



# **STANLEY/STELLA**

## **social report**

Reporting period (Financial year: January 2021 – December 2021)

**STANLEY/STELLA**

[WWW.STANLEYSTELLA.COM](http://WWW.STANLEYSTELLA.COM)

FAIR WEAR MEMBER SINCE [DECEMBER 2011]



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# 1. Summary

## 1.1 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.

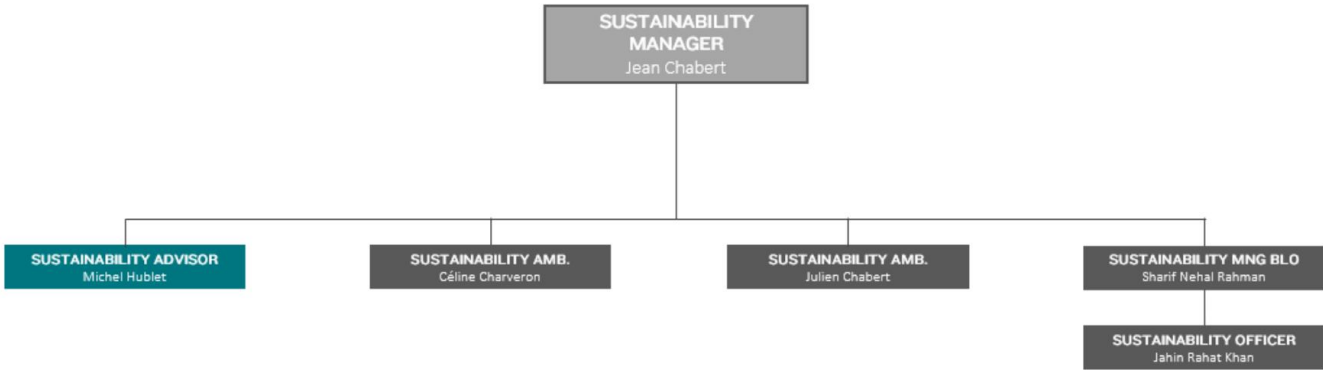
We believe that transparency is fundamental to any sustainable policy, which is why we openly share our working methods with our customers and have publicly released the names and full contact details of the factories we work with. We also believe that the only way to achieve our sustainability goals 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 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 all our supply chain. 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.

## 1.2 ORGANISATIONAL CHART

Please find below the organisation of the Sustainability Team, Operations and Bangladesh Liaison Office (BLO) that are the most involved people in the sustainability topics.

### A/ Sustainability Team (HQ + BLO)

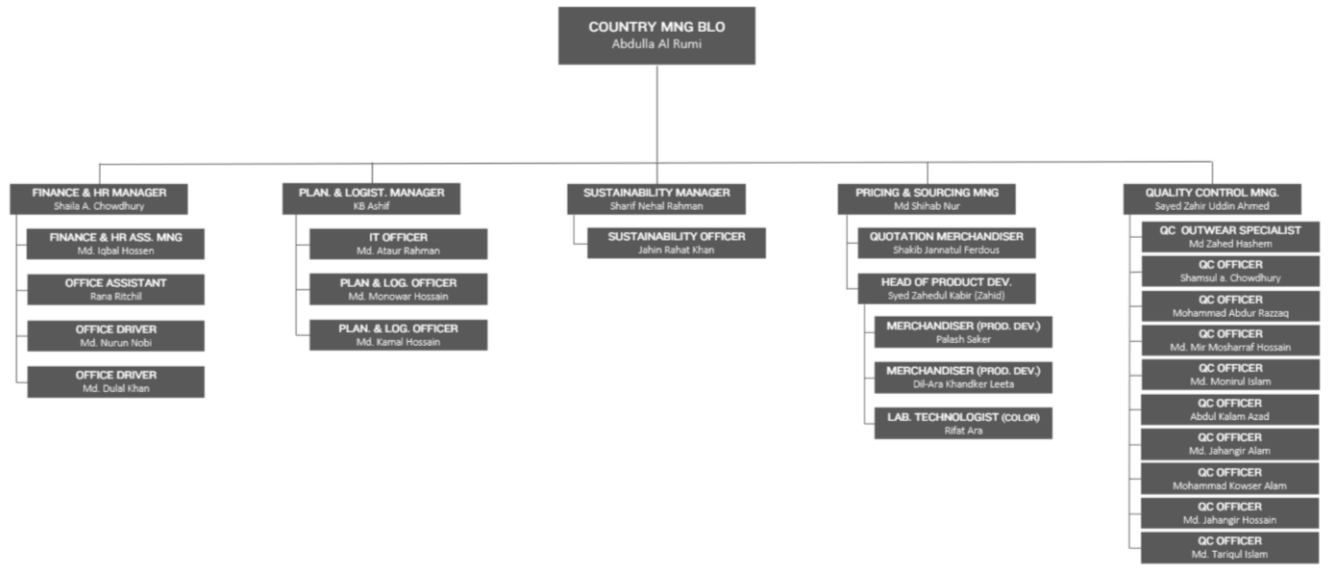


Sustainability Manager is actually a position hold by our CEO Jean Chabert since May 2021, ad-interim position till we recruited a new Sustainability Manager. Recruitment is on-going, foreseen for Q3 2022.

Michel Hublet just joined the team in March 2022 as advisor on our Carbon Footprint project, as a start.

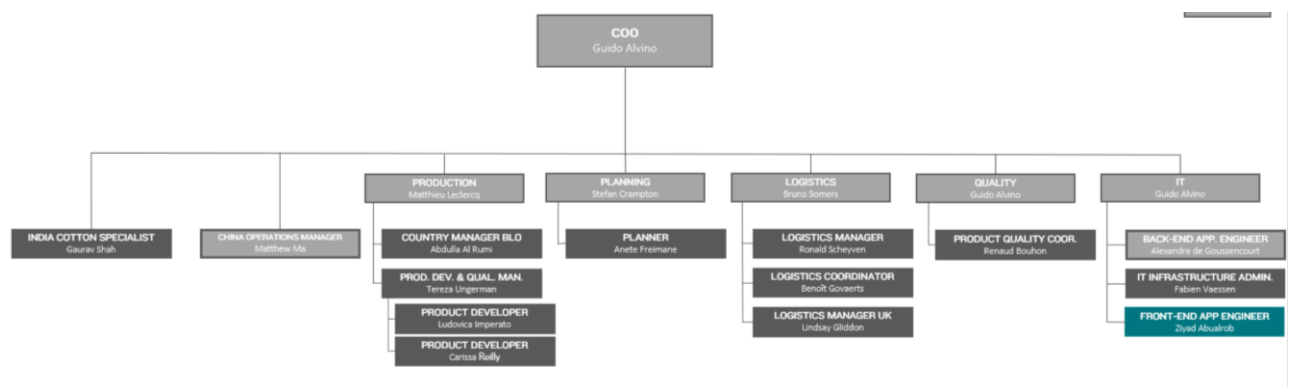
On top of that, Isabelle Koss will join the team as of 1<sup>st</sup> June 2022 as a Sustainability Ambassador in the sustainability team based in Belgium.

**B/ Bangladesh Liaison Office (BLO), Dhaka**



In 2022, we have welcomed 1 new person working part-time in the Sustainability team, focused on the carbon footprint project. We are also looking at 1 new full-time person who will be focused on certifications (GOTS / OEKOTEX/GRS / OCS).

**C/ Operations department (including sourcing, planning, pricing)**



### 1.3 2021 GOALS & ACHIEVEMENTS

“Stanley/Stella is a community of passionate individuals inspired by a common desire to drive positive changes in the garment industry, both on social and environment aspects. Improving labour conditions, wherever we are operating is one of our main priorities. It includes living wages but not only, as also covering working hours, safe and healthy working conditions, improving management systems. Our commitment to pay living wage to the workers in our partners CMT factories in Bangladesh is part of this priority. We believe that together with our suppliers, we can innovate and be exemplary in Bangladesh as a start. As we obviously acknowledge that our supply chain does not end at the CMT factory level. Improved working conditions are positive for both people and business, and is a foundation for a sustainable economy. “ Jean Chabert, founder and CEO, Stanley/Stella.

Our sustainability strategy didn't change since the foundation of Stanley/Stella in 2012, and we will stick to our commitment to produce garments while building a transparent and sustainable ecosystem, with respect to the people and the planet.

During the past financial year, we have been constantly pushing the Fair Wear Code of Labour Practices along all our supply chain. Starting with basic requirements such as getting the agreement and signature from our partners about it before starting a relation with them, but also through regular follow up that we have with them all along the year, including audits, meetings, trainings, and several daily exchanges...

Our long term projects include carbon neutrality, living wage project, organic cotton traceability project among others.

On top of that we conducted end of 2021 a Sustainability Survey to include the end consumer, our partners and our Bangladeshi team to understand which will be their requirements regarding corporate social responsibility in the textile industry, in order to be closer to consumer demands. To fully embrace our responsibilities and to be able to meet these requirements, we then decided to create the Stanley/Stella Charter, on top of the various certifications that we already have or memberships to which we are affiliated to.

Find below key events of year 2021 :

### **A/ Human Rights Due Diligence assessment and management.**

- Sustainability Supplier Scorecard finalized. Objective of this tool is to have a status of our suppliers pool from a sustainability point of view and to be able to manage improvements properly.
- Compliance with Fire & Building safety. Audit endorsed at AusBangla end of 2021.
- WEP ended at factories Dird, Dipta and Ahsan, and is on-going at AusBangla and Meghna. We'd appreciate FWF feedbacks, support and recommendations on the next responsible steps to set up.
- China : enlarged responsibilities of Matthew Ma, previously working part time at Stanley/Stella in the sourcing department and based in China. This will allow us to embody the Human Rights Due Diligence in China, to have a proper follow up and to anticipate in our future needs regarding our activities in this country.
- India : recent arrival of Gaurav Shah in the sourcing team as a Cotton Sourcing Specialist. Human Rights Due Diligence will have to be embedded within his responsibilities as a cotton sourcing specialist in India, with close relationships with the farmers.

### **B/ Living wage**

- Fair Grocery Shops (FGS).

Between July 2020 and April 2021, Fair Grocery Shops projects have run successfully at Meghna and Interstoff. Almost 18.000 workers have benefitted from discounts on basic commodities. Each factory has provided a basket of goods to workers containing daily essential commodities like rice, oil, lentils, salt, sugar and soap, at a discount of around 50%. Representing a value of roughly 300-400 BDT per employee/worker per phase, for 2 phases, this translates to direct savings for all workers. Although we know that this is not a long-term solution to the tremendous living wage issue, this is still a concrete action which is appreciated by the workers of our partner factories, with the benefit to be fair for all.

- Workers & factories feedback on FGS.

We had several discussions with workers representatives and factory management about their feedbacks concerning Stanley/Stella FGS Projects' products, quality, pricing...and we received high appreciation, and expectation for more future projects of such.

- Fair Price App.

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Participation of our Bangladeshi colleagues and partner suppliers to the Fair Price App webinars. Afterwards, recorded video of the session was also shared with suppliers for their concrete feedback. Meghna, Interstoff, GMS and AusBangla shared positive feedbacks to the app and plans to work on practical implementations of it in future. Ahsan shared that such app should be better explained and should be used during buyer-supplier meeting to better decide the product pricing. Dird were not interested in the new online app rather they've shared that they'd like to use the old offline excel version of the tool. Next step is to go more concrete with the tool, and FWF could play an important role supporting suppliers in the implementation of it.

- Top management project presentation.

Living wage project presentation by our top management, including our CEO Jean Chabert to our main partner factories in Bangladesh. This travel and presentation was supposed to happen in 2021, but has been postponed due to COVID and finally happened in March 2022.

- Solar water pump in India.

This is our first project to support the daily life of communities in India. This project was planned in 2021, but due to different reasons it has been postponed to 2022. The proposed project is to be implemented in a small hamlet of Odisha known as Bhejiguda in districts of Balangir, east India. Potable drinking water has always been a challenge for this community as the only sources of water in the village are open wells and ponds, during summer both get dried up and the women of the village have to travel far to access drinking water. Implementation should be done by Q2 2022.

### **C/ Compliance with FWF communication policy**

Improved communication on our website. We are improving on an almost daily basis the way we communicate about FWF with our customers, providing them guidelines and tools. The objective is to increase awareness among our employees and customers, on top of what we are doing with our suppliers.

### **D/ Sustainable materials**

- Textile Exchange ranking.

Based on our raw materials portfolio, product development strategy and production processes, Stanley/Stella has been recognized once again by Textile Exchange as one of the frontrunning



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'Leaders Circle' in the apparel industry. We demonstrate every year our commitment to continuous improvement around our sustainable materials sourcing strategy.

- Circularity.

We increased our recycled product range (RE-CREATOR / RE-BLASTER) to go further to our Close the Loop (CTL) Project that we initiated 2 years ago. This is a continuous improvement process and project in order to shift concretely from a linear production model to the circular one. The idea is to collect fabric cutting wastes from our partners factories, starting with specific colors and styles, and to be able to re-create new products with these wastes. More information can be found on our website : <https://www.stanleystella.com/en-gb/aw21-recycled>

## 2. Sourcing strategy

### 2.1 SOURCING STRATEGY & PRICING

#### A/ Type of products

Stanley/Stella's product portfolio includes knitted garments such as t-shirts, polos, sweatshirts, dresses, bottoms, and woven garments such as jackets and woven accessories. We have been working on expanding our range over the years and will continue to do so in the most sustainable way possible, always keeping in mind that both people and planet are in the heart of it, and that we must integrate them into all our developments. Expansions include outerwear, baby wear, bags, hats, beanies within our accessory range, and soon again shirts.

With sustainability at the heart of our DNA, we exclusively develop garments that contain either organic materials (such as organic cotton) or recycled materials (such as recycled polyester, recycled nylon and recycled cotton).

#### B/ Sourcing countries

In 2021, Stanley/Stella sourced products (for the CMT part, i.e Cutting, Making, Trimming) from 2 countries (in % of financial value). 99% coming from **Bangladesh** (mainly t-shirts, polos, sweatshirts, accessories, bottoms mostly made from organic cotton) and 1 % coming from **China** (jackets made from recycled polyester and recycled nylon).

Regarding the raw material, sources includes mainly **India** for organic cotton (and then Turkey, Kirgizstan, Kazakhstan), **Bangladesh** for recycled cotton and **China** for recycled polyester and recycled nylon. On top of that, we have decided to take further actions to improve the traceability and the transparency of the materials we are using by recruiting or enlarging the function of 2 people inside the company : Matthew Ma for the Chinese part & Gaurav Shah for the Indian cotton part. We also have decided to diversify our supply chain regarding the raw material organic cotton in order to secure our supplies and to be able to answer to our customers' requirements and demand.

#### C/ Relation with producers

Stanley/Stella favours direct and long-term business relationships with suppliers and has been working with its core suppliers as long as 8 years. However, in order to be able to reply to our customer demand, we have been expanding our supplier sourcing portfolio introducing new suppliers. See below the list of our CMT suppliers with the starting date of our business relation.

In Bangladesh:

- Ahsan: since 2012
- Dird: since 2012
- Interstoff: since 2015
- Target Finewear (via Signet) : since 2016
- Aus Bangla: since 2017
- Meghna: since 2018
- GMS: since 2020
- CKDL : since 2021
- Epyllion : since 2021

In China :

- Shuangxi: since 2016

Business with Chinese sources or new countries may further increase/start in the coming years, due to :

1/ Stanley/Stella's organic growth.

2/ Stanley/Stella's strategic decision to diversify its product portfolio in outerwear and shirts or any other product categories more eager to be produced in these countries due to knowledge and skills of these countries.

Regarding intermediaries, it is not part of policy to work through agents. We will always favor direct relations with factories without any intermediates as we think that this is the best way to reach transparency. And we need transparency to be able to act with impact along with our suppliers. However, working with agents can be done under certain circumstances and conditions. For instance if we want to develop new products for which we do not have huge forecast quantities, it can happen that we will go through an agent as a start, provided we'll have traceability on the upstream part of the supply chain with him.

#### **D/ Pricing**

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

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Stanley/Stella follows an open cost sheet whenever it is possible, and where we calculate labour costs separately. We clearly identify price elements of product costing, including salaries.

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.

## **2.2 ORGANISATION OF THE SOURCING DEPARTMENT**

Stanley/Stella's Sourcing Department is composed of two separate teams.

One is based in the company headquarters in Brussels and is responsible for the definition of Stanley/Stella's sourcing strategy in liaison with the Product Development Department.

Each time a new product is developed, the choice of which manufacturer will do which product will be done by the Sourcing Manager along with the Product Development Team. Indeed, the Product Development Team has a precise view on the strengths and weaknesses of each of our partners in term of quality. The Sourcing Manager has a global view on the supplier base, in terms of price point, capacity, delays and sustainability compliances only to cite main criteria's among others. They frequently travel together to our partners factories to work closely with the developers of the factories in Bangladesh on the new products and materials.

In addition to this European team, Stanley/Stella has invested in building a solid team in Bangladesh. This team of 29 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 compliances of our partner factories.

In China, since February 2022, we now have a full-time China Operations Manager who is responsible for finding potential new partners out of Bangladesh but also ensuring their compliance with our quality standards and sustainable policies. We are also working on a long term plan in order to be able to achieve in China the same level of compliances (quality, social, environmental...) that we have now in Bangladesh, thanks to our Bangladesh Liaison Office.

## 2.3 PRODUCTION CYCLE

### **A/ Number of collections of the past year :**

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. In 2021 we introduced 62 new styles split between SS21 and AW21.

We create our products to be timeless and long lasting, this is our philosophy. 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.

Besides that, our customers also include retail brands eager to offer to their own customers products in line with fashion trends. We then offer to our customers some products in “limited edition” (a very small proportion of our offer) which means that these products have been launched with limited stock. Most of the time, these are items that are more linked to specific fashion trends and for which we want to avoid overstock risks, and then waste in case the success would not be as high as expected.

### **B/ Production cycle and planning**

We collaborate with our suppliers in a number of ways to help them to support reasonable hours of works in the factories by managing the production cycles including both theoretical and practical view.

- General workflow :

→ The order confirmation starts at the HQ. The lead-time applied at that moment includes a theoretical approach mixed with the raw material stock availability at the supplier.

→ The order confirmation is sent to BLO.

→ The BLO team sends it to the supplier and discuss with him the order and delays, in order to include the potential capacities constraints he can have, based on his reality.

Generally all new collection launch orders are confirmed to suppliers on average 7 months before the starting sales date, but products are developed even before that (in general 1,5 years before the starting sales date).

- Lead-time rules :

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).

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.

- Internal planning meetings :

Every month, we have S&OP (Sales and Operations) meetings during which we review our sales forecasts, that are then translated into product needs. We share the global output with each supplier concerned every month.

- Communication with our partner factories :

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. If we do ever increase our order volumes and our suppliers have insufficient capacity to meet the standard lead times, then we relieve the pressure by delaying shipments. We communicate with our suppliers to know when they have excess capacity or a shortage of capacity.

## **2.4 SUPPLIER RELATIONS**

In 2021, Stanley/Stella's supplier portfolio increased in order to support our growth and product development ranges. In 2021, we approved CKDL and EPILLYON.

For Stanley/Stella, sustainability is 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 & health & safety requirements (GOTS, OCS, GRS, Oeko-Tex 100, BSCI, SEDEX, ACCORD/RSC).

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- Sustainability Audit Report (SAR) : it is an internal audit that follows Stanley/Stella standards based on CoC. It is done by our Sustainability Team in Bangladesh along with the new factory. More than 108 criteria are checked in the fields of Social, Environment, Safety, Licenses, just to cite the main ones. Furthermore, Stanley/Stella's strict policies and Code of Conduct do not allow any form of subcontracting unless required exceptionally and agreed in advance.
- Environment : efficient wastewater treatment, use of chemicals within prescribed hazard limits, energy savings...
- Social : Formal adoption and endorsement of the FWF-Code of Labour Practices (CoLP) and posting the FWF CoLP with the Helpline Number in the factory.
- Production locations for Stanley/Stella products are known and verified as each production run is monitored closely by Stanley/Stella staff. 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. Examples include offering Fair-priced Grocery Shops, showing a positive attitude toward the formation 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 better operational efficiency of ETP's, LEED certified green factories etc.

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

- Strategic Considerations (country risk, Stanley/Stella's sourcing strategy)
- 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)

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- 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.)

## **2.5 INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS**

### **A/ Global supplier ranking / annual monitoring**

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). The latter is posted in the factory along with the FWF Helpline number.

In order to ensure that sourcing strategy includes social and environmental compliances of suppliers, we have been developing the Suppliers Sustainability Scorecard (SSS) which is a tool that gives us an overview of our supplier pool, based on various sustainability criteria, among which our FWF membership and its implication for our suppliers.

This tool has been developed by the Sustainability Team along with the Operations department so that the objective is that sourcing is aware about the compliances to respect.

This tool has been shared with our main suppliers in March 2022, so that we are completely transparent with them. Hence, they know that the objective is to work hand in hand with them in their sustainability performance.

The objective is to update the scores quarterly and review them at the end of each year.

What is important is that we can see at a glance the general ranking of our supplier portfolio, and we can also see at a glance each of their weaknesses/strength. We then know where we have to put the focus on our daily work with them, supporting them for positive change.



See below screenshot of this tool, including all criteria noted.

Performance Indicator (PI)	Key Performance Indicator (KPI)	Scoring Principles	KPI weight		
MUST to become a ST/ST supplier	Sustainability Audit Report	Recommended Not Recommended	OK N/A	-	-
	FWF Code of Labor Practices	Accepted & Adopted Did not Accept/Adopt	OK N/A	-	-
Continuous Monitoring by STST	Daily Overtime (OT Tracker Average: Jan - Mar '22)	Regular OT <10% & Excessiv OT <0.5% Regular OT <20% & Excessiv OT <1% Regular OT <20% & Excessiv OT <3% Excessiv OT>3%	3 2 1 0	3	13%
	On time task done% (Requirements/recommendations done on time vs given)	100% 70-99% 50-69% <50%	3 2 1 0	2	8%
	Workers Complaint Resolution% (Number of complaints resolved vs complaints received)	100% or No Complaint 70-99% 50-69% <50%	3 2 1 0	2	8%
	Sustainability Observation Report (Monthly Average: Jan - Mar '22)	Equal to 64 Greater than 60 From 55 to 60 Below 55	3 2 1 0	2	8%
ST/ST Required Certification/Audits	Fair Wear Foundation's Audit CAP (Latest quarterly follow-up)	0 pending issues 1 or 2 pending issues 3 or 4 pending issues > 4 pending issues	3 2 1 0	2	8%
	GOTS / GRS (As applicable to cover for STST)	Scope Covered Scope not Covered	3 0	2	8%
	Oeko-tex A6/4, PC 1/2 (As applicable to cover for STST)	Scope and Article Covered Scope and Article Not Covered	3 0	2	8%
Voluntary Social Protocols	BSCI Audit (Yearly or Biannual)	Rating A Rating B Rating C No BSCI	3 2 1 0	1	4%
	Sedex Audit (Yearly)	4-pillar 2-pillar No SEDEX	3 2 0	1	4%
	Carbon & Climate Strategy (Supporting Carbon Neutrality Goal)	Carbon Offset Minimizing Emission Estimating Baseline No Intention	3 2 1 0	2	8%
Voluntary Chemical Safety Initiative	ZDHC (or advanced) wastewater test	Done in last 12 months Done before Never done	3 2 0	1	4%
	Detox To Zero	Running Evaluation in progress Not proposed	3 2 1	1	4%
Green Factory	LEED Certification	Platinum (80+ points) Gold (60–79 points) Silver (50–59 points) Not certified	3 2 1 0	1	4%
	ETP Wastewater Use	Re-dye fabric Toilet Flush/Gardening / Car washing Wastewater	3 1 0	2	8%
				24	100%
Supplier Category Grade		70%+ 55% to 69% 35% to 54% Below 35%	A B C D	72	max ranking
D	Need to reach Grade C within a year to be able to continue partnering with ST/ST				
C	Need to reach Grade B within a year to be able to grow with ST/ST				
B	Stanley/Stella good partner with potential growth				
A	Stanley/Stella partner of choice for product allocation and growth				

**B/ Monthly/daily supplier monitoring**

We do not monitor activities only on annual basis, but also on monthly and daily basis.

Our local Quality Assurance Officers (QAOs) together with our local Sustainability Operations Team (SOT) 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 has a continuous monitoring system based on systematic checks (which include social, environmental and safety checks) performed during all production runs – the Monthly Sustainability Observation Report (MSOR). This system allows us to have an update on the working conditions in the scoped factories on an monthly basis. MSOR is reported to SOT by factory-stationed QAOs monthly, based on aggregated observations on that month's various days.

Right after SOT gets reported of the existing issues, they are formally communicated with factory management for earliest remediation. The score from MSORs are incorporated in the SSS, for respective supplier factories, for assessing the sustainability status therein.

See below an example of this tool, including all criteria noted.

## Monthly Sustainability Observation Report (MSOR)

Date (Year / Month)	MAY-2021
Supplier Code	
Factory Name	
Factory Address	
Factory Compliance Manager:	
Contact Phone / Email:	
Stanley/Stella QAO:	KOWSER DCAM

Based on your observations during the factory visits, please put a tick (✓) mark in the following appropriate monthly status & score boxes.

Sustainability Criteria : Social Safety		Factory Status and Score			Remarks মন্তব্য
Sl.	Enquiries অনুসন্ধান এর বিষয়সমূহ	Always সবসময় (0)	Sometimes মাঝে-মাঝে (1)	Never কখনো না (2)	
1	Any worker made to work forcibly? কোনও শ্রমিককে বলপূর্বক করে কাজ করানো হয়েছে?			✓	
2	Supervisors scolding any subordinates? সুপারভাইজার কোন শ্রমিককে গালি-গালাজ করেছেন?			✓	
3	FWF posters absent in any floor? কোন ফ্লোরে ফেয়ার-ওয়্যার এর পোস্টার অনুপস্থিত?			✓	
4	Violent attitude against workers? শ্রমিকদের বিরুদ্ধে অভদ্র বা হিংস্র আচরণ?			✓	
5	Any child worker recruited or working? কোন শিশু কর্মী নিয়োগ বা কাজ করানো?			✓	
6	Any subcontracting of production? উৎপাদনে কোন সাবকন্ট্রাক্টিং?			✓	
Sustainability Criteria : Building & Fire Safety		Factory Status and Score			Remarks মন্তব্য
Sl.	Enquiries অনুসন্ধান এর বিষয়সমূহ	Always সবসময় (0)	Sometimes মাঝে-মাঝে (1)	Never কখনো না (2)	
7	Any visible building safety issue? ক্যান্ট্রি বিল্ডিং-এ কোন দৃশ্যমান ফাটল/সুরক্ষা সমস্যা?			✓	
8	Workstations congested for emergency evacuation? জরুরী বহির্গমনের জন্য ওয়ার্কস্টেশনগুলির মাঝে জায়গার অভাব?			✓	
9	Fabric/clothing near machinery, inciting fire? মেশিনের থেকে কাপড়/গার্মেন্টসে আগুন লাগতে পারে?			✓	
10	Fabric/clothing stored haphazardly? ক্যান্ট্রিক/গার্মেন্টস এলোমেলোভাবে সংরক্ষণ করা?		✓		
11	Any box or obstacle in the stairways? সিঁড়িতে কোনও বাক্স বা প্রতিবন্ধকতা আছে?			✓	
12	Any expired fire extinguisher on floors? কোনও মেয়াদোত্তীর্ণ অগ্নি নির্বাপক যন্ত্র?			✓	
13	Any fire-fighting equipment blocked? আগুন নির্বাপনের কোনও সরঞ্জাম অবরুদ্ধ?			✓	
14	Any emergency exit not marked properly? জরুরী প্রস্থানপথ সঠিকভাবে চিহ্নিত করা নেই?			✓	

Stanley/Stella SA – Bangladesh Liaison Office  
Apartment # A-2  
House # 1 & 3  
Road no. 21/C, Nikunjo # 2  
Khilkhet, Dhaka 1229,  
Bangladesh

T +880 1818383376  
info@stanleystella.com  
www.stanleystella.com

Stanley/Stella SA BV  
TVA BE0810 580 894  
IBAN BE98 7320 2001  
5393  
BIC CREGBEBB



**STANLEY/STELLA**

15	Blocked/broken emergency exit/door? অবরুদ্ধ/ভাঙ্গা জরুরি প্রস্থান পথ/দরজা?			✓	
16	Visibly faulty electrical cable/panel? দৃশ্যত ত্রুটিযুক্ত বৈদ্যুতিক তার/প্যানেল?			✓	
17	Negligence during fire drill? ফায়ার ড্রিল চলাকালীন কোনও অবহেলা?			✓	
18	Warning signs absent for hazardous equipment? বিপজ্জনক সরঞ্জামের জন্য সতর্কতা চিহ্ন অনুপস্থিত?			✓	
<b>Sustainability Criteria : Health Safety</b>		<b>Factory Status and Score</b>			<b>Remarks</b> মন্তব্য
<b>Sl.</b>	<b>Enquiries</b> অনুসন্ধান এর বিষয়সমূহ	<b>Always</b> সবসময় (0)	<b>Sometimes</b> মাঝে-মাঝে (1)	<b>Never</b> কখনো না (2)	
19	Any first-aid kit absent? প্রাথমিক চিকিৎসার সরঞ্জামাদি অনুপস্থিত?			✓	
20	Is the ETP out of service? ইটিপি কি কখনও বন্ধ থাকছে?			✓	
21	Is factory releasing waste in environment? কারখানা কি খোলা পরিবেশে বর্জ্য ছেড়েছে?			✓	
22	Is the lighting bad at workstations? ওয়ার্কস্টেশনগুলিতে কি আলোর পরিমাণ কম?		✓		
23	Any PPE material absent for workers? শ্রমিকদের জন্য পিপিই উপাদান কি অনুপস্থিত?		✓		
24	Is the air quality bad in the factory? কারখানায় বাতাসের গুণমান কি খারাপ?			✓	
25	Is there unsafe storage of chemicals? রাসায়নিক পদার্থ অনিরাপদভাবে স্টোর করা?			✓	
26	Safety equipment absent for chemical handling? রাসায়নিক নিয়ে কাজের জন্য সুরক্ষা সরঞ্জাম অনুপস্থিত?			✓	
27	Floor mats absent for standing workers? দণ্ডায়মান শ্রমিকদের জন্য ফ্লোর ম্যাট অনুপস্থিত?			✓	
28	Back-rest chairs absent for sitting workers? বসে কাজ করার জন্য চেয়ারের ব্যাক-রেস্ট অনুপস্থিত?			✓	
29	Are the workers' bathrooms dirty? শ্রমিকদের বাথরুম কি নোংরা?		✓		
30	Is drinking water absent? বিশুদ্ধ খাবার পানি অনুপস্থিত?			✓	
31	Is there any floor, wet or slippery? কোন ফ্লোর ভেজা বা পিচ্ছিল আছে?		✓		
32	Is the canteen area kept unclean? ক্যান্টিন এলাকা কি অপরিষ্কার?			✓	
33	What do you suggest to improve workers well-being in the coming months? আপামীতে শ্রমিকদের উপকারের জন্য বা সমৃদ্ধির জন্য আপনার কোন পরামর্শ আছে?				

Reported For Stanley/Stella By:	KOWSER ALAM	Factory Compliance Responsible:	Khondoker Asaduzzaman
Date:	5-June-2021	Designation:	Manager (HR & C)
Signature:		Signature:	
For further enquiries, please contact, Sharif Nehal Rahman, Sustainability Officer, Stanley Stella SA (BLO), Mobile: +8801719563756; Mail: nehal@stanleystella.com			

Stanley/Stella SA — Bangladesh Liaison Office  
 Apartment # A-2  
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**C/ Ending relation with a supplier**

We work hard to maintain transparent and open communication with our partner factories. However, should they not comply with basic FWF requirements, or be unwilling to do so, then Stanley/Stella would resort to ending the business relationship.

From 2022, we have decided to completely shift our orders from of GMScom to GMStex, being more advanced in Sustainability.

Also, we've decided to shift our CMT works from Meghna to EHL & EGL (making Meghna a tier 2 supplier).

Responsible Exit Strategies are being employed and will be reported to FWF by Q3 2022.

## **3. Coherent system for monitoring and remediation**

At Stanley/Stella we are constantly working towards total transparency as we think this is our only chance to be able to have a positive impact on people and planet. And as a Leader member brand of the FWF, we respect and follow FWF procedures and suggestions for all of our actions.

Stanley/Stella's monitoring process has been significantly enhanced and is now more systematic.

### **3.1 KEY MONITORING ACTIVITIES**

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

#### **A/ Overtime (OT) monitoring**

Quality Control teams stationed at the factories report on overtime (OT) from the previous days to the BLO Sustainability Operations Team, via an online platform. Any OT over 2 hours/day, or 12 hours/week is flagged and communication then starts with the factory management for immediate reduction as per Stanley/Stella CoC.

#### **B/ CSR monitoring**

MSOR reports are updated every month by the Quality Control team on 33 CSR criteria (the Monthly Sustainability Observation Report-MSOR). If there is an issue, the BLO team will get in touch with the factory management for remediation.

#### **C/ Complaints monitoring**

If and when there is any complaint received through FWF's local, internal or external processes, the BLO gets into discussions with the FWF and factory management for proper investigation into complaints and to help achieve a quick and amicable resolution.

In 2021, 5 complaints were received at different factories. 4 complaints have been solved, 1 is still under investigation and concern a newly onboarded factory.

## **D/ Certifications**

The BLO Sustainability Operations Team follows up with the factories on essential certifications like GOTS, OCS, GRS and Oeko-Tex, and others such as SEDEX, BSCI, ACCORD etc.

## **E/ FWF audits and Corrective Action Plans follow up**

FWF CAP's and other certification CAP's are regularly followed up on and monitored if and when required. Here are details about the last FWF audits at Stanley/Stella's key factories:

FACTORY NAME	Country	Product	Factory / unit	FWF 2021 Audit	FWF 2022 Audit
DIRD	Bangladesh	KNITS	DCTL		
			DIPTA	05/06/2021	
MEGHNA	Bangladesh	KNITS	MKCL	18/09/2021	
			EHL	17/04/2021	
			EGL		Planned for 2022
GMS	Bangladesh	KNITS	GMS Composite		
			GMS Textile		Planned for 2022
AHSAN	Bangladesh	KNITS		12/12/2021	
INTERSTOFF	Bangladesh	KNITS		27/11/2021	
SHUANGXI GARMENT CO	China	Outerwear			Planned for 2022
CKDL	Bangladesh	Outerwear			Planned for 2022
AUSBANGLA	Bangladesh	Accessories		17/07/2021	
Target Finewear (via Signet)	Bangladesh	Beanies			Planned for 2022
Pamco-Platinum Manufacturing Company (via Signet)	Bangladesh	Shirts			
EPYLLION (Dekko Knitwear Limited)	Bangladesh	KNITS	DEKKO		Planned for 2022

## **F / Monitoring activities per factory**

In Bangladesh, factories are visited daily by our Quality Assurance Officers and frequently visited by our Sustainability Operations Team, every month if needed.

Daily contacts by phone / emails / Teams meetings are also part of the different monitoring activities.

During every visit, whether being visits done by our Quality Assurance Officers or Sustainability Team, Stanley/Stella 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 can be on the agenda of these meetings, depending on the current need.

About audit follow ups, Stanley/Stella's Sustainability Officer in the BLO is responsible for monitoring the post-audit follow-up with factory and collecting updated information from the CAP.

In China, we have quite recently extended the responsibilities of our China Operations Manager to Sustainability. Hence, he will follow up closely the factory in terms of social and environmental compliances as of 2022.

## 3.2 FACTORIES OVERVIEW

### A/ Factory Soo3 / Dird / Bangladesh

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 33 % in 2021 (combined Dipta and Dird Composite).
- The last Fair Wear monitoring audit for Dipta was done in June 2021 and the audit report was generated in September 2021.
- Below some examples of good practices at the factory in 2021.

Factory	Title of the Program	Short Description of Program
<b>Dird</b>	STeP by OEKO-TEX Certification	It is a certification program on facility's sustainability performance. It assesses six performance areas including Environmental Management, Chemical Management, Environmental Performance, Health and Safety, Quality Management, and Social Responsibilities.
	Training on Made in Green by OEKO-TEX	The training focuses on traceable product label for all kinds of textiles and leather products that have been manufactured in environment friendly way.
	Health & Safety	RMG Sustainability Council (RSC). Fire Safety, Fire prevention and Firefighting.
<b>Dipta</b>	Mid Management Training	Women workers are supported to make career advancement. Aware effective mechanisms to gather feedbacks from workers including surveys.
	COVID-19 prevention program	Topics include: <ol style="list-style-type: none"> <li>i. wear mask and have own handkerchief</li> <li>ii. Social distancing</li> <li>iii. Check body temperature</li> <li>iv. Spray disinfectant</li> <li>v. Ensure PPE usage</li> <li>vi. Restrict non essential visitors</li> <li>vii. COVID-19 Task force as per the guideline of BGMEA</li> <li>viii. Medical Team as per guideline of BGMEA</li> <li>ix. Activities as per guideline of BGMEA for anyone displaying COVID-19 symptoms into the premises</li> </ol>
	Mid Management Training	Organize workers training to support their development (communications / literacy / personal enhancement.
	KIRON Youth Club	Workers practice music through this program.
	Cricket Tournament	Workers & Staff participate the Cricket Tournament.
	Badminton Tournament	Workers & Staff participate the Badminton Tournament.
	Celebrating "Victory Day"	Workers & Staff participate the Victory Day Events.



**B/ Factory So21 / Meghna / Bangladesh**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 21 % in 2021 (combined MKCL and EHL).

- Fair Wear audits :

For EHL, the last Fair Wear monitoring audit was done in April 2021, and the audit report was generated in September 2021. For MKCL, the last Fair Wear monitoring audit was done in September 2021, and the audit report was generated in November 2021.

- Below some examples of good practices at the factory in 2021.

Factory	Title of the Program	Short Description of Program
EHL	Marks & Start project for recruiting physically challenged people	The initiative is to recruit Physically challenged people in factory.
	Stanley/Stella Fair Price Grocery Shop (FGS) Project	The initiative was carried out to ensure Stanley/Stella's Contribution for discounting basic commodity basket for workers through Fair-priced Grocery Shop.
	Mother@Work program	The Programme aims to support factory's female workers to ensure enhanced maternity rights protection and support lactating mothers to follow breastfeeding best practice.
	Halow + Project	Training and awareness program provided to all employees to solve health problems.
	Maya Project	Training and awareness program provided to all expecting mother.
Meghna	Marks & Start project for recruiting physically challenged people	The initiative is to recruit Physically challenged people in factory.
	Celebrating "International Hand wash day"	The event was to celebrate International Hand wash day with active participation of the workers.
	Celebrating "International Mother's day"	The event is a celebration honoring the mother of the family, as well as motherhood, maternal bonds, and the influence of mothers in society.
	Celebrating "International women's day"	The event is a global day celebrating the social, economic, cultural and political achievements of women - while also marking a call to action for accelerating gender equality.
	Stanley/Stella Fair Price Grocery Shop (FGS) Project	The initiative was carried out to ensure Stanley/Stella's Contribution for discounting basic commodity basket for workers through Fair-priced Grocery Shop.
	World Health day celebration	The objective of World Health Day is to raise global awareness of a specific health theme to highlight a priority area of concern for the World Health Organization (WHO).
EGL	We Women Program	Its Women friendly factory development program.
	Marks & Start project for recruiting physically challenged people	The initiative is to recruit Physically challenged people in factory.

**C/ Factory Soo6 / Ahsan/ Bangladesh**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 20% in 2021.
- The last Fair Wear verification audit was done in December 2021 and the audit report was generated in February 2022.
- Below some examples of good practices at the factory in 2021.

Factory	Title of the Program	Short Description of Program
Ahsan	Fire Fighting, Rescue and First Aid Training Program	The focus of the course is to train Fire fighter, Rescuer, First Aider of the factory regarding Fire Safety, Fire prevention and Firefighting.

**D/ Factory So14 / Interstoff / Bangladesh**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 14 % in 2021.
- The last Fair Wear monitoring audit was done in November 2021, and the audit report was generated in January 2022.
- Below some examples of good practices at the factory in 2021.

Factory	Title of the Program	Short Description of Program
Interstoff	Covid Vaccination program	The purpose of the Covid vaccination camp was to ensure 1st and 2nd dose of Covid vaccination for all workers.
	TB Screening program	The program was carried out for TB screening for all workers.
	Dental Campaign program	The campaign was carried out to provide dental support to all workers and give advice.
	Covid Awareness Training	Routine work to give awareness to all workers about the Covid and precautions.
	Covid Awareness Rally	Routine work to give awareness to all workers about the Covid and precautions.
	Wall Magazine	As a part of CSR initiatives, wall Magazine has been published and given prize to all workers who has written story, poem , song etc.
	International Women's Day	The event was to celebrate International Women's day with active participation of workers.
	Stanley/Stella Fair Price Grocery Shop (FGS) Project	The initiative was carried out with the partner Apon Welbeing to ensure Stanley/Stella's Contribution for discounting basic commodity basket for workers through Fair-priced Grocery Shop.
	Roof top gardening	With a vision to secure environment by green initiatives in the factory premises factory has planted numbers of tree in roof top.
	Health & Safety	RMG Sustainability Council (RSC). Fire Safety, Fire prevention and Firefighting.

**E/ Factory So24 / GMS / Bangladesh**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 8 % in 2021 (combined GMS Composite (7%) and GMS Textile (1%)).
- Fair Wear audits :

These factories have not been audited in 2021, however, we forecast to have a Fair Wear audit in 2022 for GMS Textile as there will be a shift in production from GSM Composite to GMS Textile, Hence responsible exit strategy are being employed and will be reported to FWF by Q3 2022 for GMScom.

- Below some examples of good practices at the factory in 2021.

Factory	Title of the Program	Short Description of Program
GMS	FWD Project related to Environmental Sustainability	FWD project is two year collaboration project of Bestseller & GMS. this program objective is to save energy, use ecofriendly technologies & chemicals & also help to reduce GHG.
	Tree Plantation program	Buyer Zxy take initiative of tree plantation in GMS factory compound for creating general awareness among the workers and staff.
	AC gift in local Mosque	On request of local people GMS installed 4 Air Condition in Mosque which located at in front of GMS main gate.
	Covid 19 Vaccination program	Completed 100 % vaccination program against COVID 19. (1st & 2nd Doze Done)
	Skill Development Program	Initiative for Skill Development program in favour of fresher workers. Every 3 months run this program & select 30 worker from sewing floor then another batch will select for starting skill development training.
	Medical Support	For better medical treatment purpose.
	Blood Donation program	GMS Fire department donate blood on this occasion.
	Mosque & Madrasha Donation	Financial support at local mosque & madrasha.
	Pohela Boishakh Gift	As part of its social responsibility, the GMS authorities distributed food items to all workers.

**F/ Factory So22 / AusBangla / Bangladesh**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 1,6% in 2021.
- The last Fair Wear monitoring audit was done in July 2021, and the audit report was generated in September 2021.
- Below some examples of good practices at the factory in 2021.

Factory	Title of the Program	Short Description of Program
AusBangla	Workplace Education Program (WEP) in AusBangla endorsed by Stanley/Stella	The focus of the program is to train Anti-Harassment Committee members regarding complaint receiving, case registering, investigation, awareness etc.
	Stanley/Stella Fair Price Grocery Shop (FGS) Project	The initiative was carried out to ensure Stanley/Stella's Contribution for discounting basic commodity basket for workers through Fair-priced Grocery Shop.
	Donation to local Mosque	The initiative is for the development of educational & Information center for the children's spiritual, social welfare & prayers.
	Health & Safety Training, PPE Training, Environment Training, Etc.	Regular awareness trainings on various issues are essential for keeping a compliant workforce and workplace and thus were organized by the factory management throughout the year.

**G/ Factory So13 / SHUANGXI GARMENT CO/ China**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 1 % in 2021.
- As this factory is tail end factory, and due to the COVID lockdown situation in 2021 (and still this year 2022), we could not visit the factory.
- However, as announced, our China Operations Manager Matthew Ma will forecast a visit as soon as it will be possible, and our internal Sustainability Audit Report done along with this supplier.
- Fair Wear audits :  
  
This factory has never been audited by Fair Wear, but we will forecast one in 2022.  
  
However, each year, they have been audited by BSCI.

**H/ Factory So25 / CKDL / Bangladesh**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 1 % in 2021.
- This factory has never been audited by Fair Wear, but we will forecast one in 2022.
- Below some examples of good practices at the factory in 2021.

Factory	Title of the Program	Short Description of Program
CKDL	Organic Vegetable Distribution	Organic vegetables are distributed among Pregnant workers through this initiative.
	Celebrating "International Mother Language Day"	On the occasion Poem has been recited.
	Celebrating "International Women's Day".	The event was to celebrate International Women's day with active participation of workers.
	Observing "Mahe Ramadan"	The religious event was observed with Hamd & Nath performed by workers.
	Celebrating "International Labour Day"	Sharing success story of International Labour Day on the occasion.
	Inter-Departmental sports tournament Men/Women-2021	Various indoor and outdoor sports events were organised with active participation of the employees.
	Rally & Seminar For The Celebration Of "National Day Of Mourning"	Rally & Seminar were organized for the event.
	Celebrating" Victory Day"	Patriotic Singing & Dancing Competition were organized for the event.

**I/ Factory So16 / Target Finewear / Bangladesh**

- The percentage of Stanley/Stella’s total production sourced from this factory amounted to 0,4 % in 2021.
- Factory So16 is frequently visited by Signet, the agent through which we work with Target Finewear. Also our QA Officers and Sustainability Operations Team periodically visits the factory, about once a quarter, depending on the production phase...Moreover, we have daily/weekly contacts with Signet.
- This factory has not been audited yet by Fair Wear.

**J/ Factory So27 / Epyllion / Bangladesh**

- This is a newly onboarded factory, so the % of production volume is then still very low.
- This factory has not been audited yet by Fair Wear, but we forecast to have one by end 2022.
- However, as per for the other factories, this one is also visited by our Quality Assurance Officers daily and Sustainability Operations team frequently (including phone calls/emails and Teams meetings).
- Below some examples of good practices at the factory in 2021.

<b>Factory</b>	<b>Title of the Program</b>	<b>Short Description of Program</b>
<b>DKL</b>	SEDEX / SMETA Certification	Audit conducted on labor standard & health & safety practice.
	SLCP Certification	Completed self-Assessment based on SLCP tools and questionnaires and finally 3rd party validated factory practise.

### 3.3 FACTORIES AUDIT OUTCOMES

Here are the most important audit outcomes as per FWF labour standards (column 1), the documents or processes used for remediation (column 2 ) and the status for each topic (column 3).

#### 1. Safe and healthy working conditions

Required remediation	Document/Task	Status
<b>Safety Committee</b> 1. The factory should form a functional safety committee, and they will be responsible for developing a checklist, conducting a safety risk assessment, observe safety day, conducting periodical meetings with the Participation Committee, forming a firefighting team, develop awareness. 2. The factory should make a policy on the safety committee's roles and responsibilities and conduct awareness training on this.	25.1 Formation of Safety Committee through PC 25.2 Engagement of Safety Committee in relevant functions 25.3 Safety Risk Assessment with Checklist 25.4 Safety Committee Training	Completed Continuous Continuous Continuous
<b>Medical</b> The factory should adopt a policy and practice to conduct pre-assigned medical check-ups before assigning the job and periodical medical checks up at least once a year for all workers including chemical handlers, food handlers, electricians, workers exposed to noise.  The factory should recruit a full-time doctor for the facilities. The factory should provide sufficient first aid kits in each first aid box and a picture of the first aider should be posted beside the first aid box. The management should arrange effective training for the first aider and assign the first aider to the different sections.	26.1 Procedure for conducting pre-assigned and periodical medical check-ups 26.2 List of workers working hazardous work  49.1 Recruit full-time doctor 28.1 Monitoring system for First-aid Kits Policy & regular documentations 56.1 First aider training 56.2 First aider list for each floor	Completed Continuous Continuous Continuous Continuous Continuous
<b>PPE</b> The factory should provide proper PPE and ensure the use of those provided personal protective equipment to avoid health hazards.  It is recommended that the facility should aware of the workers regarding the use of Personal Protective Equipment (PPE).	27.1 Training & Monitoring workers on PPE  42.1 Training on PPE with calendar	Continuous Continuous
<b>Fire safety</b> 1. The factory should conduct training for at least 18% of the workers on fire safety. 2. All electricians should have a competency certificate before engaging in work.  The factory should install a central fire detection system for extended units of the factory.  The factory should have a procedure to check the fire door on a regular basis to ensure the fire door is working. The factory should keep the fire equipment unblocked. The factory should train the firefighter on the operation of fire hose pipes. The factory should have a designated person to check the hose pipe on a regular basis and replace the leaking hose with a new one and ensure adequate water force. The factory management should recruit fire safety officer as per law ensuring health and safety. Management should make accountable employee to monitor fire equipment, arrange an effective advanced program for fire safety team members. The task of fire safety team members should be assigned. Workers should have knowledge of the location of fire alarm switches, fire equipment, etc.	29.1 Training from FSCD covering 18% Fire Fighter 29.2 Electrician certificate for all electrician  30.1 Installation of central fire detection and control panel  32.1 Monitoring system for checking fire door 53.1 Monitoring system for clear firefighting equipment 39.1 Fire Fighter Training 31.1 Monitoring system for checking hose pipe having adequate water pressure 55.1 Recruitment of fire safety officer 57.1 Monitoring system for clear fire equipment 57.2 Training on fire safety to fire safety team members and workers 57.3 Assign task to fire safety team members	Continuous Completed Continuous Continuous Continuous Completed Completed Continuous Completed
<b>Emergency evacuation</b> The factory should take proper action to free the aisles and workers from obstruction so employees can evacuate easily in case of an emergency. Also, the factory needs to mark both sides of aisles with visible color so employees can understand and follow the aisles to use in case of emergency.  The factory management should post accurate evacuation plan in the said area. The factory management should replace the exit sign to make it functional.	33.1 Monitoring system for free Aisles, workers 33.2 Marking of unmarked aisles  44.1 Install updated evacuation plan according to existing floor layout 45.1 Monitoring system for ensuring exit illuminated light	Continuous Completed Completed Continuous
<b>Electrical safety</b> The factory should install a rubber mat under the electric distribution board to avoid electric shock. Factory management should monitoring health and safety system to avoid malpractices. The factory management should ensure safety on the electric switchboard in the cutting area.	34.1 Monitoring system for checking rubber mat  54.1 Monitoring system for clear access to electric switchboards 46.1 Proper installation of electric wire with insulation	Continuous Continuous Completed
<b>Chemicals</b> The factory should have Material Safety Data Sheet (MSDS) for all chemicals to inform the workers about chemical safety. The factory should label all chemicals with Name, Address, and Telephone Number, Product Identifier, Signal Word, Hazard Statement(s), Precautionary Statement(s), Pictogram(s). The factory should keep all chemicals in designated chemical stores where proper ventilation and secondary containment under chemical drums are provided.	35.1 Communication with chemical supplier 35.2 Collect & post MSDS  36.1 Monitoring system for checking chemical labeling  37.1 Monitoring system of secondary containment under all chemical drums 47.1 Monitoring system with checklist for congestion free workstation 47.2 SOP for Material Placement & Flow	Continuous Continuous Continuous Completed Completed
<b>Workplace facilities</b> Factory management should provide sufficient working space for its workers.  The facility should ensure the dining area free from goods so that worker can take their lunch during break time at the dining area. The factory management should provide adequate spaces to workers for taking lunch. Factory management should have the provision for cold water during the summertime. The factory management should repair the toilet doors to ensure the privacy of the female workers. The factory should provide back support ergonomic chair for 100% operator those who are working in a sitting position. The factory management should ensure to keep all goods with minimum height.	48.1 Action plan for storing goods in alternative area and free the dining 48.2 Execute the plan 58.1 Provide extended space for taking lunch 40.1 Water Temperature record with SOP 43.1 Repair toilet doors 41.1 Installations of Chairs with Back Rest for all workers 51.1 Monitoring system to ensure goods in proper height	Completed Continuous Completed Completed Completed Completed Completed
<b>Child Care</b> The factory management should make the child care room functional so that working mother can keep their kids in the child care room.	50.1 Open childcare center 50.2 Encourage workers to avail childcare facility	Completed Continuous
<b>Internal grievance mechanism</b> The factory management should have a strong management system to monitor internal grievance from worker	52.1 Circulate office order to stop corporal punishment practice 52.2 Monitoring system on corporal punishment	In progress In progress
<b>Machine safety</b> The factory should enforce the use of needle and eye guard of respective single needle sewing and overlock machine as well as fix safety sensor with auto spreading machine properly.	38.1 Training & Monitoring workers on Machine Safety	Continuous

## 2. Payment of a living wage

Required remediation	Document/Task	Status
<b>Collaboration &amp; partnerships</b> The factory should discuss with the brand sourcing from the factory, their business association, neighbor factories to pay a living wage to the workers.	12.1 Meeting minutes/record with neighboring factories regarding Living Wage	Continuous
<b>Employees awareness</b> The factory should conduct awareness on terms and conditions of employment such as wages, earn leave and its encashment, service benefits, and separation procedures, the death benefit.	17.1 Orientation record on employment contract 17.2 Refresher training record on employment contract	Continuous Continuous
<b>Due date &amp; overall benefit payment</b> The factory should pay outstanding wages within 7 working days to the resigned workers.	13.1 Documents of clearing outstanding wage payments of resigned workers 13.2 Updated Settlement Policy 13.3 Awareness in notice boards	Continuous Completed Continuous
1. The factory should compensate 2 days wage and 1-day compensatory holiday against 1-day work on festival holiday as per law. 2. The factory should pay all due benefits to the resigned workers within 30 days after resignation.	15.1 Updated benefits and compensation policy 15.2 Documents of clearing outstanding compensatory wages and leave against the festival holiday work 15.3 Updated Settlement policy 15.4 Documents of clearing outstanding service+annual leave payments of resigned workers 15.5 Awareness in notice boards	Completed Continuous Completed In progress Continuous
1. The factory should pay the maternity benefit to the workers within 3 days after submitting the leave application as per the requirement of law. 2. The factory should consider those employees as a worker as per definition by the law and pay service benefit to them.	14.1 Documents of clearing outstanding maternity benefit to eligible female workers 14.2 Updated maternity benefit policy 14.3 Documents of clearing outstanding service benefit to resigned assistant supervisor, supervisor, technician, in charge, executive, office staffs etc. Or, declaration from Dird regarding Service Benefit with reference to applicable law. 14.4 Updated Settlement policy	Continuous Completed In progress In progress
1. The factory should pay all benefits to the resigned workers within 1 month of resigned. 2. The factory should pay the money of the PF to the employees who remained unpaid.	16.1 Updated Settlement & PF policy 16.2 Documents of clearing outstanding service+PF+annual leave payments of resigned workers 16.3 Documents of clearing PF payments of current workers	In progress In progress In progress
The factory should count 1 annual leave for 18 days of work and pay 50% of annual leave in a year to the eligible employee as per law.	18.1 Updated Leave policy 18.2 Documents of clearing outstanding AL encashment payments of all workers	Completed Continuous
<b>OT payment</b> The factory should ensure overtime wage payment to the workers including security guards.	19.1 Updated Overtime Policy 19.2 Documents of clearing Overtime Premium payments of all workers including security guards	Completed Continuous

## 3. Reasonable hours of work

Required remediation	Document/Task	Status
<b>Factory policy &amp; root causes analysis</b> The factory should adopt a policy, and practice to keep working hours within 60 hours/week, and on an average 56 hours/week in a year. The factory should analyze the root causes of excessive work hours, and take action based on the root cause reducing working hours gradually.	20.1 Updated Working Hour Policy 20.2 Root Cause Analysis of working hours over 10 hours/day 20.3 Action Plan based on root cause analysis of excessive OT 20.4 Record of meeting among IE, HR, Compliance, etc. departments 20.5 Increase productivity 20.6 Skill training for workers	Completed Continuous Continuous Continuous Continuous Continuous
The factory should make an effective plan to provide at least one day off per 7 days of work.	21.1 Updated Working Hour Policy 21.2 Root Cause Analysis of weekly rest day work 21.3 Action Plan based on root cause analysis of weekly rest day work 21.4 Record of meeting among IE, HR, Compliance etc. departments	Completed Continuous Continuous Continuous
<b>OT notification &amp; workers agreement</b> The factory should take written consent from female workers for work after 10.00 pm. The factory should treat the excessive overtime work hours as voluntary service and provide the opportunity to say no to overtime work.	22.1 Written Consent for excessive OT of Female workers (based on Policy) 23.1 Overtime Policy 23.2 Production Teams' Awareness 23.3 Workers' Consent Document to STST, whenever crossing 10 hours/day	Completed Completed Continuous In progress
It is recognized that OT can never be fully voluntary on an individual basis in an integrated production process. It is required that OT should always be announced clearly and in time so that workers can take measures and organize their private lives accordingly. Workers must have the possibility to refuse OT on urgent individual grounds.	24.1 Record of Notification to workers, minimum 2 hours in advance (based on Policy) 24.2 Advance 7 days notification to STST, in case of more than 10 hours/day	Completed In progress



#### 4. No discrimination

Required remediation	Document/Task	Status
<b>Non-discrimination policy</b> The factory should adopt a policy to promote female employees in the decision-making process.	8.1 Updated Non-discrimination Policy	Completed
<b>Annual performance appraisal system</b> The factory should have a fair and written performance appraisal system promoting female employee in supervisory or other high paid position.	8.2 Ratifying Appraisal Policy for Promotions 8.3 Future Candidate List for Supervisors 8.4 Leadership training	Completed Continuous Continuous
The factory should have a written performance appraisal system to prevent possible discrimination while promoting and providing increment to the workers.	10.1 Annual Performance Appraisal	Continuous
<b>Anti-harrasment committee</b> The factory should reform the anti-harassment/Complaint committee by adding females as a head of the committee and the committee should be functional.	9.1 Formation document of AHC as per high court verdict 9.2 Meeting minutes with awareness record 9.3 Updated Complaint policy 9.4 Training on grievance mechanism 9.5 Grievance register 9.6 Awareness poster near complaint box	Completed Continuous Completed Continuous Continuous Continuous

#### 5. Freedom of association

Required remediation	Document/Task	Status
<b>Participation Committee consultation</b> The factory should consult with the Participation Committee members to fix the festival holidays list as per law.	7.1 PC Meeting Minutes covering Festival Holiday, 2022	Completed

#### 6. Other relevant points

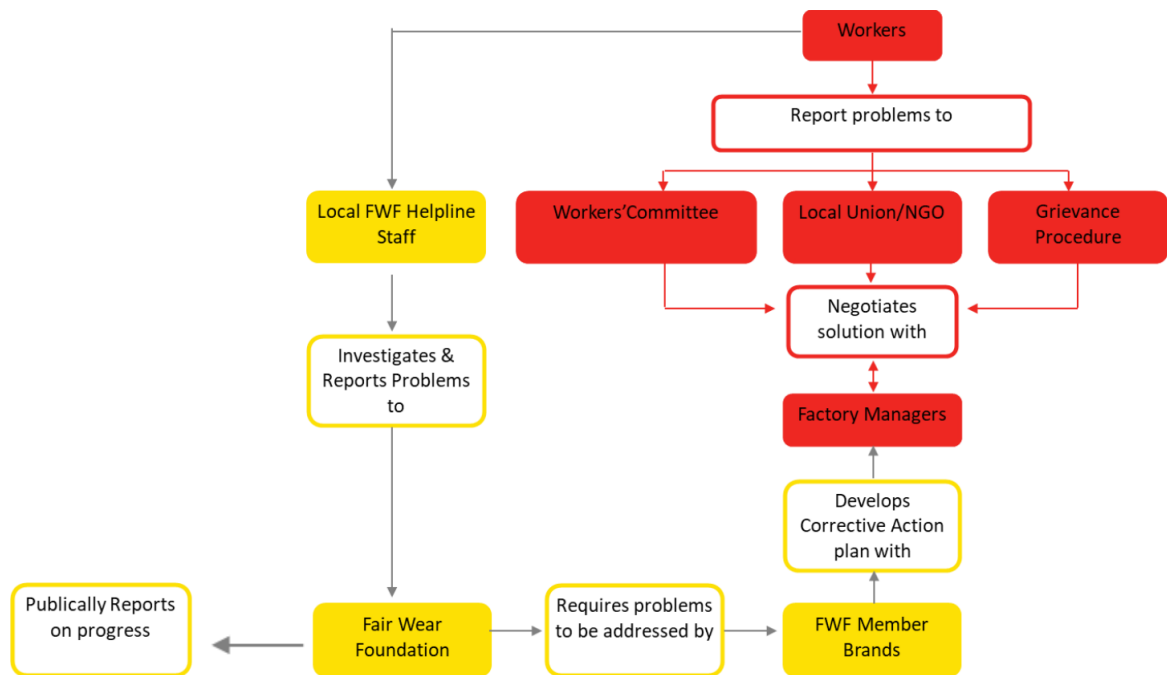
Required remediation	Document/Task	Status
<b>Collaboration &amp; Partnerships</b> The factory should continue to discuss with the FWF member brand about the implementation of the living wage.	1.1 Grade-wise Living Wage survey 1.2 Salary+Benefits Analysis 1.3 Update on LMVC tool 1.4 Recruit skilled manpower & machine to reduce cost (Machine List, List of people involved, Cost reduction estimate)	Continuous Continuous In progress Continuous
<b>FWF CoLP visibility</b> The factory should communicate to obtain the CoLP from FWF brand member and post it in visible places.	2.1 Monitoring system for FWF CoLP visibility	Continuous
<b>Effective &amp; functional participation committees</b> The factory management should make PC functional as per law by engaging them in grievance handling, developing workers' awareness, taking their opinion on different issues. Also, the factory management should conduct awareness training for them on roles and responsibilities.	3.1 PC Training 3.2 PC Meeting Notice & Minutes and awareness 3.3 PC engagement in grievance handling, making improvement suggestions, worker's orientation & relations	Continuous Continuous Continuous
<b>Trainings &amp; awareness</b> The factory should conduct training on grievance mechanisms including the non-retaliation process for the workers and encourage them to communicate all kinds of grievances. The factory should take necessary remediation action and share it with the workers through meeting with the Participation Committee/posting on the notice board.	4.1 Updated Grievance policy 4.2 Grievance training record with calendar 4.3 All types of Grievance register 4.4 PC engagement in grievance procedure	Completed Continuous Continuous Continuous
The factory should ensure awareness training to the workers on FWF Code of Labour Practice so that the factory staff and employees can drop compliant if needed.	5.1 Training record with calendar on CoLP and its complaint mechanism.	Continuous
The factory should make awareness sessions for all employees. In addition, committee members should be introduced with newly joined employees.	6.1 Orientation record introducing PC 6.2 Refresher training record with calendar involving PC	Continuous Continuous
The factory should provide effective training to all workers, post legal provisions on the notice board in a visible place, share the condition to the workers' members of the participation committee.	59.1 Employment Contract related Training and Communication	Continuous
The factory should update the biometric database immediately after the recruitment of new workers ensuring insurance coverage.	60.1 Updating Biometric Database including all new workers	Continuous
The factory should have provisions to ensure insurance benefits to all workers including new workers.	61.1 Insurance Policy Ensuring Insurance Coverage Document	In progress
The factory should adjust the employment contract as per grade and job descriptions.	62.1 Specify job description for the trainee operators 62.2 Communicate with the required worker and update files	Completed Completed
The factory should provide a copy of the appointment letter to all workers.	63.1 Updated recruitment policy 63.2 Appointment letter	Completed Continuous

## 4. Complaints procedure

### 4.1 PROCEDURE

A solid internal complaint system is of foremost importance in a factory as it gives the opportunity to workers to make their voices heard and it gives factory managers a clear feedback on what is going on at worker level and give them a chance to react to it.

The complaint hotline by FWF works as a safety net, ensuring that all complaints are heard and taken care of, if and when 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.
- As per the FWF's complaints handling procedure, complaints are first handled internally, due to the FWF's active presence through the currently running WEPs and established Anti-Harassment Committees.

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- If a complaint cannot be resolved internally, the BLO is notified to reach out to factory management for immediate feedback and resolution. However, if a complaint goes directly to the Helpline, then FWF informs the member brand directly and asks to start the dialogue instantly.
- At Stanley/Stella, the Sustainability Manager BLO based in Dhaka is the one to handle complaints and discuss them with the suppliers involved.

## 4.1 2021 COMPLAINTS OVERVIEW

In 2021, 5 complaints were received at different factories:

- 4 complaints have been solved
- 1 is still under investigation and concern a newly onboarded factory

See below the description of the complaints occurred:

1/ One complaint was about several security guard's due payment. This complaint was resolved jointly by Stanley/Stella, FWF, the factory. Compensations have been arranged.

2/ Another complaint was about wage and additional benefit unpaid on due time to a resigning worker. Thanks to constructive dialogues between Stanley/Stella, Fair Wear, factory management and the worker, the issue was resolved.

3/ We received one complaint about excessive overtime and quality of meal. Thanks to a jointly meeting of member brands, Stanley/Stella, Fair Wear and factory held in factory, the issue was resolved.

4/ Last complaint resolved was about reasonable working hours, no discrimination between male and female security guards, and actual payment of overtime. Part of the claims came to be inconsistent, however, after investigating our record of excessive overtimes for our production lines, we found that female security guards were actually working for excessive overtimes. As per FWF suggestion, we followed up the claims and pushed remediation by bringing about systemic change in the supplier factory, advocating for the establishment of an additional lady security roster. We believe the root

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cause has been properly addressed and risk of such future complaints minimized in a preventive manner.

5/ The last complaint is about safe and healthy working conditions labour standard. We are still under investigation for this complaint.

## 5. Training and capacity building

### 5.1 ACTIVITIES TO INFORM STAFF MEMBERS

Some key activities and events are used to inform and train internal staff but also external partners about sustainability at Stanley/Stella.

- All new staff is offered a CSR training on all related sustainability aspects when starting at Stanley/Stella in order to help them understand key sustainable concepts, Stanley/Stella journey and Stanley/Stella strategy.
- Every month, we also have sales meetings in our headquarters during which all employees are additionally updated on upcoming projects and achievements. These events include a plenary session and also specific workshops, and sustainability is always at the agenda of both formats.
- Documentation on the FWF and, more broadly sustainability is available to any Stanley/Stella employee. For any questions, staff can always turn to the Sustainability Team.
- Externally, we communicate on sustainability topics to customers and third parties via visits, meetings, e-mailings, our Lookbook, our Sustainability Report and our website.

### 5.2 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).

### 5.3 ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

All our CMT partners are aware of our business practices and our commitment towards FWF principles. The level of knowledge about FWF and its Code of Conduct (CoC) still 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. They are actively involved in keeping up with our social and ecological

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standards and they have all participated in audits and trainings done by FWF and the necessary follow-up work.

- Recently integrated suppliers are informed as soon as the first contact is established and are receiving special training and attention during their integration phase. The FWF CoLP is communicated prior to first bulk order placement for adoption and explained to staff during trainings.

## 6. Transparency & communication

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

- Online tools : we use Stanley/Stella website, our social media channels (Instagram, Facebook, LinkedIn...) and our newsletters to inform the employees and our customers and partners about our latest CSR news and activities.
- Offline tools : we also communicate about our FWF membership through our Lookbooks, our Sustainability Report, internal presentations and trainings that happen on an annual base.
- Finally, we also communicate about our FWF membership on our garments (garment labels).

## 7. Stakeholder engagement

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

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

## 8. Corporate Social Responsibility

Sustainability is part of our DNA since day 1.

To reinforce this assertion, end 2021, we have decided to create the Stanley/Stella Charter, which will be our guiding framework that will outline the responsibilities to which we hold ourselves accountable, as a company in the garment industry.

It will articulate our commitment to addressing critical environmental, social and governance issues, driven by the common desire to positively impact Stanley/Stella's ecosystem & the industry.

With this charter, our objective will be to encompass the totality of our value chain, from raw material supply, to how we produce and conduct our operations with our partners, to how we communicate, and till the product end of life responsibility.

The charter is therefore aiming to condition our behaviour and inspire the entire Stanley/Stella community.

The charter should be released by Q4 2022.