

# SOCIAL REPORT 2018

*“The road to sustainability is long and rugged.  
But for us, there’s no other road worth taking.”*

Jean Chabert  
Founder & CEO

Right from Stanley/Stella’s beginnings in 2012, its founder Jean Chabert had a vision for a B2B lifestyle brand that would follow the conventions of the fashion retail sector, while manufacturing in a more responsible, ethical and sustainable way.

# INTRODUCTION

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Stanley/Stella is an innovative Belgian textile company, located in Brussels, that develops sustainable retail-inspired garments.

Our customers are spread across Europe, and we produce a substantial amount of our garments in Bangladesh and China. Since the beginning, our aim has been to create the highest quality garments possible at the most sustainable level, which our network of partners can then transform locally through printing, embroidery and other decorating techniques.

Our collections come in a rainbow of colours, are incredibly soft to touch, and are, we believe, a great example of ethical fashion. The success of our ethical positioning using premium sustainable materials, led to sales of nearly 10 million pieces in 2018, representing a turnover of over €40 million.

# RESPECT FOR PEOPLE, RESPECT FOR THE PLANET

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Stanley/Stella believes that the textile industry can be more ethical and responsible. While there is no easy route to sustainability, we work hard every day to make it a reality by developing, and sticking to, concrete, long-term objectives.

Since day one, we have embraced the Fair Wear Foundation's (FWF) goals. An international organisation that aims to improve workers' conditions in the textile industry in South Asia, it supports us to cooperate in a responsible way with our suppliers, to the benefit of all workers. Audits are carried out in all our factories every three years, and a Corrective Action Plan (CAP) is put in place, if deemed necessary. Our local team follows up on the CAP and discusses it with factory management and FWF representatives. The FWF monitors the CAP every three months.

In order to build strong and close partnerships with production facilities, Stanley/Stella has selected a very limited number of factories to work with, in a limited number of countries. In 2018, we worked with only 5 factories in Bangladesh (Dird, Ahsan, Interstoff, Meghna and Aus-Bangla). This allows our local team of 19 people in Dhaka to be in each of our factories almost every day. We also source from one factory in China (Shuangxi) and one in Portugal (Etfor).

Respect for planet Earth is strongly rooted in our DNA. 100% of the cotton we use is organic certified by GOTS, that is to say, grown without the use of chemical pesticides or chemical fertilizers. Using organic cotton does not just mean that no hazardous or toxic substances have been used in the fields. It also means that we create a safe environment for farmers and their families, avoiding any kind of pesticide poisoning which can lead to multiple health problems or even death.

Moreover, the rain water which falls on organic cotton plantations is not contaminated by any chemicals, and respects the organic quality of the soil and local fauna.

Water consumption is another key concern for Stanley/Stella, which is why all our factories are equipped with an Effluent Treatment Plant (ETP).

# SUMMARY OF 2018 KEY ACHIEVEMENTS

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1. Members of Stanley/Stella's Board made an important step towards even greater transparency in early 2018, deciding to publically release the names and contact details of all the factories the company works with. The decision consolidated Stanley/Stella's position that transparency is the foundation of any sustainable policy. For us, this is an important achievement as very few actors in the B2B market reveal this type of information which is often considered confidential.

2. During the year 2018, Stanley/Stella created its own Code of Conduct (CoC) based on the eight fundamental Conventions of the International Labour Organisation (ILO). This CoC was signed by all our partner factories.

3. Throughout the year, Stanley/Stella closely monitored the efficiency of the Anti-Harassment Committees (AHC) in its partner factories in Bangladesh.

4. From 2018, Stanley/Stella has been using a transversal assessment tool to select new partner factories. First used for the selection and validation process of Meghna, our newest partner in Bangladesh, it includes criteria on sustainability, production quality, planning, finance and effects on the environment. Once all Stanley/Stella managers approve of a particular factory, it is then validated by the CEO himself.

# STRATEGIES FOR SUSTAINABILITY

Our local team of Quality Controllers, together with our local Sustainability Officers, have developed a systematic approach to increasing the number of controls in all our factories.

In parallel to the formal monitoring carried out by the FWF every three months, Stanley/Stella has installed an additional monitoring system. Our “CSR monthly reports”, are based on systematic checks performed during all production runs. This system allows us to have an update on the working conditions in all our partner factories on an almost daily basis.

The CSR monthly reports include checks on social and environmental issues as well as building and fire safety assessments. Environmentally, further efforts have been made by factories to upgrade their ETP's, to ensure optimised pH levels (7) of the water they release.

We have found the Workplace Education Programs (WEP) organised by FWF trainers to be effective in helping our partner factories to move towards more concrete achievements regarding social sustainability.

We have invited a further three of our partner factories (Interstoff, Meghna and AusBangla) to initiate a WEP program in 2019, and to improve their understanding of it.

Knowing that a key factor for preventing excessive overtime is to have the most accurate production forecast possible, we constantly revise and update our planning system to improve the precision and quality of Stanley/Stella's order forecasts and planning.

Last but not least, Stanley/Stella has been a proud and active FWF member since 2011, ranked Leader Member. We continue to communicate on our FWF membership, both internally and externally, on media such as our website, Facebook, our marketing publications and garment labels.

The Global Organic Textile Standard (GOTS) is the worldwide leading textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain - [www.gots.com](http://www.gots.com)

# I. OUR SOURCING STRATEGY

Stanley/Stella's product portfolio mainly consists of knitted garments such as T-shirts, polo shirts, sweatshirts, jackets and accessories. The company has been working on expanding its range over the years and will continue to do so.

As sustainability is at the heart of its DNA, Stanley/Stella is exclusively developing garments that contain the following:

- Organic materials (such as organic cotton);
- Natural fibers (such as linen);
- Sustainable materials (such as Lenzing® Tencel® and Modal®)
- Recycled materials (such as recycled polyester or recycled cotton)

## I.1 - SOURCING COUNTRIES

In 2018, Stanley/Stella sourced products from the following countries (in % of financial value):

- 99.17% from Bangladesh (t-shirts, polo shirts, knitted tops, sweatshirts, and bags - mostly in organic cotton)
- 0.09% from Portugal (t-shirts and knitted tops in linen)
- 0.73% from China (jackets in recycled polyester)

Stanley/Stella favours long-term business relationships with suppliers and has been working with its core suppliers for more than 5 years:

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

Business with Chinese suppliers will further increase in 2019, due to Stanley/Stella's strategic decision to diversify its product portfolio in outerwear and accessories

## I.2 - PRICING

Stanley/Stella works together with its suppliers to clearly identify price elements of product costing, including salaries. We stand by our commitment to fair labour costs, so when the minimum wage for workers was increased in 2018 by the Bangladeshi government for example, we adjusted our prices to cover the full salary increase, and more.

It is not part of Stanley/Stella's business practice to look for the cheapest product. The nature and high quality of the materials used for Stanley/Stella products, like organic cotton, in combination with sustainable production methods, is not compatible with the lowest prices.

## I.3 - ORGANISATION OF THE SOURCING DEPARTMENT

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

The other is based in Bangladesh. Stanley/Stella has invested in building a solid team of 19 people in Dhaka, allowing the company to monitor every Stanley/Stella production run in local factories. Such a team is a key asset to our company, as it allows a high degree of control over product quality and the social/environmental conditions at partner factories.

In China, we have a part-time Sourcing Manager to look for potential new partners and to ensure their compliance with our quality controls and sustainable policies.

## I.4 - 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 believe that premium quality and timeless fits are key for a sustainable, slow fashion industry. In 2018, we introduced 14 modern, new styles, taking us to a total of 142 different styles in our collection. Though the power of "new" is particularly strong in the fashion industry, we want our basics to be long-lasting and worn as many times as possible.

Stanley/Stella products are premium priced with a highly qualitative positioning: we offer upgraded collections to our markets every year. Our partners include printers, agencies and brands from Europe who transform blank garments into unique pieces.

## I.5 - PRODUCTION PLANNING

Stanley/Stella collaborates with its suppliers in a number of helpful ways:

- 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.
- 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 CMT (Cutting, Making, Trimming) processes.
- We always listen to suppliers to know when they have excess capacity or a shortage of capacity. In such cases, we do what we can to assist them in filling the capacity or shifting requirements to a different supplier to alleviate the pressure.

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).



# I.6 - PARTNER FACTORY RELATIONS

In 2018, Stanley/Stella's supplier portfolio remained stable. We added Meghna Knit Composite as our newest supplier after rigorous audits & assessments, as per our company standards.

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 Bangladeshi liaison office. Key checks made with new potential partners include (but are not limited to):

- Visiting factories
- Collecting and checking certificates (GOTS, OCS, GRS, Oeko-Tex 100, BSCI, SEDEX, WRAP, ACCORD)
- Conducting an Internal Audit according to Stanley/Stella standards.
- Auditing factories (e.g. FWF audits)

A factory's general attitude towards social responsibility is also of great importance to us. The willingness of new factories to invest in Corporate Social Responsibility (CSR) in the long-term is critical to us (e.g. child care in factories facilitating full-time employment for female workers, positive attitudes toward the installation of an anti-harassment committee, transparent monitoring of overtime etc.).

With regards to sustainability, Stanley/Stella favours factories that bring innovative solutions (e.g. investing in good ETP's, developing recycling programmes etc.)

In addition to CSR and sustainability, key aspects of Stanley/Stella's factory assessments are:

- Strategic (country risk, Stanley/Stella's sourcing strategy)
- Health & Safety (certification such as Oeko-Tex 100, Accord, REACH, RSL)
- Environmental (efficient water treatment plant, no hazardous chemicals, energy savings etc.)
- Quality assurance (Internal Audit, 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 versus proven-track performance, development & communication responsiveness, delay penalties & quality compensation)
- Financial (purchase prices, payment terms & conditions, financial stability)
- Logistics & Planning (production lead time, shipment lead time, flexibility, Minimum Order Quantities (MOQs) etc.)
- Legal (general purchase conditions, contracts, Generalised Scheme of Preferences (GSP), quotas, trade & tariff regulations, anti-dumping, certifications, etc.)

# I.7 - INTEGRATING MONITORING ACTIVITIES AND SOURCING DECISIONS

Stanley/Stella tries to leverage general business discussions and CSR-related topics whenever it can. Our aim is to have a long-term, positive social impact in the industry. Our standards are listed in our Code of Conduct, which has to be signed and respected by all the factories we work with.

- Selection of new partners – At the earliest stage of a business relationship, Stanley/Stella is transparent with potential suppliers and is clear about its FWF member status. The motivation of potential suppliers is assessed during factory visits and discussions. Relevant FWF material is shared with potential sources such as the “Information needed for an FWF audit” (given in the local language).
- Stanley/Stella HQ and local teams tightly monitor active suppliers. Our CSR monthly reports, kept up-to-date at all times, keep track of environmental issues and the CSR situation in our partner factories.
- Corrective Action Plans (CAP’s) are key tools and are followed up on with all active suppliers.

Regular reviews of ongoing CAP’s are performed during on-site visits of Stanley/Stella HQ teams.

Stanley/Stella works hard to maintain transparent and open communication with its partner factories. However, should they not comply with basic FWF requirements, or be unwilling to do so, then Stanley/Stella will end the business relationship.

# 2. COHERENT SYSTEM FOR MONITORING AND REMEDIATION

In 2018, Stanley/Stella monitoring covered 100% of its production in Bangladesh. Key monitoring activities covered the execution of CAP's, the follow-up of complaints, regular factory visits and CSR-related discussions. Our factory in China is visited 3-4 times a year by our Operation, Quality and Sustainability departments. As explained in the 2018 achievements section, Stanley/Stella's monitoring process was significantly enhanced in 2018 and became more systematic. FWF audits at key Stanley/Stella factories:

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

## 2.1 - DIRD FACTORY - BANGLADESH

**Production:** The percentage of Stanley/Stella's total production sourced from this factory amounted to 45,27% in 2018.

**Visits:** In 2018, Dird factory was visited by Stanley/Stella staff in charge of sustainability from Stanley/Stella Bangladeshi office on an almost weekly basis. In addition to these visits, the Stanley/Stella Bangladesh liaison office remained in contact with this factory on a daily basis. Furthermore representatives from our HQ Brussels office visit our partner factories three to four times a year.

**Monitoring:** Dird factory is monitored on a daily basis by either the Stanley/Stella Bangladesh office management team or by Stanley Stella's Quality Control (QC) inspectors who visit the factory during production. Stanley/Stella QC staff is particularly active in identifying and correcting the smallest deviations to social standards that could lead to non-compliance. In addition to this close monitoring, CSR topics were on the agenda of every meeting attended by Stanley/Stella HQ staff. In every quarter, Stanley/Stella HQ staff meet with factory management to discuss progress on CAP completion.

**Complaints:** Complaints against this factory, when filed through several internal complaints handling systems, were taken seriously and were mostly 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 FWF and the factory, has successfully played a central role in resolving several cases to the satisfaction of the complainants. One involved a worker being attacked, and others concerned forced resignations.

There is an active Workers Participation Committee (WPC) at the factory. The factory has a functional and independent Anti-Harassment Committee (AHC) that deals with any kind of harassment in the workplace.

The AHC was formed under the Fair Wear Foundation's (FWF) Workplace Education Program (WEP) and meetings are attended by FWF Representatives bimonthly. This ensures the highest integrity & efficacy in achieving appropriate resolutions and further prevention.

**Cooperation:** No cooperation with any of the supplier's clients was required in 2018. As we have dedicated expertise to identify, evaluate and find sustainable solutions to all relevant issues, we handled them ourselves.

**FWF audit and Corrective Action Plan (CAP):** The FWF August 2012 and November 2013 audits led to a CAP with minor points to improve - all were completed within a couple of months. The verification audit was held on the 16th & 17th of November 2013, and focused only on wages. A full verification audit was done on 27th & 28th May 2017. Therefore the next audit is yet to be confirmed in 2020.

Stanley/Stella's Sustainability Officer in the Bangladesh Office is responsible for the day-to-day monitoring of the factory, and also for getting updated information every quarter on CAP progress, according to the recommendations.

As per its legal obligations, the factory has implemented minimum wages, the government having not yet implemented any living wage structures for textile workers. Furthermore the factory is going through the remediation processes and now confirms to almost all recommended structural, electrical and fire safety related state-of-the-art measures.

The factory is required to take immediate action based on its CAP, and to report progress on a quarterly basis. Stanley/Stella Sustainability Officers in Bangladesh follow up on the implementation of corrective actions. Since monitoring is managed on a daily basis, immediate action is taken in case of any irregularities.

**Other monitoring activities:** This supplier is already engaged in several social projects with the FWF (WEP, AHC, etc.). However, Stanley/Stella has implemented several 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 ETPs (Effluent Treatment Plant) is verified.

## 2.2 - AHSAN FACTORY - BANGLADESH

**Production:** The percentage of Stanley/Stella's total production sourced from this factory amounted to 18,06% in 2018.

**Visits:** In 2018, Ahsan factory was visited by Stanley/Stella staff in charge of sustainability from Stanley/Stella BLO on an almost weekly basis. In addition to these visits, the Stanley/Stella Bangladesh liaison office remained in contact with this factory on a daily basis. Furthermore representatives from our HQ Brussels office visit our partner factories three to four times a year.

**Monitoring:** Ahsan factory is monitored on a daily basis by either the Stanley/Stella Bangladesh office management team or by Stanley Stella's Quality Control (QC) inspectors who visit the factory during production. Stanley/Stella QC staff is particularly active in identifying and correcting the smallest deviations to social standards that could lead to non-compliance. In addition to this close monitoring, CSR topics were on the agenda of every meeting attended by Stanley/Stella HQ staff.

**Complaints:** For any harassment-related issue, the Anti-Harassment Committee (AHC) reports directly to top management at the factory. This allows the AHC and factory representatives to resolve issues independently. Moreover, the AHC was formed under the Fair Wear Foundation's (FWF) Workplace Education Program (WEP) and meetings are attended by FWF Representatives bimonthly. This ensures the highest integrity & efficacy in achieving appropriate resolutions and further prevention.

In 2018, the factory took immediate measures for resolution whenever complaints were reported. It was successful in resolving all disputes internally, to the satisfaction of the complainants involved, in all 11 instances.

**Cooperation:** No cooperation with any of the supplier's clients was required in 2018. As we have dedicated expertise to identify, evaluate and find sustainable solutions to all relevant issues, we handled them ourselves.

**FWF audit and Corrective Action Plan (CAP):** Reaching the goal of paying a living wage has been challenging for the factories. In-depth understanding of the variables, multiparty consensus and structural change within the industry are yet to be achieved and therefore factories continue to abide by the lawfully set minimum wage scale. Stanley/Stella understands the realities of business but always encourages its factories to work towards paying a living wage, even if it's done gradually by paying increasingly more than the minimum wage.

A full verification audit was done on 6th & 7th Oct, 2018. Therefore the next audit is yet to be confirmed in 2021. Ahsan is monitored on a daily basis by Stanley/Stella's Sustainability Officer. The active CAP with this factory is reviewed every quarter.

**Other monitoring activities:** Floor level management is employed for monitoring and to ensure workplace safety.

## 2.3 INTERSTOFF FACTORY - BANGLADESH

**Production:** The percentage of Stanley/Stella's total production sourced from this factory amounted to 22,08% in 2018.

**Visits:** In 2018, Interstoff factory was visited by Stanley/Stella staff in charge of sustainability from Stanley/Stella BLO on an almost weekly basis. In addition to these visits, the Stanley/Stella Bangladesh liaison office remained in contact with this factory on a daily basis. Furthermore representatives from our HQ Brussels office visit our partner factories three to four times a year.

**Monitoring:** Interstoff factory is monitored on a daily basis by either the Stanley/Stella Bangladesh office management team or by Stanley Stella's Quality Control (QC) inspectors who visit the factory during production. Stanley/Stella QC staff is particularly active in identifying and correcting the smallest deviations to social standards that could lead to non-compliance. In addition to this close monitoring, CSR topics were on the agenda of every meeting attended by Stanley/Stella HQ staff.

**Complaints:** In 2018, 17 complaints were reported. The factory took immediate measures internally for their resolution, to the satisfaction of all complainants involved.

**Cooperation:** No cooperation with any of the supplier's clients was required in 2018. As we have dedicated expertise to identify, evaluate and find sustainable solutions to all relevant issues, we handled them ourselves.

**FWF audit and Corrective Action Plan (CAP):** Interstoff was audited by FWF on the 7th & 8th of November 2015 and then on the 8th and 9th of December 2018.

The factory has periodically trained employees on FWF's Code of Labour Practices (CoLP) and will continue to do so. They are also committed to eventual implementation of the living wage structure nevertheless this factory ensures the workers get extra benefits.

Before being introduced to FWF, Interstoff's CSR policy was already fairly advanced. The factory owners and top management have invested in different social programs, including two specific projects:

- The recruitment of disabled workers. This initiative aims to integrate, train and employ disabled workers that have been excluded from the local job market.
- The recruitment of, and assistance to, the victims of the Rana Plaza tragedy. This includes specialised help to assist them in recovering mentally.

**Other monitoring activities:** The supervisors are in charge of monitoring their unit and to ensure workplace safety.

## 2.4 - MEGHNA FACTORY - BANGLADESH

**Production:** The percentage of Stanley/Stella's total production sourced from this factory amounted to 10,1% in 2018.

**Visits:** In 2018, Meghna factory was visited by Stanley/Stella staff in charge of sustainability from Stanley/Stella HQ frequently and the Stanley/Stella Bangladesh liaison office is managing communications with the factory almost on a daily basis.

**Monitoring:** As this factory has never undergone a FWF audit, Stanley/Stella spent some time helping the supplier to prepare for it and introducing the supplier to FWF's Code of Conduct. This also facilitated factory integration to Stanley/Stella's CSR system.

**Complaints:** No complaints were filed or received in 2018.

**Cooperation:** No cooperation with any of the supplier's clients was required in 2018. As we have dedicated expertise to identify, evaluate and find sustainable solutions to all relevant issues, we handled them ourselves.

**FWF audit and Corrective Action Plan (CAP):** This factory has conducted training on anti-harassment and has posted an anti-harassment policy on notice boards. It has also provided a refresher course to workers on the FWF complaints mechanism.

This factory pays the legal minimum wage and maintains that it is transparent. It has committed to being more pro-active and will furthermore conduct a survey to determine whether or not the wage provided is enough to live on.

Meghna has posted its maternity leave & benefit policy and is providing awareness training to workers on this. Payment evidences are now available.

Meghna was audited by FWF on the 29th & 30th of September 2018 and is monitored on a daily basis by Stanley/Stella's Sustainability Officer. The active CAP with this factory is reviewed every quarter.

**Other monitoring activities:** Floor level management is employed for monitoring and to ensure workplace safety. Awareness trainings were also arranged.



## 2.5 - AUSBANGLA FACTORY - BANGLADESH

**Production:** The percentage of Stanley/Stella's total production sourced from this factory amounted to 1,45% in 2018.

**Visits:** In 2018, Ausbangla factory was visited by Stanley/Stella staff in charge of sustainability from Stanley/Stella Bangladeshi office on an almost weekly basis. In addition to these visits, the Stanley/Stella Bangladesh liaison office remained in contact with this factory on a daily basis. Furthermore representatives from our HQ Brussels office visit our partner factories three to four times a year.

**Monitoring:** Ausbangla factory is monitored on a daily basis by either the Stanley/Stella Bangladesh office management team or by Stanley Stella's Quality Control (QC) inspectors who visit the factory during production. Stanley/Stella QC staff is particularly active in identifying and correcting the smallest deviations to social standards that could lead to non-compliance. In addition to this close monitoring, CSR topics were on the agenda of every meeting attended by Stanley/Stella HQ staff. In every quarter, Stanley/Stella HQ staff meet with factory management to discuss progress on CAP completion.

**Complaints:** In 2018, total number of grievances received were 9 and all were amicably resolved internally. No complaints were registered against Ausbangla through the Fairwear Foundation's hotline.

**Cooperation:** FWF audit and Corrective Action Plan (CAP): The factories first FWF audit was held on the 22nd & 23rd April, 2017. Therefore the next audit is yet to be confirmed in 2020.

Ausbangla has increased the number of women in supervisory role and has strengthened the regular internal grievance handling activities in association with the WPC members.

Furthermore they are scheduled to conduct the democratic election in 2019 to establish a more empowered Workers Participation Committee (WPC). They are also committed to work on gradual increase of wages to reach the living wage eventually.

Stanley/Stella's Sustainability Officer in the Bangladesh Office is responsible for the day- to-day monitoring of the factory, and also for getting updated information every quarter on CAP progress, according to the recommendations.

**Other monitoring activities:** Floor level management is employed for monitoring and to ensure workplace safety.

## 2.6 - SHUANGXI FACTORY - CHINA

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**Production:** The percentage of Stanley/Stella's total production sourced from this factory amounted to 0.73% in 2018.

**Visits:** Shuangxi was visited by the Stanley/Stella Sourcing & Sustainability staff as well as the Stanley/Stella Bangladesh country manager in November 2015. In 2016 and 2017, several visits took place from Stanley/Stella HQ. The next visit is planned for May 2019, as we are planning to do more business with our Chinese supplier.

**Complaints:** No complaints were filed or received in 2018.

**Cooperation:** No cooperation with any of the supplier's clients was managed in 2018.

## 2.7 - ETFOR FACTORY - PORTUGAL

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**Production:** The percentage of Stanley/Stella's total production sourced from this factory amounted to 0.09% in 2018.

**Visits:** Efor was not visited by Stanley/Stella staff in 2018.

Monitoring: CSR-related topics were discussed during Stanley/Stella's last visit to this supplier in December 2015. A key discussion topic was the follow-up on 3rd party certification (SEDEX, GOTS, etc.)

**Complaints:** No complaints were filed or received in 2018.

**Cooperation:** No cooperation with any of the supplier's clients was managed in 2018.

**FWF audit:** An FWF audit was made at the request of another client to the supplier. Additionally, work conditions at this factory are monitored through BSCI, SEDEX and GOTS certifications. No CAP nor additional training have been implemented with this factory.

# 3. COMPLAINTS HANDLING

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Complaints made against factories, when filed through internal complaints handling systems, were taken seriously and were mostly 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.

The complaints handling process can be described as below:

- Workers from Stanley/Stella partner factories are informed of the complaints procedure through a letter from FWF. This official communication is posted in factories on boards located by the sewing floors.
- At Stanley/Stella HQ, the Sourcing, Quality & Sustainability Manager handles complaints and discusses them with the suppliers involved. His contact details are:

- **Email:** [supplychain@stanleystella.com](mailto:supplychain@stanleystella.com)

- **Phone number:** +32-2-663-05-90

Stanley/Stella maintains a complaints register internally and follow-up action plans related to complaints received through the FWF helpline.

# 4. TRAINING AND CAPACITY BUILDING

## 4.1 ACTIVITIES TO INFORM STAFF MEMBERS

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

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

Documentation on FWF and CSR more broadly is made available to all Stanley/Stella staff. If they have any questions, staff members can get help from the Stanley/Stella Sourcing and Sustainability Manager.

Any Stanley/Stella HQ employee who visits a factory has to fill in a Basic Health & Safety/Compliance checklist.

Ever since our FWF membership started in December 2011, FWF has been part of our internal communications. Externally, we communicate on FWF to customers and third parties via visits, meetings, e-mailings, look books, brochures, labels, sales meetings, our website and web shop, and more.

## 4.2 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 been working with FWF's CoC for many years and have already implemented it.
- Recently integrated suppliers receive specialised training and particular attention during the integration phase. The FWF CoC is presented to staff during trainings. It is printed on big boards that are visible on the production floor and/or in factory stairways.
- Two factories in three locations have been involved in the FWF Workers Education Program (WEP) and Anti-Harassment Committee (AHC) training. We extended FWF's invitation to consider collaborating with FWF in this program to three more of our partner-factories.

## 4.3 INFORMATION MANAGEMENT

The Stanley/Stella team tracks CAPs on a systematic basis. First and foremost, CAP's are stored on soft and/or hard copies in dedicated files. The content of the CAP's and necessary remedial action is discussed during the regular trips that Stanley/Stella's sourcing & sustainability team makes to factories.

An Excel spreadsheet is used as a tracking system and summarizes the status of FWF audits (last audit dates) as well as the dates CAP's have been issued. This file is updated/shared internally between Stanley/Stella HQ and the Bangladesh liaison office.

Production locations for Stanley/Stella products are known and verified. As standard procedure, each production run is monitored by Stanley/Stella staff. Stanley/Stella policy does not allow subcontracting, which eliminates the possibility of Stanley/Stella production happening at non-audited sites.

# 5. TRANSPARENCY & COMMUNICATION

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Since joining FWF in 2011, Stanley/Stella has been communicating widely on its FWF member status. Stanley/Stella communicates by using the following tools:

- Online: website, webshop, Stanley/Stella Facebook account
- Communication & marketing tools (articles/look books/presentations held at conferences /emailing campaigns / press releases)
- On garments (garment labels)

# 6. STAKEHOLDER ENGAGEMENT

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Among others initiatives, Stanley/Stella is supporting and/or actively taking part in further projects and initiatives:

- **Fair Wear Foundation** (affiliated member since 2011): is non-profit organization focusing on the labor intensive part, to support and protect the workers to make clothes in a fairer way.
- **GOTS certification**: is for organic textiles made with organically grown raw fibers and for textiles made with organic fibers that have been processed into textile without harmful chemicals.
- **GRS certification**: is an international, voluntary, full product standard that sets requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions.
- **Textile Exchange** (supporter member) : is a global non-profit organization, that works closely with our members to drive industry transformation in preferred fibers, integrity and standards and responsible supply networks.
- **Oeko-Tex certification**: label for consumers and a uniform safety standard for the assessment of harmful substances in fabrics. Its aim is to ensure products are free of harmful substances.