

STANLEY/STELLA

SOCIAL REPORT 2019

<https://www.stanleystella.com/>

“Sustainability is not a buzz-word. From day one it has been our entire philosophy”

Jean Chabert Founder & C.E.O., Stanley/Stella

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Introduction

From Stanley/Stella's beginning in 2012, our mission has been to create the highest quality garments possible, at the most sustainable level. We therefore integrate sustainability into everything we do. Every day we make deliberate, conscious decisions about who we work with, how we work & what materials we choose to use.

We believe that transparency is fundamental to any sustainable policy, which is why we openly share our working methods with our customers and have publicly released the names and full contact details of the factories we work with. We also believe that the only way to achieve our sustainability goals is to engage in supportive and long-term relationships with our partner factories, cotton farmers, suppliers and customers alike.

In order to limit our impact on the environment and to contribute to the well-being of farmers and their communities, we use only 100% GOTS certified organic cotton, as well as recycled and reclaimed materials. Exacting in our standards of production, we insist on respect for the planet and its people throughout our supply chain, a model that is in line with the U.N.'s Sustainability Development Goals (SDG's).

Ecological and ethical imperatives drive all our decisions on how we produce our garments, as ultimately our aim is to leave a positive impact on society, the environment and the economy.

Summary: goals & achievements 2019

1. Fair-priced Grocery Shop (FGS) – We have been facilitating the establishment of FGSs by some of our supplier factories for their workers. We have allocated a generous budget for this purpose to be disbursed among our partner factories in 2020, enabling them to provide additional discounts. By fostering a close collaboration, we are managing to minimize the gap towards a living wage. Two shops have already opened, while the next ones are planned to open by mid-next year.
2. Organic Cotton Traceability and Visibility (OCTV) – In 2019, we visited a number of organisations, cotton fields and farmer communities. Our goal is to have a visible supply chain upstream and, in time, better connect with and support our organic farmers.
3. Close The Loop (CTL) – We have started collecting our organic fabric cutting wastages from our partner composite factories. The aim is to obtain recycled yarn from our own garment manufacturing waste and use it in the manufacturing of our accessories.
4. Workplace Education Programs (WEP) – Four of our partner factories have successfully participated in the WEP by the Fair Wear Foundation (FWF). Among them, two started new in 2019 and were fully endorsed by us. All of our major suppliers now have specialized high-impact programmes such as WEP.
5. Internal communication – We have started publishing an internal newsletter to ensure that HQ as well as our Bangladesh Liaison Office (BLO) colleagues are aware of changes and happenings within and around Stanley/Stella.
6. Labour Minute Value Costing Tool (LMVC Tool) - In 2019, we collaborated with FWF and our oldest partner factory on a special exercise based on the FWF's LMVC Tool.
7. Throughout 2019, a number of Stanley/Stella's non-production staff from HQ visited the sourcing hub in Bangladesh. The trips were very successful in giving the teams a deeper understanding of the people and operations involved in the factories.
8. When selecting new factories, we are now using a transversal assessment tool which requires the collection of data in terms of sustainability, production quality, planning, finance and the environment. This revised tool was used for the validation of our new partner, GMS.

Our recurrent actions

Our local Quality Controllers together with our local Sustainability Officer have developed a systematic approach to increase the number of controls in all factories.

In parallel to the periodic Corrective Action Plan (CAP) monitoring, Stanley/Stella now has a continual monitoring system based on systematic checks (which include social, environmental and safety checks) performed during all production runs - the CSR monthly reports. This system allows us to have an update on the working conditions in the scoped factories on an almost-daily basis.

We have found the WEP programs to be effective in helping factories move towards more mature achievements regarding social sustainability. Therefore, we have encouraged all of our major partner factories to follow such programmes. Currently, WEP and similar programmes are running successfully at six of our production locations for the prevention of violence and harassment at the workplace.

Our new planning system is periodically revised to achieve greater precision for our order forecast and planning.

Environmentally, further efforts have been made by factories to upgrade their Effluent Treatment Plants (ETP's) which control the pH level of released water.

Last but not least, Stanley/Stella has remained a proud and active Fair Wear Foundation member. We continuously communicate on our membership status internally and externally via the website, web shop, our Facebook account, marketing tools and our garment labels.

1. Sourcing strategy

1.1. Sourcing strategy & pricing

Our Sourcing strategy

Stanley/Stella's product portfolio includes knitted garments such as t-shirts, polo shirts, sweatshirts, jackets and accessories. We have been working on expanding our range over the years and will continue to do so.

With sustainability at the heart of our DNA, we exclusively develop garments that contain the following:

- Organic materials (such as organic cotton)
- Sustainable materials (modal)
- Recycled materials (such as recycled polyester or recycled cotton)

Sourcing countries

In 2019, Stanley/Stella sourced products from the following countries (in % of financial value):

- 99.6% from Bangladesh (t-shirts, polo shirts, knitted tops, sweatshirts and bags - mostly made from organic cotton)
- 0.4 from China (jackets made from recycled polyester)

Stanley/Stella favours long-term business relationships with suppliers and has been working with its core suppliers for more than 6 years:

- Ahsan: since 2012
- Dird: since 2012
- Interstoff: since 2015
- Aus Bangla: since 2017
- Meghna: since 2018

Business with Chinese sources might further increase in 2020 or 2021, due to Stanley/Stella's strategic decision to diversify its product portfolio in outerwear and accessories. We are also looking for factories in Bangladesh to produce woven garments.

Pricing

The guiding principle at Stanley/Stella is that each partner along the supply chain should make a fair profit. Therefore, it is key to us to foster business relationships that are commercially viable for everyone involved.

Stanley/Stella follows an open cost sheet where we calculate labour costs separately. We clearly identify price elements of product costing, including salaries and stand by our commitment to fair labour costs. For instance, when the minimum wage for workers was increased in 2018 by the Bangladeshi government, we were able to increase our prices for suppliers accordingly.

It has never been part of our business practice to look for the cheapest product. The nature and high quality of the materials used for our garments, like organic cotton, in combination with sustainable production methods, is not compatible with production at the lowest price.

1.2. Organisation of the sourcing department

Stanley/Stella's Sourcing Department is composed of two separate teams. One is based in the company HQ in Brussels and is responsible for the definition of Stanley/Stella's sourcing strategy in liaison with the Product Development Department.

In addition to this European team, Stanley/Stella has invested in building a solid team in Bangladesh. This team of 22 people allows us to monitor every Stanley/Stella production run in our local factories. Such a team is a key asset to the brand as it allows great control over product quality and the social and environmental conditions at external partners.

In China, we have a part-time Sourcing Manager, who is responsible for finding potential new partners and ensuring their compliance with our quality measures and sustainability policies.

1.3. Production cycle

Stanley/Stella is a major player in the B2B industry. We develop and distribute a wide range of "blank" garments to two major markets: the imprint market and the (wholesale) retail market.

We create our basics to be timeless and long lasting, but the power of "new" is strong in the fashion industry, as in all others. In 2019, we refreshed a huge part of the collection, introducing 58 new styles (32 in Spring-Summer 2019 (SS19) and 26 in Autumn-Winter 2019 (AW19)) and 19 new colours (10 in SS19 and 9 in AW19.)

We believe that premium quality and timeless fits are key for a sustainable slow fashion industry and consciously design products to be long-lasting and worn as many times as possible. Providing premium quality that is constantly checked and controlled also means that fewer garments are thrown away or added to the discount pile because they did not conform to the expected quality levels.

Stanley/Stella is premium priced with a highly qualitative positioning. Our partners include printers, agencies and brands from Europe who transform blank textiles into unique pieces.

Production planning

We collaborate with our suppliers in a number of ways to help them do their best by their workers:

- We apply fixed lead times as agreed in contracts with our production requests. Any factory closures for public holidays are added to these lead times. Only in exceptional circumstances will we request the supplier to help us with reduced lead times due to stock availability issues in our warehouse. Our production lead times vary from 7 weeks (if raw materials are available at the factory) to 16 weeks (if raw materials need to be imported from abroad).
- Every month we share a 6-month outlook with our suppliers both in unit requirements and raw material requirements. This helps our suppliers to anticipate our needs.

- For specific raw materials, we manage a buffer stock at the factory. As these raw materials are immediately available, it allows us to reduce overall lead times without putting any time pressure on the dyeing and Cutting, Making, Trimming (CMT) processes.
- We communicate with our suppliers to know when they have excess capacity or a shortage of capacity. We then do what we can to assist them in filling the capacity or shifting requirements to a different supplier to alleviate pressure.

1.4. Supplier relations

Stanley/Stella's supplier portfolio remains stable and there are currently two new suppliers from Bangladesh who are in the pipeline to be accepted for order placement.

For Stanley/Stella, sustainability and ethics are key when assessing new factories. New factories are sourced, visited and validated by the Stanley/Stella HQ sourcing team as well as our Bangladesh Liaison Office (BLO). Key checks made with new potential partners include (but are not limited to):

- Visiting the factory
- Collecting and checking certifications (GOTS, OCS, GRS, Oeko-Tex 100, BSCI, SEDEX, WRAP, ACCORD)
- Conducting Internal Audits following our rigorous standards and in adherence of our own Code of Conduct
- Auditing factories (e.g. FWF audits)

A factory's general attitude towards social responsibility is also of great importance to us. For us, the willingness of new factories to invest in Corporate Social Responsibility (CSR) in the long-term is critical. Examples include offering Fair-priced Grocery Shops, showing a positive attitude toward the installation of anti-harassment committees and the transparent monitoring of overtime.

With regards to sustainability, Stanley/Stella also focuses on factories that propose innovative solutions like investing in good Effluent Treatment Plants (ETP's) and developing recycling programmes. In addition to CSR and sustainability, key aspects of Stanley/Stella's factory assessments are:

- Strategic Considerations (country risk, Stanley/Stella's sourcing strategy)
- Health & Safety (certification such as Oeko-Tex 100, Accord, REACH etc)
- Environment (efficient water treatment plant, use of chemicals within prescribed hazard limits, energy savings etc)
- Quality assurance (internal audits, tolerances, quality controls)
- Technical (technical specs, patterns, master samples, expertise & know-how, factory set-up)
- Innovation (willingness to develop new products and new techniques)
- Commercial (supplier's customer portfolio management, long-term relationship, commitments vs proven-track performance, development & communication responsiveness, delay penalties & quality compensation)

- Financial (purchasing prices, payment terms & conditions, financial stability)
- Logistics & Planning (production lead time, shipment lead time, flexibility, Minimum Order Quantities (MOQs))
- Legal (purchase general conditions, contracts, GSP scheme, quotas, trade & tariffs regulations, anti-dumping, certifications, etc.)

1.5. Integration monitoring activities and sourcing decisions

In order to make a real, long-lasting social impact on the industry, Stanley/Stella tries as far as possible to leverage general business discussions and CSR-related topics. Our standards are listed in our Code of Conduct, which has to be signed and respected by all factories.

- At the earliest stage of a business relationship, Stanley/Stella is transparent with potential suppliers and is clear about its FWF member status. Potential suppliers are assessed during factory visits and discussions. Relevant FWF material is shared with potential sources such as the “Information needed for an FWF audit” and the supplier questionnaire with Code of Labour Practices ([CoLP](#)).
- Stanley/Stella’s HQ and local teams tightly monitor active sources. Monitoring events are tracked in a summary table that logs the environmental and CSR situation in each factory. The CSR report is updated for each month and based on what comes up, factory management is contacted for earliest remediation.
- Corrective Action Plans (CAP’s) are key and are followed up on with all active suppliers. Regular reviews of open CAP’s are performed during on-site visits of the Stanley/Stella HQ teams.

We work hard to maintain transparent and open communication with our partner factories. However, in the event that they do not comply with basic FWF requirements, or are unwilling to do so, then Stanley/Stella will end the business relationship.

2. Coherent system for monitoring and remediation

Stanley/Stella’s monitoring process has been significantly enhanced and is now more systematic. Our factory in China is visited 3-4 times per year by our Operation, Quality and Sustainability department.

Key monitoring activities in partner factories cover the execution of CAP’s, the follow up of complaints, regular factory visits and CSR-related discussions.

Overtime (OT) monitoring

Quality Control teams stationed at the factories report on OT from the previous days to the BLO Sustainability Officer. Any OT over 2 hours/day, or 12 hours/week is flagged and communication then starts with the factory management.

CSR monitoring

CSR reports are updated every month by the Quality Control team on 29 CSR points. If there is an issue, the BLO team will get in touch with the factory management.

Complaints monitoring

If and when it's needed, the BLO gets into discussions with FWF and factory management for proper investigation into complaints and to help find a quick and satisfactory resolution.

Certifications

The BLO sustainability team follows up with the factories on essential certifications like GOTS, OCS, GRS and Oeko-tex, and others such as SEDEX, BSCI, ACCORD etc.

Corrective Action Plans follow up

FWF CAP's and other certification CAP's are regularly followed up on and monitored.

Here are details about the last FWF audits at Stanley/Stella's key factories:

Factory Name	First FWF Audit date	Second FWF Audit date	Third FWF Audit date
<i>S003 -Dird unit 1</i>	8th & 9th Aug, 2012	27th & 28th May,2017	Not Yet Confirmed
<i>S003 – Dipta, Dird unit 2</i>	2nd & 3rd Nov, 2013	8th & 9th April 2017	Not Yet Confirmed
<i>S006- Ashan</i>	18th & 19th May, 2013	14th & 15th Feb, 2015	6th & 7th Oct, 2018
<i>S014- Interstoff</i>	7th & 8th Nov, 2015	8th & 9th Dec, 2018	Not Yet Confirmed
<i>S021- Meghna</i>	29th & 30th Sep, 2018	Not Yet Confirmed	Not Yet Confirmed
<i>S022- Ausbangla</i>	22nd & 23rd April, 2017	Not Yet Confirmed	Not Yet Confirmed

2.1. Factory S003 / Dird / Bangladesh

- a) The percentage of Stanley/Stella's total production sourced from this factory amounted to 36,7% in 2019.
- b) Factory S003 was visited by Stanley/Stella staff in charge of Sustainability from HQ. In addition to these visits, the BLO remains in contact with this factory on a daily basis.
- c) Whether during the factory visit there has been discussion of code implementation, informing staff, upcoming or past audits, progress of corrective action plans etc:

This factory is monitored on a daily basis by either the BLO management team or QC inspectors who visit the factory during production. Stanley/Stella QC staff is very attentive to even the smallest derogations to social standards that could lead to non-compliance. On top of this close monitoring, CSR topics, OT updates, CAP remediation and special projects such as the Fair-priced Grocery Shops, were on the agenda of every meeting attended by Stanley/Stella HQ and BLO staff.

d) If any complaints have been filed and how these were handled:

Complaints, when filed against this factory through several internal complaints handling systems, were taken seriously and resolved promptly on all 32 occasions. Moreover, FWF's helpline number works as a safety net ensuring that all complaints are heard and taken care of, even if the internal grievance handling mechanism falters. Stanley/Stella, in collaboration with FWF and the factory, has successfully played a central role in resolving cases and continues to do so.

There is an active Workers Participation Committee (WPC) at the factory which deals with proposals and complaints raised in the meeting. They usually take place every two months. The factory has a functional and independent Anti-Harassment Committee (AHC), governed by the FWF, that is focused on dealing with harassment in the workplace.

e) Cooperation with other clients, for example on complaints or Corrective Actions:

No cooperation with any of the supplier's clients was required in 2019. As we have dedicated expertise to identify, evaluate and find sustainable solutions to all relevant issues, we handled them ourselves.

f) If the factory has been audited and how often:

The FWF verification audit was done on the 27th & 28th May 2017 at the primary location and on the 8th and 9th of April 2017 at the secondary location, and the audit came to a CAP.

Stanley/Stella's Sustainability Officer in the BLO is responsible for day-to-day factory monitoring, gets updated information from the CAP & proceeds according to its recommendations.

g) Examples of good practices at the factory in 2019:

- Scholarship programme: 10 workers' children received study scholarships through this programme.
- Worker Bus Service: A fleet of 30 buses runs a free pick up and drop off service to the workers who live far from the factory, saving them a lot of time, money and stress.
- Production Incentive: Through this programme, workers are encouraged to earn more by being more productive and efficient in their work.

FWF audit

h) What were the most important audit outcomes? Report the most important findings as per FWF labour standard:

The factory has implemented the legal minimum wages, as the government has not yet implemented any living wage structures for garment workers. Furthermore, the factory is working on improving fire safety, to be done as per ACCORD instructions and awaiting verification.

i) If there is a Corrective Action Plan, what corrective actions have been taken? Also include the time lag between audits and follow up of findings:

The factory is required to take immediate action based on the CAP and to report progress on a regular basis. Stanley/Stella's Sustainability Officer in Bangladesh is following up on the implementation of corrective actions. Coordinated by Stanley/Sella, the factory has used FWF's Labour Minute Value Costing (LMVC) tool for a better

understanding of the current, target and living wage, while indicating progress towards CAP-based remediation.

j) Any other monitoring activities (e.g. factory training):

This supplier is already engaged in several social projects with the FWF (AHC, for example.). However, Stanley/Stella has implemented a tool related to social, health, safety & environmental issues. Where environmental issues are concerned, and as part of our monthly CSR check, the pH level of water released by the factory's ETP (Effluent Treatment Plant) is verified.

2.2. Factory S006 / Ahsan/ Bangladesh

a) The percentage of Stanley/Stella's total production sourced from this factory amounted to 23,1% in 2019.

b) Factory S006 was visited by Stanley/Stella staff in charge of Sustainability from HQ. In addition to these visits, the BLO remains in contact with this factory on a daily basis.

c) Whether during the factory visit there has been discussion of code implementation, informing staff, upcoming or past audits, progress of corrective action plans etc:

This factory is monitored on a daily basis by either the BLO management team or QC inspectors who visit the factory during production. Stanley/Stella QC staff is very attentive to even the smallest derogations to social standards that could lead to non-compliance. On top of this close monitoring, CSR topics, OT updates, CAP remediation and special projects such as the Fair-priced Grocery Shops, were on the agenda of every meeting attended by Stanley/Stella HQ and BLO staff.

d) If any complaints have been filed and how these were handled:

The Anti-Harassment Committee (AHC), governed by FWF, takes any harassment related issues into consideration, and upon investigation, strives to reach a resolution that is fair for all parties involved.

This allowed the AHC and the factory representative to solve issues on all 5 occasions successfully. If a factory is unable to solve a dispute, the complainant is free to use FWF's direct helpline number. The complaint is then transferred by the FWF local office to the Stanley/Stella BLO for prompt resolution. Whenever complaints have been reported, the factory has taken immediate measures and has been successful in resolving them.

e) Cooperation with other clients, for example on complaints or Corrective Actions:

No cooperation with other supplier's clients was managed in 2019.

f) The factory is monitored on a daily basis by Stanley/Stella's Sustainability Officer. The active CAP with this factory is reviewed regularly.

g) Examples of good practices at the factory in 2019:

- **Fire Safety Committee Training:** This course is provided to the Fire Safety Committee made up of 12 workers and management. Each participant is trained on fire prevention, fire hazards, the use of fire extinguishers and emergency plans.

- Fire training for all employees: This training, open to all 3000 workers and management is focused on fire and explosion prevention, limiting fire damage and identifying risks.

FWF audit

h) The factory has conducted training on FWF CoLP to employees and will continue to do so. As per law, they have implemented the new minimum wage. The factory also aims to enrol more women in supervisory roles and has started to work on a performance appraisal system. The factory has also completed setting up the fire safety/fighting systems in the new knitting and store building and is now awaiting testing and a commissioning audit.

i) The FWF October 2018 audits came to a Corrective Action Plan. Four of the CAP's are still open and are being remediated. The audit was held on the 6th & 7th October 2018.

2.3. Factory S014 / Interstoff / Bangladesh

a) The percentage of Stanley/Stella's total production sourced from this factory amounted to 21,9% in 2019.

b) This factory is monitored daily for OT, and monthly for CSR issues, by the BLO team members who are stationed at the factory. In addition to this close monitoring, CSR topics, OT updates, CAP remediation and special projects such as the Fair-priced Grocery Shops, were agenda items in discussions with the factory.

c) If any complaints have been filed and how these were handled:

Whenever complaints were reported, the factory took immediate measures for resolution and was successful in helping complainants internally on all 33 occasion. FWF's helpline number is also widely circulated ensuring that all complaints are heard and taken care of, even if the internal grievance handling mechanism falters.

d) Cooperation with other clients, for example on complaints or Corrective Actions:

No cooperation with other supplier's clients was managed in 2019.

e) Factory S014 was audited by the FWF on the 7th & 8th November 2015 and then on the 8th & 9th December 2018.

f) Examples of good practices at the factory in 2019:

- GPA 5 Award: Through this programme, 10 worker's children were awarded for achieving GPA 5 in their public exams.
- Health Insurance: In association with SNV, workers of the factory are covered with a Health Insurance package.
- Helper to Operator: This internal programme aims at training helpers on the floor to get further skills and become operators.

FWF audit

g) On 8th & 9th Dec, 2018- the last audit was conducted and the remediation is in progress. In 2019, the factory closed 4 of their 6 open CAP's and are now following CAP recommendations for the remaining two.

Stanley/Stella's Sustainability Officer in Bangladesh is following up on the implementation of corrective actions, as per the FWF CAP. The factory has implemented minimum wages in factory as per law as the government has not yet implemented any living wages structure for the workers. The factory has taken care of remediations as per building and fire safety recommendations and is now waiting for testing and commissioning by the auditors.

h) Any other monitoring activities (e.g. factory training):

A tool related to social, health, safety & environmental issues has been in place to monitor factory status regularly, and to discuss & drive appropriate remediations on reported issues.

2.4. Factory S021 / Meghna / Bangladesh

a) The percentage of Stanley/Stella's total production sourced from this factory amounted to 14,8% in 2019.

b) This factory is monitored on a daily basis by either the BLO management team or QC inspectors who visit the factory during production. On top of this close monitoring, CSR topics, OT updates, CAP remediation and special projects such as the Fair-priced Grocery Shops, were common agendas in the meeting between factory and Stanley/Stella HQ & BLO staff.

c) In 2019, whenever complaints were reported, the factory took immediate measures for resolution and was successful in satisfying the complainants internally, in all 9 instances.

d) No cooperation with other supplier's clients was managed in 2019.

e) Factory S021 was audited by FWF on the 29th & 30th September 2018.

f) Examples of good practices at the factory in 2019:

- Mother support: In association with the ILO, this programme supported more than 50 lactating and pregnant women at work, focusing on issues of selfcare.
- Fair Price Shop: This shop provides the best quality consumer goods at the lowest possible cost to employees.
- Machine Donation: This project donated machines to train workers who are physically challenged in the Centre for the Rehabilitation of the Paralysed (CRP).

FWF audit

g) The factory started a Stanley/Stella endorsed FWF-WEP programme for AHC training as per the CAP based on the FWF audit. The factory implements multi-party consented legal minimum wage as per national law and. Following the building and fire safety CAP, the factory performed remediations and is now awaiting testing & commissioning.

All in all, the factory closed 6 of its 9 open CAPs in 2019 and is now following further CAP recommendations.

h) Apart from FWF's triennial audit, Stanley/Stella regularly monitors the factory and discusses and drives appropriate remediations on reported issues. A tool based on social, health, safety and environmental parameters has been in place since the beginning of business conduct with this supplier.

2.5. Factory S022 / Ausbangla / Bangladesh

a) The percentage of Stanley/Stella's total production sourced from this factory amounted to 2,8% in 2019.

b) This factory is monitored regularly by either the BLO management team or QC inspectors who visit the factory during production. In addition to this close monitoring, CSR topics, CAP remediation and special projects such as the Fair-priced Grocery Shops, were frequent agenda items in the meetings between the factory and Stanley/Stella HQ & BLO staff."

c) In 2019, whenever complaints were reported, the factory took immediate measures for resolution and was successful in satisfying the complainants internally, in all 5 instances.

d) Factory S022 was audited by FWF on the 22nd & 23rd of April, 2017.

e) Examples of good practices at the factory in 2019:

- Election of Workers' Participation Committee (WPC): As per government regulations, AusBangla organised the election of workers to choose their representatives at the WPC. This helps promote a democratic environment for collective bargaining and a better enabled workforce.
- Health and Safety Training, PPE Training, Environment Training etc: Regular awareness raising trainings on various issues were organised throughout the year by factory management, essential for keeping the workforce up to date.

FWF audit

f) The factory started a Stanley/Stella endorsed FWF-WEP programme for AHC training as per the CAP based on the FWF audit.

g) In 2019, the factory closed 4 of its 5 open CAPs and is now following further CAP recommendations as per the FWG audit.

h) A tool based on social, health, safety & environmental parameters has been used to regularly monitor factory status and discuss & drive appropriate remediations on reported issues.

2.6. Factory S013 / Shuangxi Garment Co / China

- a) The percentage of Stanley/Stella's total production sourced from this factory amounted to 0,34% in 2019.
- b) The factory was visited by Stanley/Stella's Sourcing & Sustainability staff in 2019, for further discussions about Stanley/Stella's outerwear project. We are planning to do more business with our Chinese supplier
- c) No complaints were filed or received in 2019.
- d) No cooperation with other supplier's clients was managed in 2019.

2.7. External production

N/A

3. Complaints handling

Complaints made against factories filed through the internal complaints handling systems were taken seriously and were in most cases resolved immediately. Moreover, FWF's helpline number works as a safety net, ensuring that all complaints are heard and taken care of, even if the internal grievance handling mechanism falters.

Stanley/Stella, in collaboration with the FWF and its partner factories, has successfully played a central role in resolving complaints and will continue to do so.

Complaints handling can be described as below:

- Workers from Stanley/Stella partner factories are informed of the complaints procedure through the FWF's Worker Information Sheet. This official communication is posted on boards in the factories, located on the sewing floors.
- At Stanley/Stella HQ, the Sustainability Manager handles complaints and discusses them with the suppliers involved. Contact details are:

Email: sustainability-department@stanleystella.com

4. Training and capacity building

4.1. Activities to inform staff members

Some key activities and events are used to inform and train Stanley/Stella staff about FWF membership.

A dedicated sourcing & CSR training is offered to each new Stanley/Stella employee to help them understand key CSR concepts (FWF Code of Conduct, effluent treatment in factories, etc.).

Documentation on the FWF and, more broadly, CSR is available to any Stanley/Stella employee. For any questions, staff can always turn to the Sustainability Team.

Since the beginning of our FWF membership in December 2011, we have communicated on it internally. Externally, we communicate on FWF to customers and third parties via visits, meetings, e-mailings, our Lookbook, brochures, labels, sales meetings, our website and web shop.

4.2. Activities to inform agents

Agents are informed about Stanley/Stella's sustainability policy. Agents or intermediaries receive the same training and knowledge transfer as manufacturers (see below 4.3).

4.3. Activities to inform manufacturers and workers

The level of knowledge about FWF and its Code of Conduct (CoC) varies across Stanley/ Stella's pool of suppliers:

- Some suppliers have already been working with the FWF's CoLP for years and have already implemented it.
- Recently integrated suppliers are receiving special training and attention during their integration phase. The FWF CoLP is presented to staff during trainings and is printed on big boards visible on the production floors and/or in factory stairways.
- Four of our partner factories have successfully participated in the Workers Education Program (WEP) by the FWF. One of our suppliers, Interstoff is running a similar high impact programme. Therefore, all of our partner factories -Dird, Interstoff, Ahsan, Meghna and Ausbangla - are running either a WEP or a similar programme.

5. Information management

The Stanley/Stella team tracks CAP's on a systematic basis. CAPs are stored on soft and/or hard copies in dedicated files. The CAP's and any necessary remedial action are discussed during the regular visits of Stanley/Stella's Sourcing & Sustainability team to the factories.

An Excel spreadsheet is used as a tracking system and summarizes the status of the FWF audits (last audit dates) as well as the CAP issuance dates. This file is updated and shared internally between Stanley/Stella HQ and the BLO.

Production locations for Stanley/Stella products are known and verified as each production run is monitored closely by Stanley/Stella staff. Subcontracting is not allowed by Stanley/Stella's strict policies, which means that no Stanley/Stella production can take place at non-audited sites.

6. Transparency & communication

Since joining the FWF in 2011, Stanley/Stella has communicated extensively about its FWF member status, using the following tools:

- Online: Stanley/Stella website, web shop and Facebook account
- Communication & marketing tools such as articles, lookbooks, presentations in conferences, emailing campaigns and press releases
- On garments (garment labels)

7. Stakeholder Engagement

Among other initiatives, Stanley/Stella supports and/or actively takes part in the following projects and initiatives:

- Fair Wear Foundation, affiliated member since 2011
- GOTS
- GRS
- Fashion Revolution day
- Textile Exchange (supporter member)
- Oeko-Tex
- PETA

8. Conclusion

In 2020, we will continue to work on our cotton traceability project and on supporting grocery shops in our partner factories. At Stanley/Stella, we remain committed to looking for ways to improve the livelihoods of the people who work for us.