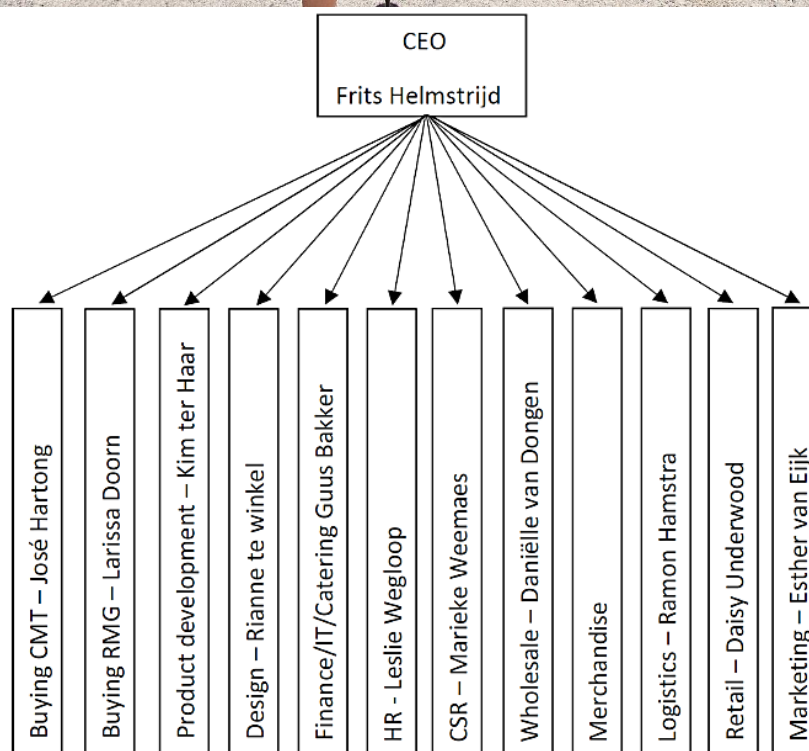




[www.expresso.nl](http://www.expresso.nl)

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 70% 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.

# SUMMARY: GOALS & ACHIEVEMENTS 2015

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, as well as to support and stimulate the different trainings and programs FWF is offering to the factories as much as possible. Nine production locations have been audited this year by the Fair Wear Foundation audit teams and seven production locations joined the Workplace Education Program.

In 2015 we started working with some new suppliers and new production locations. We actively inform them about our policy on social compliancy and that for us it is highly important to keep track of all production locations.

Expresso organised a presentation about Health and Safety in factories for the production managers. 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.

A high share of our production takes place in Turkey, which is why we were very happy to co-sign a letter of worker's rights organizations, business associations and multinational brands. This letter requests a regulation that Syrian refugees do not have to pass by the Council of Ministers to be able to apply for a job, which would have a positive impact on combating informal employment in Turkey.

Apart from the production part, we supported different good causes, by donating items of Expresso's collection or financially. You can read more about this in Chapter 9.

Furthermore, Expresso started a research about the improvement of production planning, so that in the future we have the best outcome for both parties the suppliers and Expresso.



# 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 collections per year.

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 Tunisia, Turkey, Macedonia 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 our suppliers are mostly 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.

We developed two collections: Never out of stock (NOOS) collection and our Flash collection. Both 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 & continuing business relationship with suppliers.



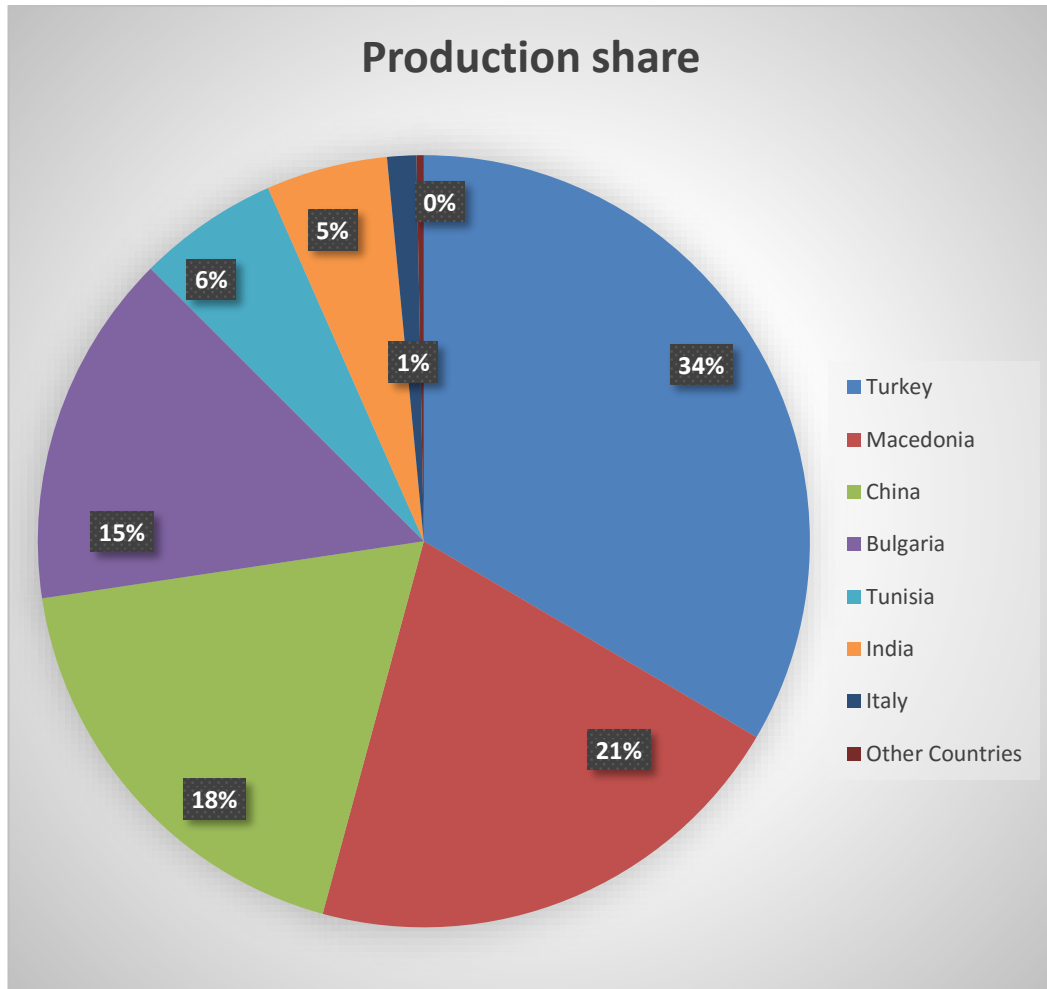


## **2. COHERENT SYSTEM FOR MONITORING AND REMEDIATION**





## Production divided per country



The production shares are based on the turnover.

### 2.1. Turkey (32,9%)

Our CSR Manager visited all our production locations in Turkey in order to monitor them.



#### TURKEY FACTORY A

This supplier is a blouse producer of Espresso since 2011, produced 8,1% of Espresso's collections in the last financial year and was last audited in 2013.

Due to a minimum wage increase in Turkey, we agreed on increasing our purchasing prices and their price per working minute. This will be verified by FWF at the audit in May 2016. 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.



#### **TURKEY FACTORY B:**

This supplier produces denim for Expresso since 2012 and had a 5,5% 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 (see chapter 4.3) and were visited also by a production manager in 2015. This supplier has 4 subcontractors.

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.

Expresso and the supplier need to cooperate on developing a structure of how to implement a better calculation system of the wages and the relation with the (purchasing) prices. The supplier has to ensure that all non-compliance issues noted in the electrical installation inspection report are corrected. Plus, they work with different subcontractors on different processes. Before they only included the sewing facilities. In 2016 we will include the subcontractors for embroidery, washing in the monitoring process.

#### **TURKEY FACTORY B – Subcontractor:**

Last year we agreed with the main supplier on that we would only be working with one sewing subcontractor, whom we visited in august 2015 and who was audited in October 2015. During the audit it was indicated that the subcontractor did not fully respect the CoLP. After an intense follow up process with the local FWF team the subcontractor and supplier decided to stop the cooperation as the subcontractor find it too difficult to comply to the various criteria from us. They prefer to work for their domestic market with bigger quantities and less requirements on labour standards.



#### **TURKEY FACTORY C:**

This supplier was a producer of different garments of Expresso in 2015 and spring 2016 and produced 5,1% of our collections in the last financial year. They were visited also by the production and CSR manager and they work with 4 subcontractors. As this supplier has such a big production share of our collections in 2015, we planned to audit them by FWF. However, Expresso decided to stop working with them since December 2015. They were not cooperative in terms of open communication. During the visit in august, it turned out that the subcontractors did not fully comply with the FWF CoLP. We proactively involved FWF in the follow up to make improvements what resulted in an intense process. Therefore it would be unreasonable to audit them due to there would not be a follow up

after the audit. The situation with this supplier showed us how important it is to be careful when selecting new suppliers. Especially when they are working with subcontractors.

**TURKEY FACTORY D:**

This supplier is a jersey producer of Expresso since 2005 and produced 4,4% of our collections in the last financial year. They were last audited in 2016 and the two most important of the 6 subcontractors together with the main supplier 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 D - Subcontractor:**

This subcontractor was audited in January 2016 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 D - Other subcontractors**

All visited in 2015 and improvements on various health & safety issues were discussed.

**TURKEY FACTORY E:**

This supplier is a knit producer of Expresso since 2012 and produced 2,6 % of our collections in the last financial year. They had a WEP Training in October 2015 (see in chapter 4.3) and they work with 4 subcontractors.

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

We are planning to have an audit at this supplier in 2016 in order to have a better understanding of the working conditions related to wages and working hours.

**TURKEY FACTORY E – Subcontractors:**

3 of the subcontractors joined the WEP Training (see Chapter 4.3)





#### **TURKEY FACTORY F:**

This supplier is a denim producer of Expresso since 2011 and produced 2,6% of the collections in the last financial year. They were visited in 2015 also by two production managers.



#### **TURKEY FACTORY G:**

This supplier is a denim producer of Expresso since 2015 and produced 1,9% of the collections in the last financial year. They were audited in March 2016 by another social labor organization and also visited by two production managers in 2015. They are working with 3 subcontractors.

They improved in organizing meetings between worker representatives and manager and in Health and Safety issues as risk analysis and Health and Safety checks.

What they still need to improve is a record keeping system, they need a worker union, communication about the calculation of living wage, solve contract issues and a policy for anti-bribery or anti-corruption inside.



#### **TURKEY FACTORY H:**

This supplier is a denim producer of Expresso since 2015 and produced 1,9% of our collections in the last financial year. They were visited in 2015 also by Production Manager and they have checked the Health & Safety issues.



#### **TURKEY FACTORY I and J:**

Those suppliers work with Expresso since 2014 and 2015 and sum a production share of 0,9% of the collections from the last financial year. One is working with a subcontractor and has filled out the questionnaire on social compliancy and has sent us the audit reports done by other social labour organizations.



## 2.2. Macedonia (20,4%)



### **MACEDONIA FACTORY A:**

This supplier produces (mostly) blazers for Expresso since 2011 and produced 10,3% of the collections in the last financial year. They were visited in 2015 by the CSR Manager and several times by our Production Managers. This supplier has been attending a project from Fair Wear Foundation on Living Wages and we are generally very satisfied with the open and cooperative attitude of this supplier.



### **MACEDONIA FACTORY B:**

This supplier is a trousers producer of Expresso since 2012 and produced 5,7% 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 explosion area and electrical safety that need to be solved.



### **MACEDONIA FACTORY C:**

This supplier is a blouse producer of Expresso since 2011 and produced 4,4% of our collections in the last financial year. They have two own production locations. The bigger location has been audited in July 2014 for a verification audit and was visited in 2015 by Production Managers and our CSR Manager.

After the 2<sup>nd</sup> 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. Expresso is working together with another FWF affiliate to follow up on the corrective actions.

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.

### 2.3. China (18,1%)



#### **CHINA FACTORY A:**

This supplier is a knitting producer of Expresso since 2008 and had a production share of 7,3% of our collections in the last financial year. They were last audited in November 2014 and were visited by two production managers. We cooperate with another FWF affiliate on the monitoring activities.

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

There are still ongoing processes in the improvement of dialogue about wages, grievance mechanism and worker elections and insurance issues.

There was a complaint reported by an ex-employee of the factory in February 2016. The report of this complaint is described in chapter 3 of this report.



#### **CHINA FACTORY B:**

We work with this PU garments supplier through a Dutch agency since 2011 and they had a production share of 5,5% of our collections in the last financial year. They have been audited by FWF in November 2013 and another audit takes place in April 2016. This supplier works with one subcontractor for Expresso production.

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.



#### **CHINA FACTORY C:**

This supplier is a Knitting supplier of Expresso since 2000 and produced 4,7% of the collections in the last financial year. They had a WEP Training in October 2014 (see chapter 4.3) and were visited by a production manager in 2015.



**CHINA FACTORY D:**

This supplier is a blouse producer of Expresso since 2015 and produced 1,6% of our collections in the last financial year. They have been audited in 2014 by another social labour organization and they work with 2 subcontractors for the production of Expresso garments.

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

**CHINA FACTORY E, F and G:**

One of these suppliers works with Expresso since 2001, the other two work with Expresso since 2015. The production share of the 3 factories sums 0,6% of the collections in the last financial year. We now included them in the monitoring system for Fair Wear Foundation and two of them filled out the questionnaire on social compliancy.



## 2.4. Bulgaria (14,6%)



### **BULGARIA FACTORY A:**

This supplier is a jersey producer of Expresso since 2008 and produced 8,6% of the collection in the last financial year. They were audited in October 2014 and visited in 2015 by two production managers.

The supplier implemented a written policy regarding discrimination, and has had regular health and safety inspections. They also improved ergonomics.

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.

#### **BULGARIA FACTORY A – Subcontractor 1 :**

This subcontractor of our supplier had a production share of 3,1% of our collections in the last financial year. They have been audited and visited in 2015.

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 A – Subcontractor 2:**

This subcontractor of our supplier had a production share of 2,3% of our collections in the last financial year and have been audited in 2015.

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 A – Subcontractor 3:**

This subcontractor of our supplier had a production share of 1,6% of our collections in the last financial year and was audited in 2015.

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 A – Subcontractor 4, 5, 6:**

Our supplier works with 3 more subcontractors that together had a summed production share of 1,5% of our collections in the last financial year. Two locations were audited in 2015 and the third one was replaced by one new subcontractor.



#### **BULGARIA FACTORY B:**

This supplier is a blouse and blazer producer of Expresso since Spring 2015 and produced 3,7% of the collections in the last financial year. The production Manager visited the factory in January 2016. This supplier works with 4 subcontractors and all of them filled out the questionnaire on social compliancy.

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 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.



#### **BULGARIA FACTORY C:**

This supplier is a jersey producer for Expresso since 2014 and produced 2,2% of the collections in the last financial year. They were visited in 2015 by the production manager. The supplier posted the Fair Wear Foundation Code of Labour Practices and they and their two subcontractors filled out the social questionnaire.





## 2.5. Tunisia (5,8%):



### TUNISIA FACTORY A:

This supplier is especially a dress producer of Expresso since 1994 and produced 4,5% 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 (see chapter 4.3) 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.



### TUNISIA FACTORY B/ C:

We have two other suppliers in Tunisia, one with different production locations. One supplier is for Expresso since 2014. They are producing together 1,3% for Expresso and have both filled out the questionnaire on social compliancy and posted the Fair Wear Foundation Code of Labour Practices.



## 2.6. India 5%



### INDIA FACTORY A:

This supplier is a producer for several items, mostly give-aways of Expresso since 2015 and had a production share of 2,7% in the last financial year. The supplier was audited in January 2015 by another social labour organization. This supplier has one subcontractor.

They provided Health and Safety training, the management is very transparent and they have well defined policies on critical issues.

They need improvement in communication about workers communities and representatives and grievance handling, they have to improve Health and Safety and living wage issues and provide one day off for the workers. Also, they need a better record system (especially for wage records) and update their licence status.



### INDIA FACTORY B:

This supplier is a scarf producer of Expresso since 2006 and produced 1,3% of the collections in the last financial year. They had a WEP Training in 2015 and were visited in 2015 by a production manager.

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 C:

This supplier is mostly a scarf producer of Expresso since 2013 and produced 0,7% of the collections in the last financial year. They had a WEP Training in 2015 (see chapter 4.3) and were visited in 2015 by two Production Managers.



### INDIA FACTORY D:

Another supplier is a scarf producer of Expresso since 2014 and has a production share of 0,3% of the collections in the last financial year. They were visited in 2015 by two Production Managers.

## 2.7. Italy 1,2%



### ITALY FACTORY A:

This supplier is a knitting garments producer of Expresso since 2011 and produced 1,2% of our collections in the last financial year. The CSR Manager visited 3 of the production locations in 2015 in order to follow up on the monitor activities for low risk countries. This supplier works with 4 subcontractors and all production location have filled out the questionnaire for social compliance. Based on the findings from the visit, the factories have to make improvements in critical H&S issues.



### ITALY FACTORY B:

This supplier is a stocking producer of Expresso since 2015 and had a production share of 0,1% 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.

## 2.8. Other countries

Expresso has two suppliers producing a small production share of 0,3% of our collections in the last financial year, produced in the Netherlands and Morocco. The suppliers have all filled out the social compliance questionnaire.

## 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



The Code of Labour Practice are posted in every production units in the local language. The content of the worker information sheets is also to be told to the employees through their facility managers.

At Expresso the CSR Manager is responsible for dealing with received complaints about labour practises. If she receives a complaint, she will instantly discuss it with the relevant Production Manager, followed by informing the suppliers. Depending on the outcome of the discussion with the supplier and using the feedback from FWF, it will be decided what steps need to be taken.

### **Complaint at Tunisian supplier received in 2015**

In December 2015 FWF received a complaint from a worker who is also part of the trade union of supplier TUNISIA FACTORY A. Is was related to Freedom of Association and Reasonable Hours of Work. The employee complained that their management was going to implement an increase of rate of efficiency that was to result in overtime hours of the workers. This complaint was then sent to Expresso and the responsible person for complaints contacted the supplier, who answered and updated Expresso.

After the communication, everyone agreed on not implementing the efficiency rate increase proposal. The factory situation will be evaluated at the end of 2016. Workers of the factory appreciated the positive role that Expresso played.

### **Complaint at Chinese supplier received in 2016**

In February 2016 FWF received a complaint from a worker from the supplier CHINA FACTORY A . It was related to the labour norm regarding a Legally Binding employment Relationship. The employee complained about having been forced to quit his work due to his age and that afterwards he did not get the severance that he deserved.

The worker's age was higher than the factory's internal retirement age and the worker could not proof that he worked at the factory as many years as he wanted the severance for. There was still a difference between the severance he got and the one he was entitled for. The worker confirmed that was satisfied because he received the additional amount. It has been solved in the current financial year, but as it came up last year, we take it in here. Due to the fact that this factory is also a shared supplier with another FWF affiliate and their leverage is bigger, they were chosen to take the lead.





## 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 Manager 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 it 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 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 agents***

Unfortunately, during the last year it was decided to terminate the working relation with our Turkish agent, who was also our quality inspector and took actions regarding the social impact. Now we are successfully handling the actions ourselves.

#### ***4.3. Activities to inform manufacturers and workers***

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

In the cases where our team did not visit the factory, we asked the 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.

During the visit in Turkey in August 2015, the Turkish FWF country representative was joining in order to emphasize the importance of the implementation of the FWF activities to suppliers and some workers.





**Training 2014 :**

**CHINA FACTORY C**

**MANAGEMENT:** Participants: 5 Female and 6 Male

**Duration:** 2 h

Before the training an active conversation has been going on with regard to the internal grievance system and the conflict between workers and management, as workers have stated that they have never been given a training for compliance, labour standards and complaint mechanism. The management was told by the trainer that a dialogue is necessary, as otherwise the production is largely affected.

Team Lee, hence, considered the WEP training as of big importance. The management shared concrete problems. The trainer recommended to the management to check regularly whether the enforcement laws go hand in hand with the increasing standards and then to communicate it to the worker on a regular basis. Also the FWF team suggested to pay local minimum wage and sufficient overtime premiums, measure the factory's capacity and productivity properly, strengthen the internal communication and grievance mechanism, bring 'Lean Production' in to improve productivity and to facilitate a better production planning and establish a better piece rate.

**WORKERS:** Participants: 18 Female and 5 Male

**Duration:** 2 h

Due to the training the workers are now aware of labour standards, FWF, Espresso and the internal, as well as the external complaint mechanism. Also, they know the connection between social compliance and sustainable development.



**Training 2015:**

**TURKEY FACTORY B**

**MANAGEMENT:** Participants: 7 Female and 11 Male

**Duration:** 2,5 h

A Training with ZEP and its five suppliers was planned, but only the managers of 2 suppliers and a line supervisor of another supplier could assist the training.

The participants mentioned that improvement in the garment industry is on the brands behalf. Also, the situation with the Refugees was an important topic.

The managers were very comfortable in being told about the labour standards and opened and opened a discussion about improving working conditions in the factories. The HR manager was called to have a very active role in in this issue.

The atmosphere was friendly many questions were asked. The participants wanted to learn about FWF.

EMPLOYEES: Participants: 6 Female and 12 Male

Duration: 2,5 h

Only one worker from one subcontractor and one from another subcontractor participated, the other participants were from the supplier.

All workers were comfortable, even though there was no door to be closed, asked questions and discussed issues openly.

Especially the grievance mechanism and worker representative and how it works was asked. Even though there is a representative, the workers usually go straight to the HR manager in case of problems. A well-organized worker representative would be easier to solve problems. Overtime calculations were practised.



#### TUNISIA FACTORY A

MANAGEMENT: Participants: 5 Female and 5 Male

Duration: 2 h

The General Management was not present in the training, Other managers were not aware about neither the Code nor the aim of FWF. They thought it would be an obligation and a commercial action. The Management does not believe in communication with employees and complained about that the employees got tenure and have become lazy, which results in lack of productivity. After the revolution the cost of living became unbearable, so the employees would prefer working in a rather profitable place during the week and then go back to the factory.

Trainers tried to explain the mind-set of employees and that the management should change its message and speak in the employees language.

The general atmosphere was friendly. All manager staff has now a better understanding of FWF code and complaints procedure. They are also more aware of legal aspects of social conditions.

EMPLOYEES: Participants: 20 Female and 6 Male

Duration: 2 h

The employees were aware of FWF and were happy to join the training. They have the feeling that Espresso is really concerned about their rights and working conditions.

All of them said they understood how to communicate their problems to FWF and stated that there are communication problems in the factory. The employees think that raising awareness in H&S is very important, as overtime would be a frequent problem, as well as heat in summer.

The general atmosphere was friendly and all workers spoke freely and hope the training would be done more often.

TURKEY FACTORY E

## MANAGEMENT &amp; LINE SUPERVISORS

Participants Management.: 6 Fem. & 2 Male; Supervisors: 1 Fem. & 2 Male Duration: 2 h

The general atmosphere was friendly and honest and with open discussion. Refugees and regulations about work permits were discussed, as well as they mentioned that it is hard to find subcontractors with acceptable working conditions.

The general labour market, expected risks and possible ways to improve conditions were strongly mentioned issues. If the brands will not support them with regular orders, it will be even more difficult to improve conditions and that they want to be in cooperation with FWF.

EMPLOYEES: Participants: 4 Female and 5 Male

Duration: 2 h

The trainer noticed that the workers were really well informed about the structure of FWF and the FWF CoLP.

In the factory there is a well organised internal dialogue mechanism where the workers can share their grievances or suggestions through grievance boxes and worker representatives and the management tries to solve and improve problems and conditions.

The workers are now well informed about the complaint hotline.

The general atmosphere was friendly and honest and open for discussion.

INDIA FACTORY C

MANAGEMENT AND LINE SUPERVISORS: Participants Manager: 3 Female and 3 Male, 1 HR manager, 1 production manager were interviewed.

Participants Line Supervisors: 3 Female and 2 Male, 2 Female supervisor and 1 Male supervisor were interviewed; Duration of session: 4 hours (on the 9th)

The participants learned, that overtime impacts quality time and fatigue. The trainer explained the benefits of a functioning internal complaint system like ICC. Afterwards he explained that the three major sexual harassments are physical, verbal and also psychological. High production and not allowing family time etc. results in a mentally disturbed worker, what would be shown in her work performance and might even lead to mental trauma.

What the supervisors need to do is give the workers a better understanding of workforce, develop a work spirit by showing leadership quality, make short and sweet communication and listen patiently and repeat explanation. The trainer made clear that proper leadership, instructions and no shift of personnel or operation after task started are the key factors to prevent delay in production.

EMPLOYEES: Participants: 29 Female & 2 Male, 5 interviewed Duration of session: 6 h

Workers were not aware of unions in their area and only factory management or worker representative within the factory would be to be approached in case of grievance. None

of the workers shared any problem. None of the workers were aware of FWF or its compliance hotline.

During the training the 8 labour standards were discussed in detail, as well as FWF's reachability in terms of sourcing, brand practices and capacity building.

Through an activity it was clearly explained that a message can get easily distorted when going through many ears and mouths.

The feedback of the workers was positive and encouraging. They said it was very interesting.

### INDIA FACTORY B

#### MANAGEMENT & LINE SUPERVISORS

Participants Management.: 2 Fem. & 1 Male; Supervisors: 1 Male Duration: 3 h

The management made clear that they don't support a Union and they ask the FWF Trainer whether it is allowed to employ young workers. As they got to the topic about gender differences, the management realised themselves, that strong prejudices and stereotypes are still prevalent in societies. The Trainer told the management they should provide an Internal Complaints Committee (ICC) and that supervisors should have the patience to repeat instructions.

The feedback of the training was positive and they were inspired to change things at the factory.

EMPLOYEES: Participants: 6 Male Duration of session: 5 h

The FWF Code of Labour Practise was posted in an accessible place for everyone and they all were paid at least the minimum wage during the Training. There was a sense of gender sensitization identified, what especially came up during an activity where they were explained the difference between sex and gender.

Before the training of the workers, the Trainer was told by the management not to stress unionization. The workers said that there is no kind of abuse or harassment, so when the Trainer told them there should an ICC be provided, they reacted with that there was no need for one, as there are no women working in the factory and they had no such issue. At the end the feedback was positive and the workers said they learned and it was interesting and also that women should stand more up for their rights.





## 5. INFORMATION MANAGEMENT





The CSR Manager 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, then only as long as we are informed about this prior of production. And not only 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, Expresso Foundation, product waste and how consumers can take action as well.

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

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

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

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.

Generally about sustainability: One of our general goal is to create awareness amongst customers about their buying behaviour, so we joined the Dutch Sustainable Fashion Week in 9 - 18<sup>th</sup> October 2015.

We started preparing the release of the 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).

**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.





## 8. CORPORATE SOCIAL RESPONSIBILITY





For many years, Expresso donated money and garments to different good causes. In order to give a better structure to the different good causes, we formed a foundation, together with our sister company, Claudia Sträter. Our store staff got the chance to choose their most favourite “good cause”. And we are now working with these organisations to help them in terms of donating money.

One of the good causes is Bike4Brains (fundraising for research on young adults with brain trauma) and another one is Ruby and Rose (fundraising for research projects for diagnostics and treatments for all forms of gynaecological cancer).

We collected clothes in our headquarter and in our stores and sent it to the reception centres for refugees.

In 2016 Expresso introduced the Focus on Green meetings. During these meetings subjects like waste separation, green energy and logistics are discussed. Goal of these meetings is to make our conduct of business more sustainable.

