working with our CMT department, due to the fact that we have control over the delivery of the fabrics.



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, Tunisia China and Bulgaria. 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 55% 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.

Never out of stock (NOOS) collection and our Flash collection were established in 2015. Both collections give our suppliers work in times of rather quietness.

The production managers carefully discussed this establishment with our suppliers before, as we wanted to make sure the factories will be able to handle more production. Some of them agreed on more production, others did not. 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

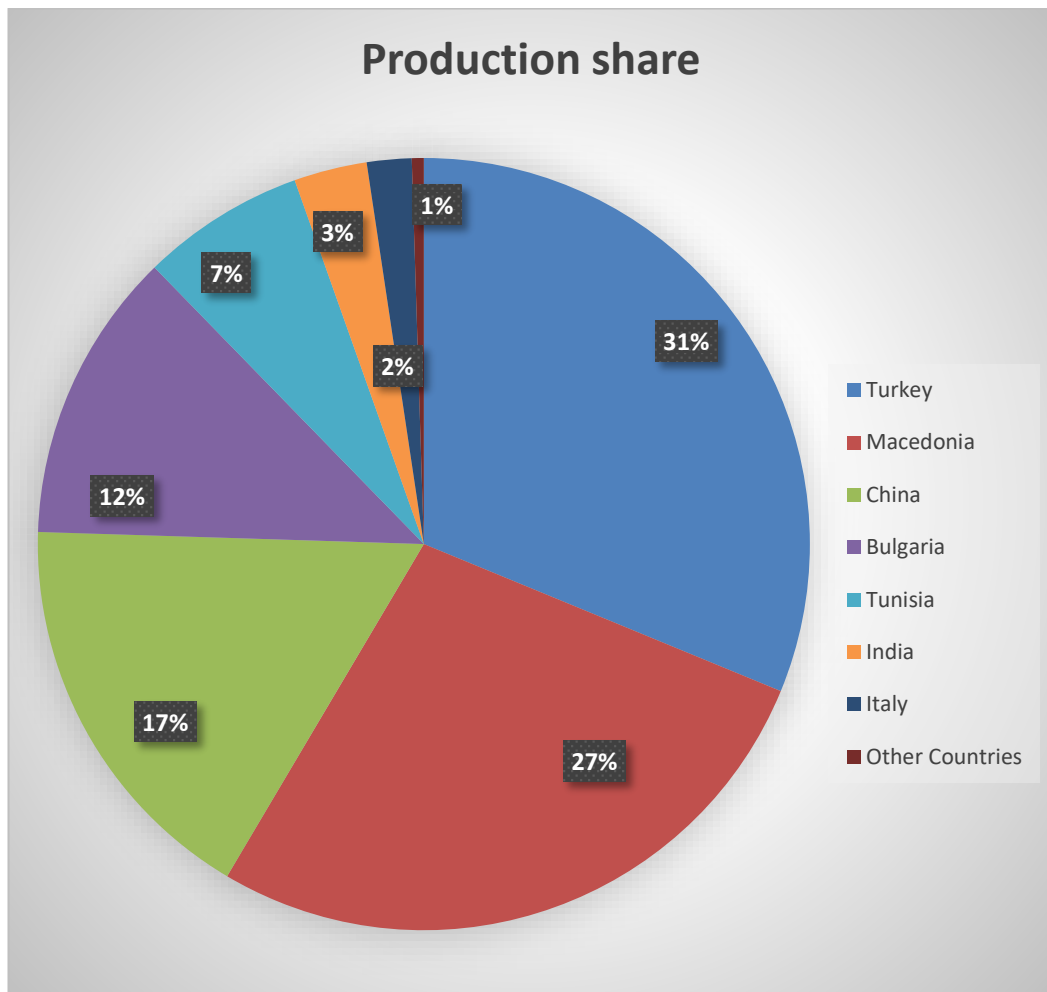
We have developed a supplier rating system at the end of 2015 in order to develop a system to include various criteria when selecting and continuing business relationship with suppliers.

In order to always be updated about all ongoing monitoring , the CSR Team sits together with 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 per country



The production shares are based on the FOB.

2.1. Turkey (31,22%)

The production share of Turkey decreased in the financial year 2016 slightly by 1,7% in comparison to 2015. In 2016 Espresso had 24 production locations in Istanbul, Izmir and Aksaray, which includes the main suppliers as well as their subcontractors. With five of these production locations (around 18% of the FOB value) Espresso has a business

relation for at least 5 years and in six of them Expresso has a leverage bigger than 10%. What we specially had to focus on in Turkey in 2016 was child work and legal contracts with refugees who came to Turkey and also to make sure that the increase in minimum wage was integrated in the factories.



TURKEY FACTORY A

This supplier, located in Aksaray, is a blouse producer of Expresso since 2011, produced 10,7% of Expresso's collections in the last financial year and was audited in May 2016. As this supplier is our second biggest supplier, our CMT production team visit the production location regularly.

Due to a minimum wage increase in Turkey in 2015, we agreed by then on increasing our purchasing prices and their price per working minute. This was verified by FWF at the audit in May. Together with an external organisation for health & safety issues they improved in doing regular fire trainings and checks on temperature, dust and ventilation.

The supplier needs better documentation of organised worker representative meeting for better communication, as well as of the working hours and wage calculation. Also, the workers should get payslips with an explanation on how the wage was calculated.

They have a subcontractor, with an estimated production share of 0,56%, who does the process of washing for them. As this location is highly rarely used, Expresso has not visited this location yet.



TURKEY FACTORY B

This supplier produces denim for Expresso in Istanbul since 2007 and had a 3,34% production share of Expresso's collections in the last financial year. They were last audited in 2015, had a Workplace Education Program (WEP) Training in 2015 and were visited also by a production manager in 2015 and in the beginning of 2017 (planned in 2016). This supplier worked with 2 subcontractors for Expresso in 2016.

The supplier improved in placing labels on all the liquids (chemicals) that are in the factory and they provided a training for stain removing staff. The management removed and changed different articles in the employment contract that were not according to the legal requirements and made sure that important documents are filled out properly already in 2015. In 2016 they increased the wages, all workers had to do a health test and there is an MSDS for all chemicals now.

Expresso and the supplier still 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.

Together with the supplier we need to make sure that there are proven elevator inspections, as well as improvements regarding electrical installations.

TURKEY FACTORY B – Subcontractor

TURKEY FACTORY B started to produce for Expresso in 2016 and received a lot of production straight away.. The denim production location, also situated in Istanbul, had a production share of 4,18% in 2016, was audited in December 2016 and visited at the beginning of 2017 (which was planned in 2016).

We cannot report about improvements at this locations yet, because the report of the findings was given to Expresso in 2017 and we are working on it now.

TURKEY FACTORY C – Subcontractor

This subcontractor does the denim washing process for Expresso in Istanbul since 2015, with an estimated production share of 0,84%. Our CSR manager visited them in the beginning of 2017 (planned in 2016).



TURKEY FACTORY D

This supplier, which is shared with another FWF member, is an Istanbul based knitwear producer of Expresso since 2012 and produced 2,74% of our collections in the last financial year. They had a WEP Training in October 2015, were visited in 2017 and beginning of 2017 (planned in 2016) and have been working with two subcontractors in the FY 2016.

They had an audit in November 2016.

Due to various former audits from other audit organizations they had already improved on Health & Safety issues.

TURKEY FACTORY E – Subcontractor

This subcontractor from Istanbul produced for Expresso since the last financial year and had a production share of 0,83% of our collection in the last 9 months in 2016.

TURKEY FACTORY F – Subcontractor

This production location started producing for Expresso in 2015. They are also located in Istanbul. In the same year of their production start with us, they had a WEP Training and were audited in November 2016. As the report was handed in to us in 2017, we are

working on improvements now and unfortunately cannot report about improvements there yet.



TURKEY FACTORY G

This supplier from Istanbul is a Jersey producer of Expresso since 2005 and produced 1,32% of our collections in the last financial year. They were last audited in 2016 and the two of the 6 subcontractors attended a WEP Training in August 2014. In cooperation with another FWF affiliate we are cooperating on the follow up of the monitoring activities.

They improved in arranging a training to deal with the fire extinguishers and fire drill and agreed on a policy to make sure that exit doors are always open and accessible. The main supplier visited all subcontractors and bought various needed things like exit signs and fire extinguishers. Plus, they have updated the files with worker contracts according to law regulations.

However, the factory still has to improve in various topics on Health & Safety.

TURKEY FACTORY H - Subcontractor

This subcontractor, also located in Istanbul, was audited in January 2016, produced 1,90% of our collections last year and improved their system of filing their documents like copy of worker, identity cards.

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

TURKEY FACTORY I – Subcontractor

The second subcontractor of this supplier, also located in Istanbul, had a production share of 0,36% of Expressos total production. They participated at a WEP in 2014 and were visited in 2015 and at the beginning of 2017 (planned in 2016).

TURKEY FACTORY J – Subcontractor

The, for Expresso, third biggest subcontractor of this supplier, also situated in Istanbul, started producing for Expresso in 2016 and had a production share of 0,36%.

TURKEY FACTORY K – Subcontractor

This subcontractor produces for Expresso since 2013 and shared the production of Expresso by 0,22%. They are located in Istanbul and also had a WEP in 2014. Our CSR Manager visited them in 2015.

TURKEY FACTORY L – Subcontractor

The fifth biggest subcontractor of this supplier (in terms of production share), located in Istanbul, started producing for Expresso in 2016 and had a production share of 0,20%.

TURKEY FACTORY M – Subcontractor

The last subcontractor from this supplier is also located in Istanbul, was audited in November 2016 and our CSR Manager visited them at the beginning of 2017 (planned in 2016). They had a production share of 0,06%.

As the report was handed to us in 2017, we, together with this production location, are currently working on the improvements.

**TURKEY FACTORY N**

We also have a supplier in Izmir. They produce Denim for Expresso since 2012 and were visited at the end of 2015 and at the beginning of 2017. An audit at this factory has been planned for April 2017, as in the FY 2016 they had a production share of 1,16%.

TURKEY FACTORY O – Subcontractor

Our Izmir based supplier does not do the washing process in house and has a subcontractor. The estimated production location of this subcontractor is 0,06%.

**TURKEY FACTORY P**

This supplier is a Istanbul based Knitwear producer of Expresso since 2014 and produced 0,03% of the collections in the last financial year. They were visited in 2015.

TURKEY FACTORY Q – Subcontractor

As the main supplier only does the sampling process, this subcontractor, also based in Istanbul, that produced for Expresso since 2016, had a production share of 0,42%.

TURKEY FACTORY R – Subcontractor

The same goes for this subcontractor. They are also based in Istanbul, produce for Expresso since 2016 and had a production share of 0,38%.

**TURKEY FACTORY S**

Expresso started a business relation with this Istanbul located supplier in 2016, but due to the fact that we already had started working with so many new production locations and we are actually aiming to achieve more consolidation of our supplier list, we also stopped the relation in the same year. In total this production location produced 0,45% of all our collections in the FY 2016.



TURKEY FACTORY T, U, V

This supplier is a new business relation. It is an Danish agent and has three production locations that produced for Expresso in 2016 with a total production location of 0,24%. Two of these production locations, both located in Istanbul, produce Denim and another production location, also located in Istanbul, produces Jersey for Expresso.



2.2. Macedonia (27,29%)

Expresso increased its production in Macedonia by 6,9%. Also in Macedonia the minimum wage has increased during the last year, so we had to make sure this is paid. The four production locations that produce for Expresso are located in Kocani, Probistip, Stip and Prilep. At all of the following production location our leverage is bigger than 10% and with two of the production locations Expresso's relation is longer than 5 years.



MACEDONIA FACTORY A

This supplier is Expresso's biggest supplier with 13,31% production share. They produce (mostly) blazers for Expresso since 2011 and are located in Prilep. In 2015 they were visited by the CSR Manager and in 2016 several times by our Production Managers. They also have been audited in June 2016.

This supplier has been attending a project from Fair Wear Foundation on Living Wages.



MACEDONIA FACTORY B

This supplier is a trousers producer of Expresso since 2012, located in Kocani and produced 7,43% of the collections in the last financial year. In 2015 they have been audited and were visited by Production Managers and our CSR Manager.

They held meetings with the employees to inform them about FWF CoLP and the employees elected their own worker representative. They solved critical issues

regarding the electrical, fire and chemical safety. Together with the elected employee representative the supplier will sign the CBA.

The supplier needs to gather information about social compliances, what will be checked within one year after the last audit. They need improvements considering the payment of the living wage and during the audit FWF found two issues regarding Health and Safety issues that need to be solved. However, this supplier will move in 2017 to a new building and included their knowledge from the FWF audit into the construction of the new factory.



MACEDONIA FACTORY C

This supplier is a blouse producer of Espresso since 2010 and produced 5% of our collections in the last financial year. They have two own production locations. The bigger location in Stip has been audited in July 2014 for a verification audit and both locations were visited in 2016 by Production Managers.

After the 2nd audit, they have made improvements on different Health & Safety issues. The factory arranged a meeting to inform the workers about the FWF Code of Labour Practices and the complaints system.

The supplier needs a system to gather information about social compliance and has to improve their grievance mechanism. They also need a written policy regarding discrimination and have to improve issues regarding Safety issues that sometimes do not comply with legal requirements.

MACEDONIA FACTORY D

The other production location is located in Probistip and produces for Espresso since 2013. Last financial year they had a production share of 1,54% and have been audited in December 2016.

We are now working with the location on the findings.



2.3. China (16,99%)

Our production in China decreased by 0,9%. Expresso works with 11 production locations in Huizhou, Dongguan, Shanghai, Jianxing, Hangzhou, Huang Mei, Pinghu, Jiashan, Haining, Jinhua, Zhejiang and Sozhou. At two locations our leverage is bigger than 10% and with six of the production locations we already work longer than 5 years.



CHINA FACTORY A

This supplier is a Knitwear producer of Expresso since 2008 and had a production share of 5,0% of our collections in the last financial year. They were last audited in November 2014. We cooperate with another FWF affiliate, as well as with another non-FWF member brand on the monitoring activities.

Many secondary benefits for workers are well organised and many improvements were noticed compared to the former audit.



CHINA FACTORY B

This supplier is a blouse producer of Expresso since 2015 and produced 2,84% of our collections in the last financial year. Our communication with this production location goes via a Dutch agent in Shanghai. The supplier has been audited in 2014 by another social labour organization , which we use as a base to monitor the supplier.

They need improvement in communication between workers and management and the grievance mechanism, working hours and Health and Safety risk assessment.

The other location of this agent is located in Huang Mei City and produced 0,71% of our collections in the last financial year. As they went bankrupt last year, we cannot monitor them anymore.



CHINA FACTORY C

This supplier is located in Dongguan and is a Knitting supplier of Expresso since 2000. They produced 2,71% of the collections in the last financial year. They had a WEP Training in October 2014, were visited by a production manager in 2015 and had an audit in September 2016. We cooperate with another FWF affiliate on the monitoring activities.



CHINA FACTORY D

This supplier is another new supplier Expresso started a business relation with and stopped it in the same year due to consolidation. The production location is located Hangzhou and we worked with them via an Danish agent. Their production share was 1,79%.



CHINA FACTORY E, F

We work with a PU garments supplier, located in Pinghu, through a Dutch agency since 2011 and they had a production share of 1,5% of our collections in the last financial year. They have been audited by FWF in November 2013 and this has been followed up.

The have made improvements in communication to the subcontractors about Code of Labour Practice, in the quality of their provided food and wages payment.

Ongoing solving of issues and further discussion is needed in trainings and meetings, grievance mechanism, the right of freedom of association and collective bargaining, the communication of the calculation of wages, payment of holidays and (minor issues regarding) ergonomics. Our plan was to audit this production location in 2016. Unfortunately, due to a plan to change the production location, it was not possible to place an audit there.

The other production location that produces for Expresso and whose communication goes this Dutch agent, is a Fake Fur producer, located in Jiashan. They had a production share of 0,37% last financial year.



CHINA FACTORY G, H

With these two production locations we communicate ~~with~~ via a Spanish agent. One production location produces PU for Expresso since 2016 and is located in Jianxing. They are audited by another social labour organization and we are working on monitoring them with this base. They had a production share of 1,42% in the last 9 months of 2016.

The other production location is situated in Jinhua and produces Leather items for Expresso items since 2016. They had a production share of 0,12% and we are working on monitoring them.



CHINA FACTORY I, J and K

Expresso started to work with three new locations via two agents in 2016. Location I produces Blouses in Sozhou and had a production share of 0,30%, Location J is also a Blouse producer, also located in Sozhou and had a production share of 0,16%, The third location, K, is located in Huzhou and produces scarfs. They had a production share of 0,16%.



2.4. Bulgaria (12,21%)

Our production share in Bulgaria decreased by 2,4%. In total there are 8 production locations producing for Expresso in Sandanski, Rakovski, Plovdiv, Gabravo and Ruse. At four out of the eight production locations Expresso has a bigger leverage than 10% and four production location are producing for Expresso also longer than 5 years.



BULGARIA FACTORY A

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

BULGARIA FACTORY A

This production location produced 2,94% of the collection in the last financial year. They produce for Expresso since 2008, were audited in October 2014 and visited in 2015 and at the beginning of 2017 by two production managers.

There was a complaint by a worker through the Fair Wear Foundation complaints mechanism (to be read under chapter 3).

The supplier implemented a written policy regarding discrimination, and has had regular health and safety inspections. They also improved ergonomics. Our plan is to place an audit at this factory in 2017.

They need to solve the issue of paying below the living wage in some cases and should report overtime hours. They are now going step by step towards a new system.

They have made improvements in critical Health and Safety issues and are working on their payment of living wage. They need a policy against discrimination and improvements in reasonable working hours and the payment system of overtime.

BULGARIA FACTORY B

This production location had a production share of 1,86% of our collections in the last financial year. They have been audited in September 2015 and visited in the beginning of 2017.

They have to solve issues regarding living wage and they need an overtime register system. Also, they need to improve ergonomic and Health and Safety issues, hold Health and Safety training, do H&S checks and solve hygienic issues.

BULGARIA FACTORY C

This subcontractor of our supplier had a production share of 1,33% of our collections in the last financial year and have been audited in September 2015 and visited at the beginning of 2017.

They need to improve living wage issues, have to implement an overtime register, solve ergonomic and H&S issues, hold H&S Trainings and do H&S analysis.

BULGARIA FACTORY D

This subcontractor of our supplier had a production share of 1,16% of our collections in the last financial year and was audited in 2015 and visited in the beginning of 2017.



BULGARIA FACTORY E

This supplier, located in Rakovski, is a jersey producer for Expresso since 2014 and produced 2,35% of the collections in the last financial year. They were visited in 2015 and in the beginning of 2017 by the production manager.

The supplier has two small subcontractor.

BULGARIA FACTORY F

This is one subcontractor, located in Plovdiv. They produce for Expresso since 2015 and had an estimated production share of 0,29%.

BULGARIA FACTORY G

The other subcontractor is located in Gabrovo and also produces for Expresso since 2015. Their estimated production share in the last FY was 0,29%.

**BULGARIA FACTORY E**

This supplier is a blouse and blazer producer of Expresso since Spring 2015 and produced 1,97% of the collections in the last financial year. They are located in Ruse.

The production Manager visited the factory in January 2016.

As stated in the former report: We planned to audit this supplier as they have a respectively high percentage of our production. However, the cooperation with this supplier did not follow Expresso's intentions. Expresso's requirements in terms of quality and communication could not be met by the supplier, so both parties decided to stop the cooperation. Therefore we also decided against having a FWF audit as it would not have been followed up. But the factory shared with us a report from another auditing organisation from September 2014, with the following summary: The factory needs to appoint a responsible to ensure requirements are met, as well as implementing a transparent anti-corruption/anti-bribery system. They have to have a proper procedure for recruiting subcontractors, monitoring and for records that the subcontractors commit to social compliance. Furthermore, they need a Health and Safety responsible person, improve Health and Safety and environmental issues and have to keep records of trainings. There is missing a policy for remediation of children.



2.5. Tunisia (6,86%):

There are 5 production locations in Tunisia that produce for Expresso, namely in Ksar Hellal, Sidi Allouane, Hazdour, Sousse and Bizerte.

One of these locations produces for Expresso for longer than 20 years and at the same location Expresso has a bigger leverage than 10%.



TUNISIA FACTORY A

This supplier is especially a dress producer of Expresso since 1994, which means it is our longest business relation. They produced 5,04% of our collections in the last financial year. The last audit was in 2012 and we are still working on the actions from the CAP. They had a WEP Training in October 2015 and were visited in 2016 by a production manager.

The wages at this supplier increased over the last years and the Worker Committee is meeting more frequently since 2014.

Very unfortunately, this production location went bankrupt so we are now no longer producing there.



TUNISIA FACTORY B, C, D, E)

These production location are owned by a Belgium agency or they are subcontractors of the Belgium owned locations. So our communication is via the Belgium agency. We cooperate with two other FWF affiliates on the monitoring activities.

TUNISIA FACTORY B

This production location is located in Ksar Hellal and make denim ites for expresso since 2014. They were audited in November 2016 and had a production share of 0,73%.

There have been some very fast improvements in Health and Safety Issues and Communication within the Management and the workers, which shows high involvement of this location.

TUNISIA FACTORY C

Another production location that produces Denim for Expresso in Tunisia, in Sidi Allouane, since 2015, had a production share of 0,73% and was also audited in November 2016.

Here as well, there were some very quick but significant steps taken in Health and Safety issues and about findings about freedom of association.

TUNISIA FACTORY D, E

Those two production locations are subcontractors of the first two locations of this supplier. One is located in Mazdour, produces for Expresso since 2015 and had an estimated production share of 0,18%. The other location is in Sousse, also produces for Expresso since 2015 and also has an estimated production share of 0,18%.



2.6. India (3,06%)

In India, our production share decrease by 2% in the last year. There are seven production locations producing for Expresso, out of which one has a business relation with Expresso that is longer than 5 years and another one where Expresso's leverage is bigger than 10%. The production locations are located in Mumbai and Noida.



INDIA FACTORY A

This supplier is a scarf producer of Expresso since 2006, located in Mumbai, and produced 1,4% of the collections in the last financial year. They had a WEP Training in 2015 and were visited in 2015 by a production manager, plus, they had an audit in November 2016.

This supplier needs to implement a policy against the interchange of workers between associated facilities, to monitor their suppliers and workers and communicate Health and Safety issues in local language. They also need to improve a minor issues regarding a small inconsistency of records of wage, time and first aid issues.



INDIA FACTORY B

This supplier is mostly a scarf producer of Expresso since 2013 and produced 0,51% of the collections in the last financial year. They had a WEP Training in 2015 and were visited in 2015 by two Production Managers.



INDIA FACTORY C, D, E, F, G

All of these supplier are producing for Expresso via agents or buying departments and almost all of them produce for Expresso since 2016.

Location C communicates with us via a Spanish agent, is located in Noida and shared 0,41% of the production for Expresso by producing bags.

Location D works for us via an Indian buying department, owned by our holding. The production location is in Noida and produces scarfs.

Location E produces scarfs as well, is located in Noida, communicates with us via an agency and produced 0,11% of our collection in the last FY. This production location works for Expresso since 2013.

Location F, located in Faridabad, has been visited in 2016, the year when the business relation started, produces also scarfs and had a production share of 0,44%.

And Location G is located in Ludhiana and also produces, with a last year production share of 0,03%.



2.7. Italy (1,87%)

The production share of Italy increased by 0,5%. In Italy there are nine production locations that produce for Expresso; three of them have a business relation of longer than 5 years with Expresso and at five locations Expresso has a bigger leverage than 10%. The production takes place in Florence and Prato.



ITALY FACTORY A, B, C, D, E

Location A is the main supplier. It is a knitting garments producer of Expresso, located in Florence, since 2011 and produced 0,3 % of our collections in the last financial year. The CSR Manager visited this production locations in 2015 in order to follow up on the monitor activities for low risk countries. This supplier works with 4 subcontractors who all produced (estimated) 0,33% of the collections in the last financial year and are located in Prato. Based on the findings from the visit, the factories have to make improvements in critical H&S issues.

Location B and D are producing for Expresso since 2014, Location C and E and producing for Expresso already since 2011.



ITALY FACTORY F

This supplier is a stocking producer of Expresso since 2015 and had a production share of 0,06% of our collections in the last financial year. They were audited in 2014 by another social labour organization and they have to improve some minor H&S issues.



ITALY FACTORY F

Expresso works since 2016 with an Italian agent with two production locations in Prato. They produce Knitwear and had a production share of 0,02% in the last financial year.

2.8. Other countries

Expresso has two suppliers producing a small production share of 0,48% of our collections in the last financial year, produced in the Netherlands (Drunen) and Morocco (Tanger). Both production locations produce belts.

2.9. 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.



3. COMPLAINTS HANDLING

With the help of the Worker Information Sheet (CoLP) posted in every production location where Expresso items are produced, workers are asked to call a local number or send an Email in case they want to complain about working conditions.

This year we only received one complaint in 2016.

S&P

The complaint we received from a Bulgarian factory through Fair Wear Foundation concerned the legally binding employment relationship and no discrimination in employment.

A worker complained to FWF that there has been a unlawful determination of the worker's contract. This determination was explained, so the worker, with her medical condition.

Before sending the complaint to FWF, the worker went to court, where the Court Ruling issued was in favour of the worker. The employer, our supplier, did not fulfil the requirements of the Court Ruling, so the worker in the complaint.

Expresso has not received a report where the case is called closed, but we got the information that the worker kept working at the factory until the worker resigned.

We placed an audit at the factory for 2017 to also verify whether this really has been improved.



4. TRAINING AND CAPACITY BUILDING

4.1. 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.

Also, Expresso implemented CSR newsletter (MVO Courant) for the whole company (headquarter + shops). The CSR team wants to make sure that the whole company joins its forces towards our sustainable goals.

The introduction presentation includes general information about FWF and the 8 FWF Labour Standards, information about the country studies from FWF in order to have a better knowledge about the risks in the countries we produce in and also information about how to follow up on specific issues in the corrective action plans (CAP).

4.2. Activities to inform manufacturers and workers

All our new suppliers get the FWF Code of Labour Practices (the worker information sheet), and are 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.

We ask 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.

In 2016 we did not do any worker Education Training.



5. INFORMATION MANAGEMENT

Our CSR Team is in direct contact with all our direct suppliers and the agents.

We ask the suppliers for an update about their production locations more or less four times a year. We divided our suppliers in different categories in order to follow up on the activities. If we just start working with a new supplier and new production locations, we start with the social compliancy questionnaire and posting the Code of Labour Practices. In phase 2, we look at current auditing reports and we ask them to inform us about improvements as a follow up on these audits. Phase 3 means that the supplier is producing more than 2% for Espresso and we include them in the monitoring program which entails an FWF audit or training. After this, we follow up on the corrective actions as suggested by FWF.

Due to our growing demand of transparency in the supply chain, we noticed a growing number of subcontractors at our suppliers. This is not only the case with the number of sewing locations but also of the number of 'wet processing' locations.

If suppliers work with subcontractors, we need to be informed about this prior of production. And they not only have to inform us, our suppliers are also required to inform the subcontractors and (in case needed, help them) to fill out the questionnaire and post the CoLP.

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 decided to join the presentation with FWF at Alchemist in April 2016 with different journalists.

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.

In 2015, we actively informed our wholesale customers about the sustainability activities. 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. We noticed the 'sustainability story' is very hard to communicate in an attractive way.

7. STAKEHOLDER ENGAGEMENT

Our customers as stakeholders:

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

Het Convenant

On the 4th of July 2016 Expresso 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.

Stakeholders in the Netherlands:

Working groups of "Plan van Aanpak"

Expresso joins three working groups in the Action Plan of the Dutch textile and apparel industry. The different topics are: Purchasing Practices & Due diligence, Circular Economy and Communication.

The Working Groups ended 2015. However it is not transformed to the development of the Covenant. Expresso had a critical look on the draft of the covenant text in order to see the feasibility for companies. In March 2016 the covenant was published. We are already happy to announce that we decided to sign this covenant on 4th July 2016.

Stakeholders in the production countries

We use the country studies from Fair Wear Foundation and we implement it directly through a print for the production managers so they know what to take into account when they are visiting our production locations and indirectly included in the FWF audit reports. We use these recommendations to follow up on the CAPs.



