

Social report

January -
December 2024

Member of
Fair Wear Foundation
since December 2011

STANLEY/STELLA

Table of content

1	Introduction	03
2	Organisational chart	04
3	2024 achievements & challenges	05
4	Sourcing strategy	09
5	Monitoring and remediation	17
6	Complaints handling	24
7	Training & capacity building	27
8	Information management	28
9	Transparency & communication	29
10	Stakeholder engagement	30

Introduction



Stanley/Stella, based in Belgium, began its commercial activities in 2012 and has been a pioneer in offering stylish, premium quality, sustainably produced garments, all designed for decoration.

Since day one, our mission has been to create the highest quality garments possible, in the most sustainable way. We therefore strive to integrate sustainability into every aspect of our business, making deliberate, conscious decisions about who we work with, how we work, and the materials we use. We believe that transparency is fundamental to any sustainability policy. This is why we openly share our working methods and publicly release the names and location 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 (i.e. our Tier 1 suppliers), other suppliers throughout our supply chain, and our partner network of decorators, resellers and Print-on-Demand suppliers. To limit our environmental impact and contribute to the well-being of farmers and their communities, we use GOTS certified* organic cotton, as well as GRS certified* recycled materials. We maintain rigorous production standards, insisting on respect for our planet and

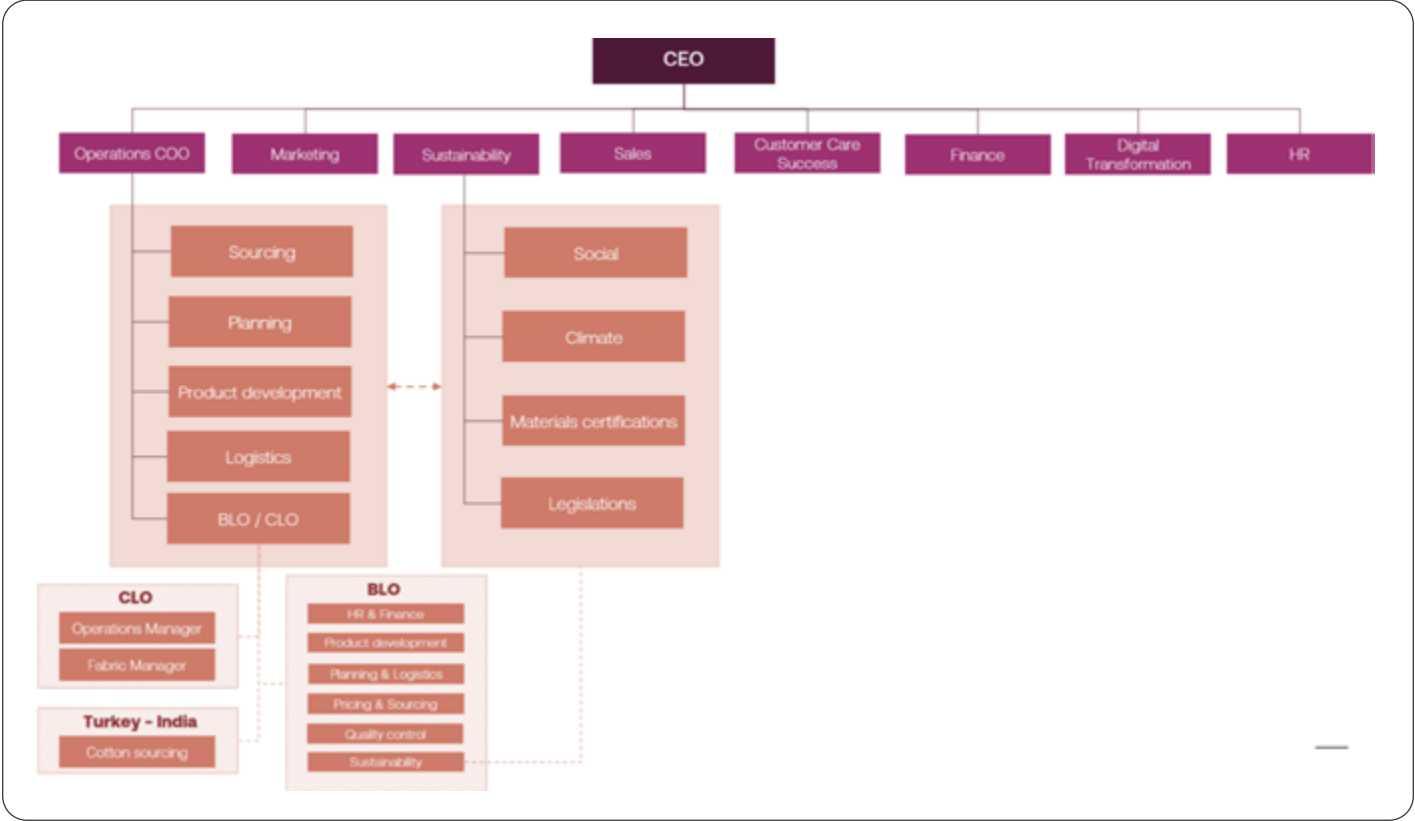
its people across our supply chain. Ecological and ethical imperatives drive all our decisions on how we produce our garments, as our ultimate aim is to leave a positive impact on society, the environment, and our industry. The primary purpose of this social report is to present an overview of our commitment to social sustainability during the year 2024, detailing our key achievements, challenges and outlining our objectives moving forward.

Organisational chart



Stanley/Stella’s CEO oversees all activities and initiatives to achieve our sustainability goals. The Sustainability team operates as an independent department, based in both our Brussels headquarters and our Bangladesh Liaison Office (BLO) in Dhaka. We also have representatives in our China Liaison Office (CLO), as well as in India and Turkey to support our local operations, including on sustainability-related topics. These teams regularly collaborate with other areas of the company, including Operations, Product development,

Finance,... depending on specific projects and objectives. By integrating sustainability considerations within other departments at multiple levels, we ensure its place in both strategic planning and practical initiatives. The organisational structure below highlights the key teams involved in the Human Rights Due Diligence (HRDD) process of our company. However, the overall responsibility for overseeing the implementation of HRDD lies with Michel Hublet, our Head of Sustainability who leads the sustainability team at our Brussels headquarters.



2024 achievements & challenges



2024 has been a year of consolidation and expansion of our sustainability efforts.

Building on the foundations laid in 2023, we have implemented key tools developed in 2023, deepened our collaboration with internal departments—particularly Operations—and reinforced the role of our Sustainability team to drive progress more effectively.

In our ongoing commitment to improve the living conditions of the workers of our partner factories, we continued to support the Mobile Hospital initiative in Bangladesh. In 2024, this work was expanded through the financing and

construction of 16 water wells, now serving 23 villages where factory workers and their families live. These projects contribute directly to healthier and more resilient communities. We also maintained our support for the Direct-to-Farm program in Tanzania, which continues to help increase incomes and improve livelihoods for cotton farmers, reinforcing our impact further upstream in the supply chain.

As we look toward 2025, we are taking a strategic step forward by reassessing our internal approach to supplier onboarding and monitoring. “The aim is to shift our focus from risk identification—where third-party sources can play a key role—towards more remediation and prevention, where our direct engagement and investment can have the greatest impact.” Michel Hublet, Head of Sustainability. Our sustainability strategy has not changed since we began our

commercial activities in 2012, and we remain committed to producing quality garments while building a transparent and sustainable ecosystem that respects our planet and its people. Over the past financial year, we have consistently enforced and advanced the Fair Wear Foundation (FWF) Code of Labour Practices (CoLP) throughout our supply chain; from the basic requirement of having our partners sign their agreement to the CoLP before we start working with them, to regular follow-up, including audits, meetings, trainings, and multiple daily interactions. Our key long-term projects focus on carbon reduction, fair remuneration, and organic cotton traceability, among others. Also, our commitment to human rights due diligence in our supply chain is embedded in the Stanley/Stella Charter and in our Human Rights and Environmental Due Diligence policy (HREDD).

Social

FWF Leader status

2024 saw us proudly maintain our FWF Leader status for the fifth year in a row following our annual Brand Performance Check. FWF's Brand Performance Check is a tool to evaluate and publicly report on the human rights due diligence efforts of its member companies. This recognition reflects our strong due diligence processes and robust supply chain monitoring, among other aspects.

Every year, the Brand Performance Check helps us identify the areas in which we are excelling, as well as areas for improvement which guide our efforts for the following year. The 2024 results acknowledged the strength of our Human Rights and Environmental

Due Diligence (HREDD) processes. However, the assessment also identified several areas for improvement. These include enhancing the transparency of our corporate sustainability reporting, refining certain operational documents such as our supplier contracts, and continuing to strengthen internal frameworks like our sourcing policy. Additionally, we are working to align more closely with the FWF "Enhanced Human Rights Due Diligence Policy for fire, structural, and electrical safety in Bangladesh". Other areas requiring continued focus include our approach to gender equality and the advancement of living wages within our supply chain.

Responsible onboarding

In 2024, we implemented the tools and processes developed in 2023 to further integrate our HREDD approach across the company. This included rolling out the updated internal audit documents and methodologies aligned with the OECD Due Diligence Guidance, as well as using revised tools such as the Monthly Sustainability Observation Report (MSOR) and the Supplier Sustainability Scorecard (SSS) in our daily operations.

We also continued to strengthen our collaboration with the Operations department. We initiated the development of a new general onboarding calendar aimed at streamlining internal processes and fostering stronger alignment between sustainability and operational functions. This ongoing collaboration supports more consistent practices across teams and lays the groundwork for improved internal coordination going forward.

Factory assessments

In 2024, three factories have been audited by FWF, two in Bangladesh and one in China. Over the course of 2024, we continuously followed up on

the FWF and Sustainability Audit Report (SAR) CAPs and addressed the audit results and non-compliances from the previous year's audits.

Education and training

While we know that regular audits contribute to improving factory conditions, we also recognise the need for employee education and training to drive meaningful and lasting change. Therefore, for several years we have involved our partner factories in the FWF workplace training modules in Bangladesh, facilitating and paying for this training ourselves. In 2023, we introduced an advanced training program on violence and harassment prevention at Interstoff, one of our partner factories in Bangladesh. The training ended in March 2025, and

we are currently wrapping up its final phase by gathering key lessons learned for this extended training. In parallel, we expanded our training efforts in 2024 by initiating five onboarding trainings—four in Bangladesh and one in China—some of which are still ongoing. Of course, there is still work to be done in terms of follow-up and broader implementation of this kind of education programme – training around 100 people in a factory of more than 5,000 is merely a start.

Complaints

In total, we monitored 4 complaints in 2024, all from Bangladesh. Reporting on these complaints is publicly available on

the FWF website, and more details are provided later in this report, in chapter 6.

Safety in factories

In Bangladesh, all but one of our partner factories are members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) – Aus Bangla, a factory that produces accessories, is not a member. This

means that, with the exception of Aus Bangla, all our partner factories are audited and monitored through the RMG Sustainability Council (RSC), which conducts structural, electrical and fire safety audits in most of the apparel

manufacturing factories in Bangladesh. For Aus Bangla, we therefore initiated a separate compliance process through a structural, electrical and fire safety audit at the end of 2021. As this factory underwent expansion, including the construction of a new shed building,

we commissioned an additional audit in the third quarter of 2024, conducted by the independent third-party firm LRQA. The factory is currently working on implementing the Corrective Action Plans (CAPs).

Supplier portfolio evolution

In 2024, we initiated collaborations with three new suppliers in Bangladesh and one in China to support our continued growth. Specifically, this included one woven supplier to relaunch our shirts collection, two knitwear suppliers in Bangladesh, and one outerwear supplier in China. The year also marked an important milestone for Stanley/Stella

with the potential expansion into a new production country: India. In November 2024, our sustainability, operations, and product development teams travelled to India, to conduct internal audits as part of our rigorous onboarding process. As this process takes time, our first collaboration with the new Indian supplier is expected in 2025.

Community engagement

Drip by Drip partnership

In 2024, we expanded the project initiated in 2023 by continuing operations of the Mobile Hospital in the same villages and adding new ones near our partner factories. As a result, the project reached 39 villages and supported over 55,000 people, significantly increasing its impact. During this phase, we also identified a critical issue: many of the health problems detected by the Mobile Hospital were linked to poor water quality. In response, we launched a complementary project focused on ensuring access to safe and clean water for the same communities. We funded the installation of 16 deep tube wells equipped with elevated storage tanks, tap stands, and, where needed, specific water filters based on water quality tests. This clean water initiative now serves 23 villages, benefiting more than 10,000 people. Looking ahead to 2025, we are committed to continuing and enhancing both the mobile hospital and the water wells projects to further support the communities we work with.

Charity partnerships

Over the course of 2024, we strengthened our partnerships with local organisations close to our Brussels headquarters, demonstrating our commitment to supporting communities in the locations where we operate. We donated over 25,000 garments to BXL Refugees, Fedasil, Solidarité Grands Froids, and Convivial, supporting migrants, homeless individuals, and political refugees. We also launched a new partnership with a local organisation, Gutenachtbus, based in Düsseldorf near our German warehouse, with the shared goal of supporting people in need.

Supporting flood recovery in Bangladesh

Finally, we also provided financial support to the Bangladesh Red Crescent Society following the severe floods of August 2024, which heavily impacted families in the Feni district of southeastern Bangladesh. Our 20,000€ contribution supported the reconstruction of 25 houses and sanitary latrines, helping to meet the basic needs of over 100 people.

Materials

Our commitment to a more sustainable garment industry is shown through our material sourcing. For the knitwear, we have used only “Global Organic Textile Standard” (GOTS) certified* organic cotton from day one. GOTS certifies not only the organic origin of the material but also the socially and environmentally responsible processing of the products and is one of the most stringent certifications for organic cotton. In 2024, we conducted successfully our GOTS audit covering our Brussels headquarters and our partner warehouses. As outlined in the Stanley/Stella Charter, we aim to inspire the entire Stanley/Stella community to care about our planet and its people, which is why we actively encourage

our partner network of decorators and resellers to also become GOTS certified. Consequently, in 2024, 119 partners of our network have achieved the GOTS certification.

Ensuring the integrity of the organic cotton we use is one of our top priorities, and we recognise the challenges involved. To address those challenges, we strengthened our organic cotton testing programme in 2024, conducting over 65 genetically modified organisms (GMO) and chemical pesticide tests on cotton lint and yarn, covering more than 16,000 tons of cotton.

When it comes to synthetic materials, we are committed to using only recycled materials.

Climate

After two years of intensive work to measure and understand our carbon footprint across our full supply chain, we proudly unveiled our decarbonization strategy in April 2024 along with our 2030 objective which is to reduce our relative carbon emissions by 30% compared to a 2022 baseline. The whole decarbonization of our supply chain is driven by multiple working groups with cross-functional stakeholders. In 2024, we launched several multistakeholder working

groups—bringing together our suppliers and partners, Stanley/Stella employees, and independent experts—to co-develop practical, high-impact solutions. One of them looking at energy and water efficiency in our Tier1 & Tier 2 suppliers initiated on-site visits in order to identify opportunities for improvements and define carbon emissions 2030 objectives and reduction action plans with several suppliers.



↑ Supporting renewable energy development in Gujarat

← Manufacturing of the recycled polyester yarn

Sourcing strategy



Our strategy has always focused on working with a limited number of partner factories that align with our core values and philosophy. We prioritise long-term relationships with these partner factories with the ultimate goal of making socially responsible procurement a reality.

Sourcing strategy & pricing

Stanley/Stella operates in the B2B sector, primarily focusing on garments for promotional and corporate wear, which differs significantly from the traditional retail market. In this industry, products and colours are designed to be long-lasting, staying in our collection for multiple years. Consistency and durability are therefore key. Our product range has remained relatively stable over the years, mainly featuring knitted items such as t-shirts, sweatshirts, polos, and jogging pants, as well as some woven pieces

such as jackets and accessories. As is typical in our industry, we do not operate our own production facilities, but rather rely on manufacturing partners. In 2024, our products were manufactured in two countries: Bangladesh, which accounted for the majority of our production volume, and China. A total of 56% of our shipped value in 2024 was manufactured by suppliers with whom we have worked for at least five years. This marks a decrease from previous year due to the activity stop of one of our long-standing suppliers in 2023.

This long-term approach is essential for both us and our manufacturers. It enables our suppliers to rely on consistent and

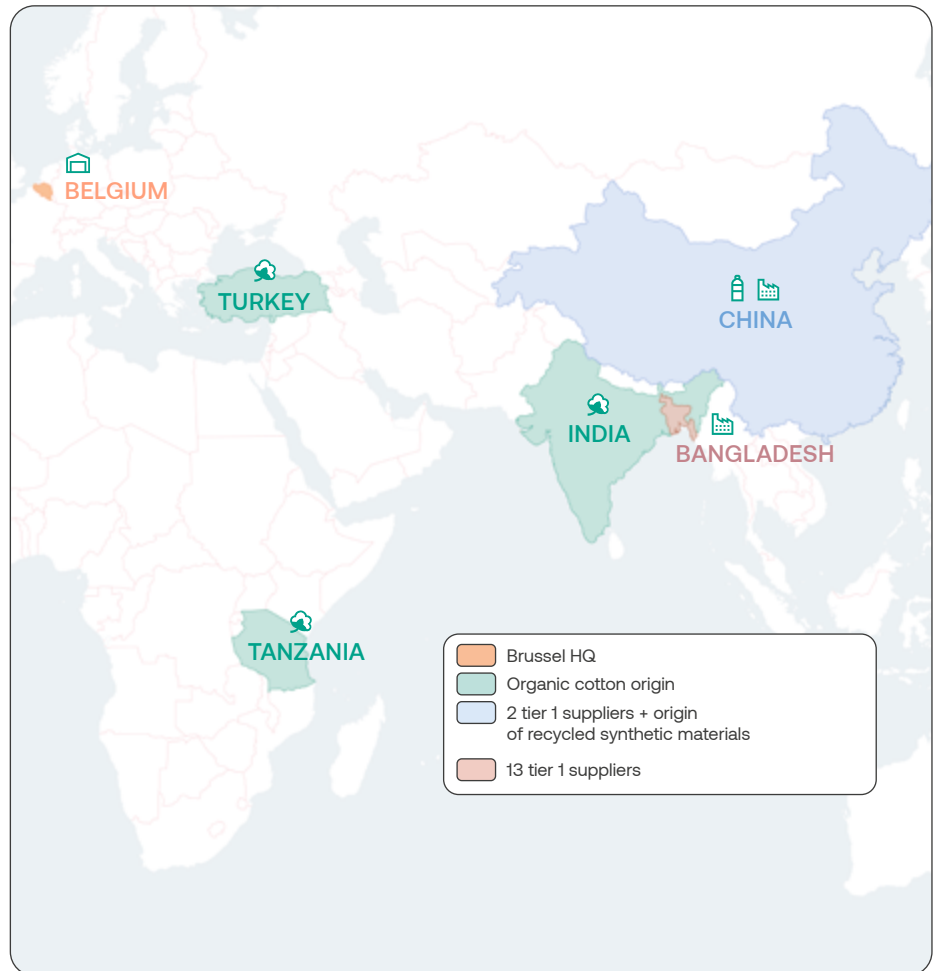
reliable orders, and in return, we benefit from their deep understanding of our requirements and our environmental, social and ethical standards. We also keep the number of production locations at a manageable level so we can effectively implement responsible business practices.

In terms of raw materials, Stanley/Stella sources its organic cotton exclusively in India, Tanzania, and Turkey, while recycled cotton comes from suppliers in Bangladesh, and recycled polyester and recycled nylon come from suppliers in China.

In 2024, we worked with a total of 15 Tier 1 suppliers, 13 in Bangladesh and two in China. In the coming years, we may start to do business in new countries and/or with new suppliers due to:

- our organic growth
- strategic decisions to diversify our product portfolio, including where manufacturing may be more suited to a different country or supplier due to knowledge or skills, or to move production closer to the raw material origin to minimise the carbon footprint.

Regarding intermediaries, our policy has always been the same: we generally do not work through agents. We prioritise direct relationships with our partner factories as we believe this is the best way to achieve transparency. However, under certain circumstances and conditions, we may consider working with agents. For example, to develop new products with limited forecast quantities, we might initially engage an agent, provided they offer full traceability on the upstream part of the supply chain. Since 2016, we have only worked with an agent for one supplier, representing one specific



Factory Name	Address	Country	Female employees	Male employees	Proportion female / male (in %)	Total employee
Ahsan Composite Ltd	Chandra Pollibidyut Road, Kaliakoir, Gazipur	Bangladesh	885	2780	24 / 76	3665
Aus Bangla Jutex Ltd	Lengurdi, Fausha Bazar, Arai Hazar, Narayangan	Bangladesh	803	416	66 / 34	1219
Croydon Kowloon Designs Ltd	Ganakbari, Ashulia, Savar, 1349, Dhaka	Bangladesh	3816	2186	64 / 36	6002
Dekko Knitwear Ltd	Mirpur Industrial Area, Mirpur, Dhaka	Bangladesh	446	558	44 / 56	1004
Epyllion Knitwear Ltd	Mirpur Industrial Area, Mirpur, Dhaka	Bangladesh	440	697	39 / 61	1137
Executive Hi-Fashions Ltd	Shirirchala, Bhabanipur, Gazipur Sadar, Gazipur	Bangladesh	783	808	49 / 51	1591
Executive Greentex Ltd	Mulaid, Sreepur, Gazipur	Bangladesh	1872	2353	44 / 56	4225
GMS Textiles Ltd	Tansutrapur, Kaliakoir, Gazipur	Bangladesh	2623	6244	30 / 70	8867
Interstoff Apparels Ltd	Chandra, Kaliakoir, Gazipur	Bangladesh	1989	3182	38 / 62	5171
Knit Asia Ltd (Ratanpur)	Shafipur, Kaliakoir, Gazipur, Dhaka	Bangladesh	2293	1880	55 / 45	4173
Renaissance Barind Ltd	Baghail, Paksey, Ishwardi, Pabna	Bangladesh	2632	982	73 / 27	3614
South East Textile Pvt	Gorai, Mirzapur, Tangail	Bangladesh	1487	2724	35 / 65	4211
Target Fine-Wear Industries Ltd	Outpara, Chandona, Chawrasta, Alauddin Tower, Gazipur	Bangladesh	363	618	37 / 63	981
Shuangxi Garment Co.- Ltd	Luoyang Industrial Area, Quanzhou, Fujian	China	260	158	62 / 38	418
Sam Fashion Co.- Ltd	Longxiang Industrial Zone, Tongxiang, Zhejiang	China	502	415	55 / 45	917

product category with medium and very seasonal demand.

At Stanley/Stella, our guiding principle is that all partners along the supply chain should make a fair profit. This means it is crucial to foster business relationships that are commercially viable for everyone involved. We follow an open cost sheet whenever possible, calculating labour costs separately and clearly identifying 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, combined with sustainable production methods, are not compatible with production at the lowest price.

Teams involved in sourcing

Planning, sourcing, purchasing activities, and product development are conducted independently by different teams, all under the supervision of the Chief

Operating Officer (COO) based in our headquarters in Brussels. In their respective activities, all teams integrate due diligence and social compliance with at least all Tier 1 suppliers. In cooperation with the Sustainability team, the Operations department is regularly briefed on topics such as local living costs, potential hazards and risks, actual working conditions, complaints, and audit findings, so that together as a company, we can make informed decisions. The Stanley/Stella Operations department is divided into different teams:

Brussels headquarters team

Based in the Brussels headquarters, this team is responsible for defining Stanley/Stella's sourcing strategy together with the Product development team. The Head of Operations and the Product development team jointly decide which manufacturer will produce each new product. The Product development team evaluates suppliers' strengths and weaknesses in terms of quality, while the Sourcing Manager assesses price, capacity, and timelines,

among other factors. They often visit factories in Bangladesh to collaborate on new products and materials. In situations where a new manufacturer is being selected, the Human Rights and Environmental Due Diligence process (HREDD process – explained in detail later in this chapter) is an integral part of the overall decision-making process, and the Sustainability team has weekly touchpoints and meetings with the Operations department.

Bangladesh Liaison Office (BLO)

In addition to the Brussels-based team, Stanley/Stella has invested in building a solid team in Bangladesh, our Bangladesh Liaison Office (BLO). This team of 38 people, 12 of whom work in planning, pricing and sourcing, product development monitor every

Stanley/Stella production run in our local partner factories. This team is a key asset, allowing for close supervision over both the product quality and social and environmental compliance of our partner factories.

China Liaison Office (CLO)

Although we do not have physical offices in China as we have in Bangladesh, we have a full-time China Operations Manager based in Beijing who is responsible for identifying potential new partners and ensuring their compliance with our quality standards and sustainability policies

and practices. We are working towards achieving the same level of compliance in China as we have in Bangladesh. Additionally, we also have a China Fabric Manager to delve deeper into the lower tiers of our supply chain, enhancing our knowledge and HREDD efforts at these levels.

India

We have a dedicated individual based in India who is responsible for organic cotton sourcing within the country. Additionally, as we plan to start producing in India soon, we will

enlarge our teams there too in order to ensure the same level of quality and compliance as the one we have in Bangladesh.

Turkey

We have a dedicated individual based in Turkey who is responsible for organic cotton sourcing within the country. This

person oversees all of Stanley/Stella's organic cotton sourcing, which also includes India and Tanzania.

Long-term production planning



We collaborate with our suppliers to support good working conditions and reasonable working hours by managing production cycles both in theory and in practice. We plan new collections well in advance, typically confirming orders seven months before sales start, with product development beginning 1.5 to 2 years ahead of time. This minimises pressure from late product development. The lead-time calculated at the moment of order confirmation combines a theoretical approach with the raw material stock availability at the supplier.

We initially apply fixed lead times as agreed in the contracts outlining our production requests. Any factory closures for public holidays are added to these lead times. Only in exceptional circumstances will we ask suppliers to offer reduced lead times due to stock availability issues in our warehouse. In any case, our Operations department will always discuss lead times with the supplier to account for any potential constraints on production capacity. For specific raw materials, we keep a

buffer stock at the factory. As these raw materials are immediately available, we can reduce overall lead times without putting additional pressure on the dyeing and Cutting, Making, Trimming (CMT) processes.

Every month, we hold 'Sales and Operations' meetings where we review our sales forecasts and translate them into product needs. We share the global output with each supplier concerned every month. Additionally, every month we share a six-month outlook with our suppliers, detailing both unit and raw material requirements, to help them anticipate our needs. In cases where we increase our order volumes and our suppliers are unable to meet the standard lead times, we relieve the pressure by delaying shipments. Regular communication with our suppliers ensures we always know when they have excess or insufficient capacity.

Supplier relations

We have developed a strict onboarding process for any new supplier joining the Stanley/Stella pool of suppliers, including on-site visits by teams from the Brussels HQ and local teams. Beyond these formal steps, 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 towards the establishment of anti-harassment committees, and transparent monitoring of overtime. With regard to sustainability, we also focus on factories that propose innovative solutions, such as more efficient Effluent Treatment Plants (ETPs), LEED-certified factories, etc. In 2024, we initiated 4 new collaborations. Additionally, other factories began the process of becoming part of Stanley/Stella's pool of suppliers, and this will be completed in 2025.

Human rights and environmental due diligence

The only way we can deliver our promise of quality garments that respect our planet and its people is by ensuring that social and environmental rights are upheld throughout our chain of activities. Human Rights and Environmental Due Diligence (HREDD) is a process that involves identifying and assessing actual or potential human rights impacts across our supply chain, integrating those findings into decision-making processes, and taking action to prevent or mitigate those impacts. Selecting and maintaining supplier partnerships is crucial for Stanley/Stella operations and is deeply integrated into our HREDD cycle. Given the timeless and durable nature of our products, along with the need for consistency, we strive to maintain stable and long-term supplier relationships. When assessing new partner factories, we conduct a comprehensive due diligence process that includes several key aspects:

- **Sustainability considerations:** risk management, monitoring, and improvement on social, environmental and ethical policies and practices of the partner factories, which are explained further in this section.
- **Strategic considerations:** country risk, Stanley/Stella's sourcing strategy
- **Quality assurance:** internal audits, tolerances, quality controls
- **Technical aspects:** technical specifications, patterns, master samples, expertise and know-how, factory set-up
- **Innovation:** willingness to develop new products and new techniques
- **Commercial aspects:** supplier's customer portfolio management, long-term relationship, communication and responsiveness
- **Financials:** purchasing prices, payment terms and conditions, financial stability
- **Logistics and planning:** production lead time, shipment lead time, flexibility, Minimum Order Quantities (MOQs)
- **Legal aspects:** general purchase conditions, contracts, GSP scheme, quotas, trade and tariff regulations, anti-dumping, certifications, etc.

We have always worked towards achieving transparency in our supply chain and long-term business relationships with our suppliers. From the outset, we established robust policies outlining our commitments to environmental and human rights due diligence. Over the years, we have developed several internal tools and mapped and collected site-specific data, laying the groundwork for our ongoing due diligence processes.

In 2024, we implemented the tools and processes developed in 2023 to further integrate our HREDD approach across the company. This included rolling out our updated internal audit documents and methodologies that have been aligned with the OECD Due Diligence Guidance. The figure below illustrates the comprehensive HREDD framework we adhere to.



① HREDD policy

Our HREDD policy, is a cornerstone document that outlines our commitments and serves as a framework to guide Stanley/Stella business operations towards responsible practices. It aims to identify and mitigate potential negative impacts on human rights and the environment arising from our activities, as well as those of our suppliers. The policy was developed in collaboration with our Operations department, which oversees sourcing at Stanley/Stella.

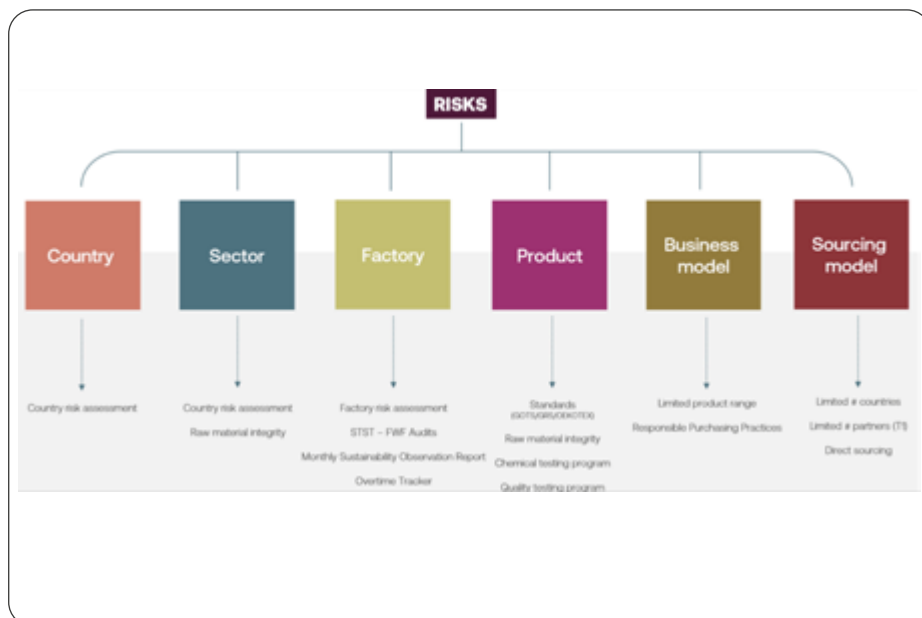
Our HREDD policy is formally approved and signed by our CEO, Jean Chabert, reflecting commitment at the highest executive level. The overall responsibility for overseeing the implementation of HREDD lies with Michel Hublet, our Head of Sustainability. He reports regularly to senior management on key sustainability and human rights issues. He coordinates cross-functional collaboration across departments such as sourcing and operations to ensure due diligence is embedded into business processes.

Integrating the HREDD policy with the sourcing process is critical. This allows the Sustainability team to inform and influence business and sourcing decisions, while the Operations department provides valuable insights into both objectives and the direction to take. As a result, due diligence can be refined and actions prioritised more effectively.

Our Code of Conduct (CoC) is an essential component of our HREDD policy. Built on the main Conventions of the International Labour Organisation (ILO), and aligned with the FWF Code of Labour Practices (CoLP – see further in this section), our CoC establishes the guiding principles of all our business relationships.

② Identify actual and potential harm

Before being able to identify risks within our supply chain, we need in-depth knowledge about all of our suppliers. We continuously map our supply chain from Tier 1 to Tier 4, updating and deepening our knowledge on a regular basis. We identify actual and potential harm at multiple levels, including country, sector, factory, product, business model, and sourcing model. The figure below illustrates the tools we currently use (or plan to use in the near future, in the case of Responsible Purchasing Practices) at each level for this purpose.



→ Identification of risks when onboarding new suppliers

→ Country risk assessment

Before establishing a relationship with any new partner factory, we conduct a thorough country risk assessment in the case of a new sourcing country, as well as desk research, factory visits, and social dialogue to physically validate a potential new factory.

The country risk assessment is a comprehensive document that covers the actual situation of the countries where Stanley/Stella operates or plans to operate. It includes country governance as well as social and environmental risks at the country level, raw material level, and sector level (i.e. garment manufacturing).

The assessment is used by Stanley/Stella's top management to make informed business decisions, and is reviewed yearly. It is compiled using various sources, including FWF country studies, CSR Risk Check by MVO, specific studies depending on the topic (e.g. CNV, GIZ, UNICEF, Ecotextile), on-site assessments from local offices, and international indices such as the Human Development Insights, Global Rights Index, and the World Economic Forum's Gender Gap Index.

The most significant human rights risk identified in our supply chain are detailed later in the Chapter 5 of this Social Report.

→ Factory risk evaluation

When onboarding a new supplier, identifying any actual or potential harm

at the factory level is critically important. We do this through various means.

- **Sourcing dialogues:** Sourcing decisions are based on various criteria, taking into account financial, human rights, environmental, and ethical considerations. Clear discussions about Stanley/Stella policies and potential human rights and environmental risks are conducted during prospective business meetings.

- **Factory Risk Assessment (FRA):** This preliminary evaluation physically assesses a factory's social and environmental practices. The FRA, with its 27 criteria, helps identify critical issues and determine eligibility to become a potential future supplier.

- **Sustainability Audit Report (SAR):** Identified risks are further evaluated through the SAR, which involves a self-assessment by the factory and an evaluation by Stanley/Stella. The exercise looks at 141 criteria, each scored according to the severity and likelihood of the harm, following the OECD guidelines. This provides a precise view of where the main risks lie and helps us prioritise our actions. A Corrective Action Plan (CAP) is then developed in collaboration with the supplier to ensure compliance with HREDD standards, including a timeline and a responsible person. This action plan is, of course, a dynamic document that is regularly updated through an iterative process.

- **Stanley/Stella Code of Conduct (CoC):** The CoC sets minimum standards aligned with national and international laws. Compliance is mandatory for the onboarding of a new supplier, with non-compliance leading to reassessment.

• FWF Code of Labour Practices (CoLP):

As an FWF member, Stanley/Stella adheres to the eight labour standards derived from ILO Conventions and the UN's Declaration on Human Rights. Supplier compliance is assessed during onboarding and is monitored periodically. Below is a representation of these eight labour standards:



• FWF CoLP questionnaire:

In addition to the SAR, risks identified during sourcing dialogues are assessed through the CoLP questionnaire, which potential suppliers complete to ensure they meet FWF standards.

Once the partner factory has gone through all these different steps, and in addition to considerations handled by other departments (e.g. planning, quality, finance, etc.), it can then officially be integrated into Stanley/Stella's supply chain, and confirmed by Stanley/Stella management, including the CEO.

→ Identification of risks during our relationship with our suppliers

Over the course of our relationship with our suppliers, we use the following specific tools to identify actual or potential harm:

• Annual Sustainability Audit Report (SAR):

Initially used during the supplier onboarding process, an SAR is then conducted or updated at each supplier location on an annual basis. Throughout our business relationship, the SAR is followed up quarterly to ensure continuous monitoring and improvement.

• **Quarterly Suppliers' Sustainability Scorecard (SSS):** This tool evaluates suppliers' sustainability and HREDD performance on a quarterly basis. It includes specific scoring criteria that are intended to support business decisions and order allocation based on a supplier's adherence to labour standards, with incentives for improvements in working conditions. The scorecard provides a comprehensive overview of our supplier network's metrics, including some KPIs related to our FWF membership, and is shared with suppliers and our

Operations department every quarter to foster collaboration and enhance sustainability performance.

• **Monthly Sustainability Observation Report (MSOR):** Prepared by Quality Assurance Officers (QAOs), the MSOR provides monthly assessments of sustainability and HREDD compliance. This systematic approach includes social, environmental, and safety checks during production runs to assess working conditions at in-scope factories on a monthly basis.

• Daily OT Tracker:

An online monitoring tool updated regularly by QAOs stationed at factories in Bangladesh, this tracks daily working hours in Stanley/Stella sewing lines. It identifies excessive overtime for immediate remediation by factory management, and is monitored by the Sustainability team based in Bangladesh.

• FWF audits and CAP follow-up:

As an FWF member, Stanley/Stella organises third-party audits to assess human rights risks and monitor HRDD progress in factories. CAPs are reviewed and remediated in collaboration with factory management until they can be closed.

• FWF complaints helpline:

This initiative ensures that grievance mechanisms are accessible to factory workers, with our Sustainability team coordinating with suppliers to address issues raised. As part of this initiative, factories must display the FWF Worker Information Sheet (WIS) in different places on their premises – this document shows the eight FWF labour standards in the local language as well as a hotline number where workers can contact FWF directly to raise complaints which they deem they cannot solve in the factory.

→ Our monitoring activities if/when ending a relationship with a supplier

Our goal will always be to have a consolidated supply chain with long-term business relationships. Nonetheless, we acknowledge that, for a variety of reasons, it may become necessary for a business relationship to end. Whatever the reason, Stanley/Stella remains committed to identifying and minimising any adverse effects of exiting a business relationship by following the FWF Responsible Exit Strategy Guidelines.

③ Cease, prevent, mitigate

Once the risks have been identified, we develop a CAP in collaboration with our partner factories and follow up until final remediation. CAPs include both preventative and mitigating actions with clear timelines for follow-up, ranging from short-term measures to long-term commitments.

The effectiveness of our HREDD processes relies heavily on social dialogues, which are integrated into our monitoring and evaluation tools. These dialogues facilitate improved worker conditions, quick and effective risk prevention and remediation, and collaborative efforts with other brands for comprehensive risk management.

Additionally, when necessary, we will organise specific training for factory management and workers with the support of FWF as part of our preventive measures.

④ Track

We monitor and validate the progress of any preventive and mitigating actions on a daily, monthly, quarterly and yearly basis, depending on the assessment needs.

Daily monitoring: Includes overtime tracking tool as described in step ②.

Monthly monitoring: Includes an on-the-ground observation report of the factory as described in step ②.

Quarterly monitoring: Involves follow-up on the FWF audit CAPs, SAR CAPs, and the Supplier Sustainability Scorecard (SSS), as described in step ②.

Yearly SAR follow-up: Conducted or updated annually, the SAR review includes tracking action plans identified in the initial audit to ensure ongoing supplier compliance. See step ② for more details.

⑤ Communicate

We communicate on a daily basis with our different stakeholders, both internally and externally, sharing information about what we are doing, our progress, and also the challenges we encounter along the way. Transparent and open communication with our suppliers is key to achieving our common objectives.

⑥ Remediate (provide or cooperate in remediation)

As highlighted throughout this description of our HREDD process, one of the core purposes of conducting due diligence is to avoid harm. In the event that we cause or are involved in any cases of human rights harm, we are, of course, committed to remediation through the appropriate processes.

Remediation can take various forms, such as measures to prevent recurrence, financial compensation, or stopping a particular activity, with social dialogues being key in the process. The goal is always to restore affected persons to the original situation before the harm occurred. We will always

strive to involve those affected in determining the best remediation, and assess the satisfaction of those who raised complaints with the outcomes. This can be done directly between our partner factory, Stanley/Stella and the complainant or through collaboration with FWF and other FWF member brands involved in the same issue.

Integration of monitoring activities & sourcing decisions

To strengthen our sourcing strategy's focus on social and environmental compliance among our suppliers, we have developed the Supplier Sustainability Scorecard (SSS). This tool provides an overview of our supplier pool based on various sustainability criteria (social, environmental and ethics), including KPIs related to our FWF membership. The result is a comprehensive grading of our suppliers. The SSS is shared quarterly within the Operations department in both

our Brussels headquarters and local offices. Its purpose is to communicate suppliers' sustainability performance, foster discussions within the Sourcing team, and ultimately guide Stanley/Stella's sourcing decisions and practices.

While we have not implemented a reward system based on the grade and ranking of each supplier, we continually strive to make improvements by leveraging the trust-based relationship we have with our suppliers.



Monitoring & remediation



Performing internal or third-party audits is an in-depth process that needs to be handled with care and integrity. We audit our suppliers to get a better understanding of their conditions and processes, which we can then improve on together, step by step.

Stanley/Stella's monitoring process has been significantly enhanced over the years. This section of the report outlines the details of our monitoring and remediation system, covering audits and training at our partner factories, among other activities.

In 2024, we followed up 13 internal audits in Bangladesh and two in China. The majority of these were monitoring audits to verify progress made at existing suppliers. We also carried out due diligence audits for potential new partners that were finally not integrated into Stanley/Stella's pool of suppliers., as well as audits of lower-tier suppliers. Two Fair Wear Foundation (FWF) audits were performed in Bangladesh and one in China.

Audit findings are addressed through Corrective Action Plans (CAPs).

Findings are categorised as 'very high', 'high' or 'low' risk to guide us in prioritising follow-up actions together with our suppliers. The Sustainability Officer at Stanley/Stella's Bangladesh Liaison Office (BLO) is responsible for overseeing these monitoring activities for Bangladesh, and maintains regular contact with factories through daily phone calls, emails, Teams meetings or physical visits. During every visit, whether by our Quality Assurance Officers (QAOs) or our Sustainability team, we meticulously monitor even minor deviations from social and environmental standards.

However, despite our concerted efforts to strengthen our monitoring and remediation processes, challenges persist, including:

- enhancing our monitoring activities and HREDD processes in China;
- improving our monitoring activities and HREDD processes at lower tiers of our supply chain;
- increasing the effectiveness of training to raise awareness about workers' rights in factories;
- implementing a living wage in our partner factories.

Bangladesh



In 2024, 13 of our suppliers were located in Bangladesh, where we have a dedicated local team that ensures ongoing monitoring. According to our country risk assessment, the labour standards that are at an increased risk in Bangladesh are:

- wages below the living wage
- excessive overtime
- lack of occupational health & safety as well as lack of building, fire, electrical and boiler safety
- gender-based violence
- ineffective freedom of association and social dialogue

In terms of environmental and governance factors, the main risks we have identified include water use and pollution, soil contamination, biodiversity, the country's energy mix (in terms of CO2 emissions), political stability, corruption, and transportation infrastructure.

Specifically in 2024, Bangladesh faced significant political unrest and extreme weather events. During the summer, widespread student protests led to the fall of the government, prompting the authorities to order a temporary shutdown of manufacturing sites. This period of instability increased the risk of excessive overtime, delayed wage payments, and concerns for worker safety—both in the workplace and during commutes, given the chaotic conditions across the country. Throughout this time, we maintained close communication with our partner

factories to support worker well-being and ensure the continued payment of wages at all production sites.

In addition to this high-level overview of country-specific risks the most significant findings from our internal monitoring tools and external assessments—such as FWF audit reports—are presented below, on a factory-by-factory basis.

For the two Bangladeshi suppliers audited by FWF in 2024, we present the most significant audit findings, identified risks, and corresponding corrective actions. For the other suppliers, key risks are highlighted based on their overall 2024 results in our internal SSS rating system. Our SSS supplier rating ranges from A to D, where “A” represents a “very good” supplier with strong sustainability performance and “D” indicates the lowest performance level.

Factory A

Internal SSS monitoring score : C

Factory A is one of our longest-standing suppliers, with whom we have maintained a relationship since the beginning of our activities. The factory is regularly visited by both our local teams in Bangladesh and our EU Operations team. Additionally, a Quality Assurance Officer is stationed on-site daily, working within the factory premises. An external audit was conducted by FWF at the end of 2024, in collaboration with two other FWF member brands sourcing from this factory. The resulting corrective action plan, aimed at addressing identified and potential human rights risks, is currently in progress and has been shared with the two other sourcing members and the factory including its top management. The main risk areas identified at this factory relate to wages, working hours, and health and safety.

Wages

The supplier complies with the legal minimum wage as defined by national regulations. However the audit revealed several non-compliances, including a critical issue related to a lack of transparency in wage and overtime payments. We've immediately asked factory to make sure to disclose accurate records and accurate wage

documentation. Additionally, we escalated this non-conformity directly to the factory owner and Managing Director.

Working hours

The audit also identified excessive overtime practices and discrepancies between the recorded and actual working hours. We asked factory to ensure that the working hour registration system reflects strictly the reality. We also escalated the issue to the factory owner and Managing director. Meanwhile, the factory has adopted a root cause-based action plan to reduce excessive overtime.

Health and safety

Although the supplier is enrolled in the RSC program through the International Accord, the level of verified remediation is still low. Specific concerns were raised regarding fire safety measures, which require improvement. We are closely monitoring remediation efforts with the factory as well as with other FWF sourcing member brands, including signatories and non-signatories of the International Accord.

Factory B

Internal SSS monitoring score : A

Factory B is considered one of our long-standing and most reliable partners, holding an “A” rating in our internal SSS monitoring system. It is visited regularly and audited annually by our Sustainability teams. Given the consistently low-risk profile of this supplier, the last external assessment conducted by FWF dates back to 2021. However, additional external assessments took place in 2024, none

of which identified any major non-compliances.

Despite the supplier’s overall strong performance, our internal Overtime (OT) Tracker flagged an increased risk of excessive overtime towards the end of 2024. We immediately requested that the factory to stop this practice even if at low level.

Factory C

Internal SSS monitoring score : C

Factory C is one of our long-standing supplier. An external audit was conducted by FWF at the end of 2024 in collaboration with another FWF sourcing member brand. The resulting corrective action plan is currently in progress and shared with the other FWF sourcing member. The main risk areas identified at this supplier relate to wages, working hours, and health and safety.

Wages

The supplier complies with the legal minimum wage as defined by national regulations. However, the audit revealed several issues, including discrepancies between the payslips provided to workers and the actual overtime hours worked, as well as delays in the payment of wages and benefits.

In response, we asked factory to improve the inadequacy of the wage record system and to provide accurate pay slips to workers. Regarding the delayed payments, we’ve asked factory to retroactively clear all due benefits to affected workers and to update its related policies and practices.

Working hours

Several non-compliances related to working hours were identified, including the practice of excessive overtime. We promptly instructed the factory to cease this practice. As a preventive measure, we introduced quarterly monitoring at the facility. No finding of excessive overtime have been recorded since the beginning of 2025 in Stanley/Stella sewing lines.

Factory D

Internal SSS monitoring score : B

Although this supplier was onboarded at a later stage in our sourcing operations, it has shown consistent engagement. The most recent external audit by FWF was conducted in 2021. Additional external assessments were carried out in 2024, and no major non-compliances were identified. Despite this overall positive performance, our internal monitoring

tools flagged two specific human rights risks related to working hours and wage in 2024. Isolated cases of excessive overtime and delayed wage payments were identified and we asked factory to make sure not to allow excessive overtime and delayed wage payments. These findings were limited in scope and did not recur in 2025 so far.

Factory E

Internal SSS monitoring score : B

Factory E, part of the same group as Factory D, demonstrates overall good sustainability performance. However, our 2024 monitoring activities identified key risks related to working hours, wages and fire safety. Specifically, findings of excessive overtime and delayed wage payments were found. Corrective actions were taken immediately. These issues were limited in scope and, to date, have not reoccurred in 2025.

In relation to fire safety, the factory has addressed all non-compliances flagged by the Ready-Made Garments Sustainability Council (RSC). However, the follow-up audit remains pending due to scheduling delays from RSC. The factory continues to actively pursue the audit scheduling, and we are maintaining close engagement with factory about it.

Factory F

Internal SSS monitoring score : B

We integrated this factory into our supply chain at a later stage, and overall it has consistently shown good commitment to sustainability practices. Last year however, we identified practice of excessive overtime at the end of 2024, as well as some concerns related to fire safety verification. Regarding overtime, we raised the issue directly with the factory and reiterated our shared commitment to forbidding excessive working hours in Stanley/Stella sewing lines.

On the fire safety side, the factory responded promptly to all findings, submitting the required documentation and supporting evidence to the RSC within the designated timeframe. However, the review process on RSC’s side has been significantly slower than anticipated, with fewer follow-up audits than initially planned. The factory continues to actively engage with the RSC, and we are also maintaining close communication with the factory on the topic.

Factory G

Internal SSS monitoring score : C

This factory accounts for less than 1% of our total production volume, as it manufactures a specific product type. As a result, we acknowledge having limited visibility over the daily working conditions, however, to help maintain a connection and oversight, our Quality Assurance Officer visits the factory once

a month to assess working conditions and ensure ongoing engagement. As with our other partner factories, the overall safety remediation and verification process by the RSC remains behind schedule due to the various reasons previously explained.

Factory H

Internal SSS monitoring score : A

We integrated this factory into our supply chain at a later stage, and overall, it has consistently demonstrated a very strong commitment to sustainability practices. To date, only two safety-related non-conformities have been identified. Remediation is ongoing: one is currently pending verification by the RSC, while the other is still in progress.

Factory I

Internal SSS monitoring score : A

We integrated this factory into our supply chain at a later stage, and overall, it has consistently demonstrated a very strong commitment to sustainability practices. To date, only four safety-related non-conformities have been identified. All of them have been remediated by factory and verification by RSC is pending.



Factory J

Internal SSS monitoring score : B

We integrated this factory into our supply chain at a later stage, and overall, it has consistently demonstrated a good commitment to sustainability practices. The factory has been audited by FWF mid-2023. As of 2024, factory was still working on several items from the CAP that remained open and required additional time—such as the digitalization of human

resources documentation to improve the management of workers' service books. In Q3 2024, we identified excessive overtime. Upon notification, the factory took immediate action and ceased the practice. In addition, six safety-related non-conformities were identified and the factory is in progress for remediation.

Factory K

Internal SSS monitoring score : A

We began working with this factory in 2024. It belongs to the same supplier group as Factory B and was added to expand sourcing capacity at this high-performing supplier. The only high-risk issue identified so far relates to working

hours, with findings of excessive overtime reported at the end of 2024. This concern has been included in our ongoing discussions with Factory B on the topic.

Factory L

Internal SSS monitoring score : B

We began working with this factory in 2024. It is part of the same supplier group as Factory H and was added to help expand sourcing capacity at this high-performing supplier. The only risk identified so far relates to safety.

Of the seven findings still open under RSC oversight, the factory has already remediated four, which are pending RSC verification. The remaining three are in progress and expected to be completed by August 2025.

Factory M

Internal SSS monitoring score : B

We began working with this factory in 2024 to produce a specific product range. The only identified risk for now relates to safety. All findings are pending verification by RSC, except for one that is still in progress.

China



In 2024, two of our suppliers were located in China, where we have two local representatives to ensure ongoing monitoring.

According to our country risk assessment, the labour standards that are at an increased risk in China are:

- Freedom of association: China does not permit independent trade unions. The only legally recognized union is the state-controlled All-China Federation of Trade Unions (ACFTU), to which all unions are subordinate.

- Excessive overtime: This often results from tight production schedules and deadlines. The widespread use of piece-rate payment systems, rather than time-based wages, further incentivizes employees to work extended hours.

- Wages below living wage levels and social security contributions.
- Forced labour : this remains a high risk and sensitive issue, particularly in the cotton farming.

In terms of environmental and

governance factors, the main risks we have identified include water use and pollution, the country's energy mix (in terms of CO2 emissions), and the country's political system.

At a factory level, risks are assessed through our Sustainability Audit Report (SAR) as well as FWF assessment and other external assessments. Below, we outline the most significant human rights risks identified at our two Chinese production locations, along with the corresponding action plans implemented to prevent or mitigate actual or potential impacts.

Factory N

We have maintained a long-term partnership with this factory for several years. The factory was audited by FWF in 2022, and again by Stanley/Stella in September 2023 during a visit by our Sustainability Team to China. It has also been assessed by other external organizations in 2024. In addition, our China Operations Manager visits the factory regularly to ensure ongoing engagement and oversight.

The main risks identified at this facility are as follows:

Social security payment

It was found that not all eligible workers to social security were enrolled in the legally social security scheme. This issue is quite common in China and is partly due to confusion between state social security and rural insurance schemes. To address this, we plan to work with the supplier to ensure full legal compliance, including proper coverage for all eligible workers. Additionally, we will encourage factory to raise

awareness among workers about the value and implications of social security contributions.

Working hours

Excessive working hours were also reported, including non-compliance with weekly rest requirements. The root cause appears to be poor workforce planning in relation to production scheduling, resulting in monthly overtime exceeding local legal limits. We reconfirmed to the factory that we do not allow excessive overtime, and currently monitor working hours during Stanley/Stella production periods.

Occupational health and safety

Several occupational health and safety issues were noted, including inadequate use of personal protective equipment (PPE) and the absence of Material Safety Data Sheets (MSDS) for chemicals used on-site. These areas require ongoing monitoring and continuous improvement.



Factory O

We started working with this factory in 2024. As part of the onboarding process, the Sustainability Team along with our Head of Global Sourcing visited the factory in September 2023 for a full-day site visit, sourcing dialogue and audit. We introduced our priorities, including our HREDD approach in the context of evolving EU regulations. In April 2024, we also conducted an external assessment via FWF. The following key human rights risks were identified :

Factory communication and social dialogue

It was found that workers were not sufficiently aware of the FWF Code of Labour Practices or the FWF helpline. This was expected to some extent, as the FWF audit occurred shortly after the onboarding process. While these topics were introduced during our initial visit, communication had not yet reached the entire workforce. In response, the factory implemented internal training on these topics, and we enrolled the facility in an official FWF onboarding training session in November 2024. In parallel, we encouraged the factory to improve internal feedback mechanisms to strengthen communication and build trust between workers and management. These efforts are still ongoing.

Working hours

Excessive working hours were reported, including non-compliance with weekly rest day requirements. Upon investigation and following an open discussion with factory, the root

causes of overtime were identified as a combination of various factors: worker aiming to increase their income, the factory's interest in taking on more orders, and some other brands pressure on lead times. We have initiated working hour monitoring during production runs for Stanley/Stella orders and reconfirmed to factory that excessive overtime was not allowed for Stanley/Stella sewing lines.

Freedom of association

Freedom of association was another area of concern. While a union was formally established and documentation confirmed the presence of elected representatives, the audit revealed that around 53% of workers interviewed were unaware of the union or had not participated in the election process. Management acknowledged that its function in practice was indeed minimal. In response, we have asked the factory to promote worker education on freedom of association and strengthen the role of worker representatives through training. This is currently a work in progress.

Safe & healthy working conditions

Finally, few occupational health and safety issues were identified. These included improper use of personal protective equipment (PPE), as well as immediate safety hazards such as blocked fire alarms and electrical panels. Urgent safety risks were immediately corrected, whereas continuous monitoring is in place to address broader health and safety performance.

Product specific risks

Product-related risks are embedded within our broader country risk assessment tool, which evaluates risks at three levels: national (country-level), operational (production sites), and material (raw inputs). As such, risks inherent to the raw materials used in our products are indirectly addressed through this multi-layer assessment.

The main risks identified at the raw material level through our assessment and field visits in sourcing countries include:

- child labor, particularly in cotton production in India where vulnerabilities in rural agricultural communities remain a concern.
- risks related to recycled materials across several countries, as this

sector remains largely informal, poorly regulated, and lacks robust organizational structures—factors that increase the likelihood of non-compliance and deviations.

- wages and working hours, which are areas of high concern for both natural and synthetic material supply chains.
- freedom of association and legally binding employment relationships, which are often absent or insufficiently enforced in many contexts.

To minimize risks in this part of the supply chain—particularly at the raw material stage—we exclusively use certified* materials in our collections, including GOTS (Global Organic Textile Standard) and GRS (Global Recycled Standard). These certifications

help ensure that the materials are sourced and processed according to environmentally and socially responsible practices.

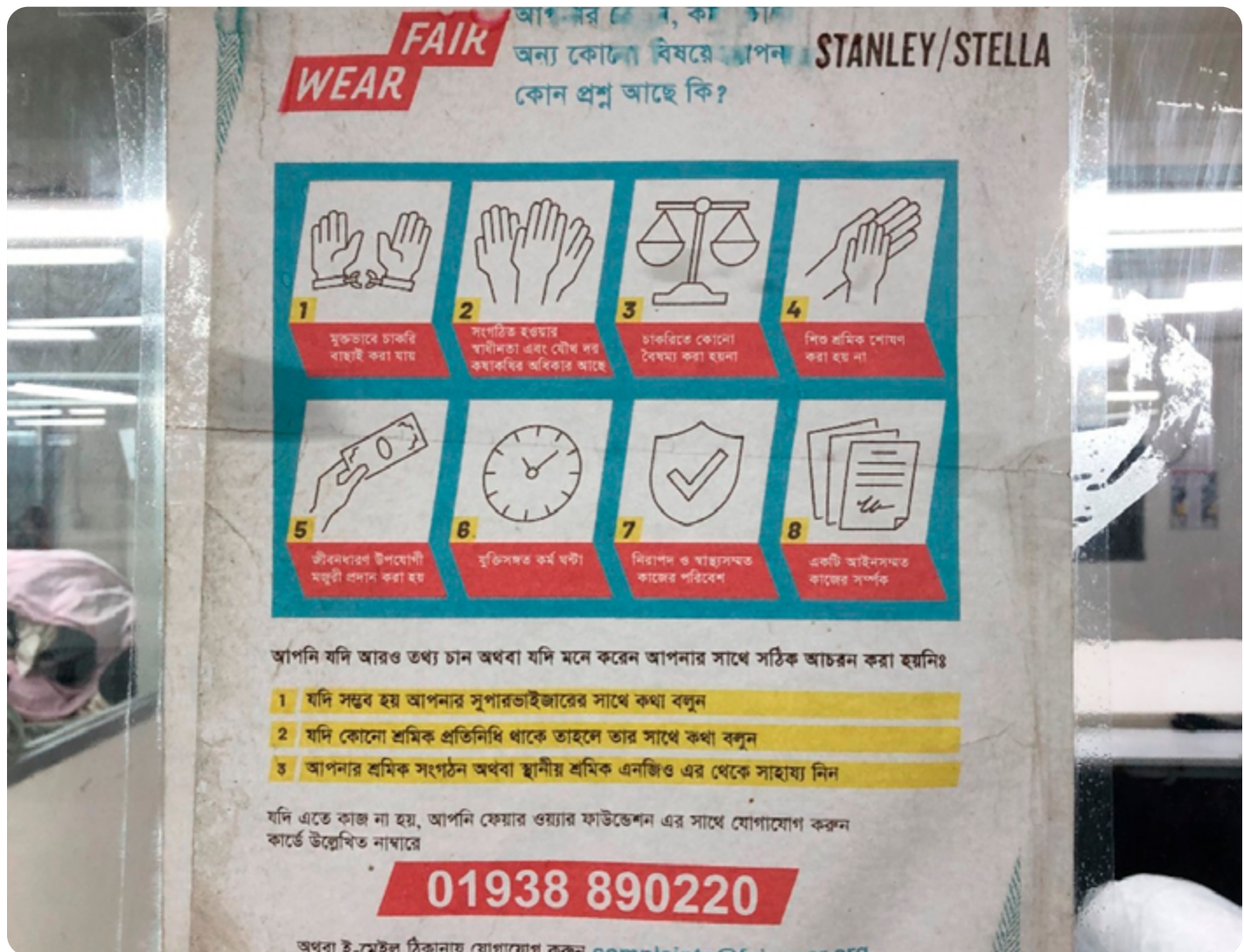
In addition, our product range consists mainly of simple, timeless basics—such as solid-color T-shirts—intended for further decoration. By designing minimalist products without embroidery or prints, we limit the number of processing steps and components involved. This approach helps mitigate several potential risks, such as:

- chemical risks associated with special finishes or treatments,
- social risks, like the involvement of informal or home-based workers, especially in embroidery work.



*(by Control Union CU 819434)

Complaints handling



A robust internal complaints system is crucially important in factories as it gives workers a platform to voice their concerns while offering factory management clear feedback on workforce issues and an opportunity to respond effectively.

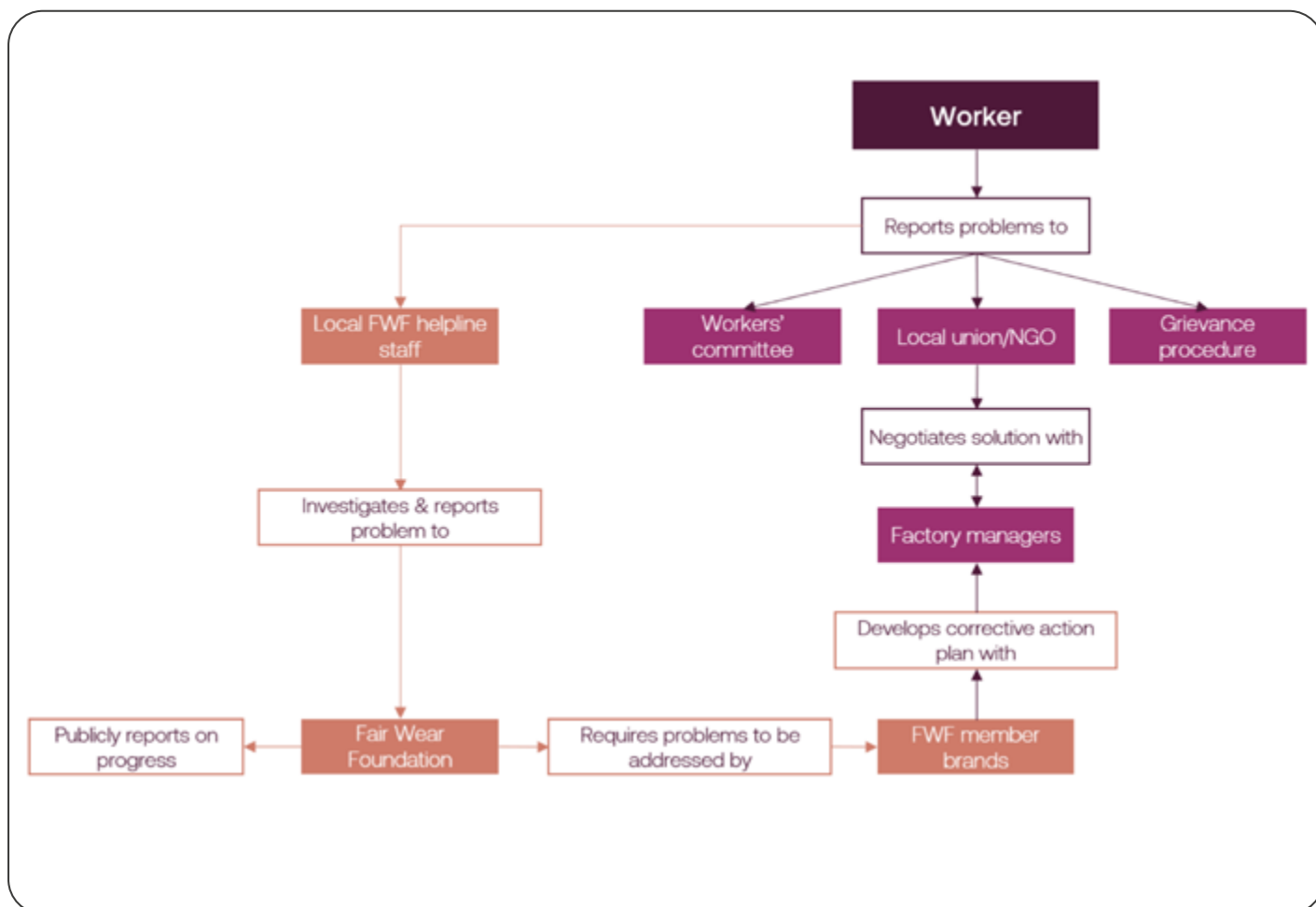
Ideally, any labour dispute should be resolved at the factory level. To support this, each of our partner factories has confidential complaint boxes where workers can submit their written grievances. These boxes are regularly checked by management and worker representatives. Additionally, workers can directly voice their complaints to the

welfare officer, participation committee, or management. However, in practice, this type of internal system can face challenges and may not always function as intended. Fair Wear Foundation's complaints helpline therefore serves as a safety net, ensuring that all grievances are heard and appropriately addressed

if the internal grievance handling mechanism falls short. Both Bangladesh and China, the two countries in which we operate, are covered by FWF local teams. Until now, 100% of our factories have implemented the FWF grievance mechanism.

Complaints procedure

The chart below illustrates the two ways in which a complaint can be raised and addressed: preferably through the factory's internal grievance procedure or through the local FWF complaints helpline.



For complaints handling to be effective, appropriate communication about the complaints procedures needs to be in place:

- Workers from our partner factories are informed about the complaints procedure through the FWF's Worker Information Sheet (WIS), which is prominently displayed in various locations throughout the factories.
- Additionally, factories are required to provide training and communicate details about the complaints helpline to all workers.

When a complaint is raised through

FWF, it is handled as follows:

- The complaint is received via the FWF helpline.
- FWF assesses whether or not the complaint is grounded.
- Stanley/Stella is notified, and our Bangladesh Liaison Office (BLO) or China Liaison Office (CLO) reach out to factory management to initiate dialogue.
- The case is investigated.
- A Corrective Action Plan (CAP) is agreed upon with all parties involved.

- Stanley/Stella monitors and follows up on the CAP until final remediation.
- Actions taken are verified and FWF reports publicly.

When necessary and feasible, we will collaborate with other FWF member brands to address and remediate the complaint.

In Bangladesh, our Dhaka-based BLO Sustainability Manager handles complaints and discusses them with the suppliers involved. In China, our Beijing-based CLO Operations Manager plays this role.

Complaints overview 2024

In 2024, we received 4 complaints through the FWF helpline. While the term ‘complaint’ can have a negative connotation, we feel that, overall, it reflects a proactive and progressive approach to improving working conditions. Companies that

are open to addressing employee concerns demonstrate commitment and willingness to improve their operations, which not only benefits workers but enhances company prosperity. The next table shows an overview of the complaints received in 2024 per

factory and their status as of June 2025. In almost all cases, open dialogue about specific issues was the key to resolving the conflict, especially when all parties involved were receptive to each other’s perspectives.

FWF complaints ID	Factory	Date	Complaint description	Status	Final remediation	Collaboration with other FWF member brand
1638	D	Jun-24	The complainant seeks FW's support to receive unpaid entitlements after repeated delays by factory management.	Resolved	The factory paid all legal dues to the worker.	No
1699	B	Aug-24	A complaint was filed against a female cleaner and a security guard for accepting bribes to secure jobs in the factory, falsely using the name of the Account Officer. Additionally, the cleaner is accused of theft and helping her daughter-in-law obtain a job using fake documents.	Resolved	No evidence was found of bribery, but the accused did facilitate hiring relatives; initial disciplinary actions were legally insufficient but later corrected.	Yes
1701	A	Sep-24	Complainants reported that workers were forced to resign without prior notice or legal termination benefits, and fear more forced resignations may follow.	Resolved	The factory reinstated willing workers with their original joining dates, paid dues to one who declined to return, and remains ready to compensate the remaining workers if they come forward.	Yes
1680	B	Aug-24	A group of workers has complained that the factory management forces them to work excessive hours. They also report poor-quality night shift meals, and request support to address the intense workload and pressure.	Open (in progress)	Under investigation. We are still in discussion with factory, FWF and other member brands.	Yes

Training & capacity building



Engaging all stakeholders, both within and outside Stanley/Stella, through training and capacity building is highly important if we are to support social standards effectively.

Activities to inform Stanley/Stella employees

There are various key activities and events through which internal staff are informed and trained on sustainability-related topics:

- All new employees undergo CSR training upon joining Stanley/Stella to help them understand key sustainability concepts, Stanley/Stella's journey, and our sustainability strategy.
- On regular basis, we have sales meetings and full team meetings at our Brussels headquarters, providing employees with updates on upcoming projects and achievements. These events include plenary sessions and dedicated workshops, with sustainability always integrated in the agenda.
- Documentation on Fair Wear Foundation (FWF) is available to Stanley/Stella employees in our Sustainability Corner at our Brussels headquarters. Employees can contact the Sustainability team with any questions, and we also use our monthly internal newsletters to share our activities with employees.

- Lastly, we continued to promote sustainability knowledge in general by offering our Brussels-based employees access to over 30 books on the topic in our Sustainability Corner. These resources are freely available for employees to explore and borrow, and are regularly updated.

Externally, we communicate on sustainability-related topics to our partner network of dealers and resellers and third parties via visits, meetings, emails, our Lookbook, our Sustainability Report, and our website, as well as through training sessions at our headquarters.

Activities to inform manufacturers and workers

All our partner factories are aware of our business practices and commitments towards social, environmental, and ethical standards, as well as FWF principles, as these are embedded in our supplier onboarding process.

However, the level of knowledge about FWF and its Code of Labour Practices (CoLP) still varies across our pool of suppliers. Some suppliers, who have been working with the CoLP for years and have already implemented it, actively maintain our social and environmental standards, and have participated in FWF audits and trainings and carried out the necessary follow-up work. Recently integrated suppliers are introduced to the CoLP as soon as the first contact is established, and receive special training and attention

during their integration phase. The CoLP is communicated prior to the first bulk order placement for adoption and explained to the staff during dedicated training sessions.

Training also plays an important role in terms of raising awareness of workers' rights, encouraging social dialogue and conflict resolution through open communication, and assisting factories in enhancing worker well-being. FWF provides onboarding training modules for this purpose. FWF onboarding training is broader in scope than the targeted violence and harassment prevention training we conducted at Interstoff in 2023. It consists of two main modules. The first is an introduction to labour rights and grievance mechanisms, including the FWF helpline, designed as a basic awareness-raising session. The second module focuses on social dialogue at the factory level. It is specifically designed for worker representatives and includes a joint session with both workers and management to promote constructive communication and collaboration.

In 2024, we launched five FWF onboarding training modules at factories—four in Bangladesh and one in China. Depending on the factory, the trainings are either completed or currently ongoing.

Activities to inform agents

Agents receive the same training on Stanley/Stella's sustainability policy as manufacturers.

Information management



To track progress on the implementation the Fair Wear Foundation Code of Labour Practices, we continuously track Corrective Action Plans with our suppliers—at minimum on a quarterly basis— and share this information across factories and relevant Stanley/Stella teams.

As mentioned previously, to monitor our production locations, we have established strong relationships with our suppliers and maintain daily contact with them to ensure trust and transparency. Our Bangladesh Liaison Office (BLO) team plays a crucial role in this process.

We know all our Tier 1 suppliers and most of our Tier 2 suppliers, and we

are now working on mapping our Tier 3 and Tier 4 suppliers as extensively as possible. Our tracking system encompasses the following activities: gathering essential compliance certifications, maintaining all information in our database, collecting data prior to production, reviewing and storing all audit reports, performing risk assessments, and stationing quality

assurance officers in factories to mitigate the risks of off-site production.

Given the extensive data management required from various stakeholders, we aim to adopt a unified tool to help us efficiently manage, record, and track the overall sustainability performance of our suppliers.

Transparency & communication



Transparency is key to the successful and effective implementation of long-term sustainable practices. This is why we disclose the names and addresses of our manufacturing partners, along with additional information.

In addition, since joining Fair Wear Foundation in 2011, we have communicated extensively about our FWF member status through the following channels:

- Online tools: We use the Stanley/Stella website, our social media channels (Instagram, Facebook, and LinkedIn) and our newsletters to keep our employees, partners and customers informed about our latest CSR news and activities.

- Offline tools: We communicate about our FWF membership through our bi-annual Lookbook, our annual Sustainability Report, internal presentations and trainings held annually.

We also communicate about our FWF membership via the labels on our garments.

Stakeholder engagement



We support and actively participate in various projects, initiatives or organisations that align with our values.

We foster open dialogue with customers and stakeholders at trade fairs, conferences, panel discussions, and other platforms—valuing these exchanges as opportunities for mutual

learning and inspiration. We believe systemic change is only possible through collaboration at every level. That's why stakeholder engagement is central to our approach. An overview of

our key stakeholders and our approach to engaging with them is provided below.

Stakeholders group	Topic	Engagement mechanism	Purpose - scope of action
Fair Wear Foundation	Working conditions in garment factories	Meetings, emails, audits, conferences	As an affiliated member since 2011, we uphold FWF standards across our operations. FWF audits our Tier 1 factories, provides training for workers and management, as well as a grievance helpline. Our brand is also assessed annually through the FWF Brand Performance Check, which reviews our human rights due diligence practices.
Policy Hub	EU policy advocacy for a sustainable and circular apparel and footwear industry	Meetings, emails, conferences	In 2024, we joined Policy Hub to engage in key EU policy discussions on sustainability, circularity, and responsible practices in the apparel and footwear sector.
GOTS	Organic cotton	Meetings, emails, audits, conferences	Since day one, we have exclusively used GOTS certified* organic cotton in our products. As GOTS is the leading standard for textiles made from organic fibres, it is important for us to closely follow the standard and be able to raise our concerns during open consultation on standards reviews, for instance.
Textile Exchange	Recycled materials (GRS)	Emails, conferences	As a member of Textile Exchange, we attend their annual conference, which gathers thousands of companies from the apparel and footwear sectors. This event provides us with numerous opportunities for collaboration and improvements, focusing on raw material challenges.
Centexbel	Chemicals in textile OEKO-TEX Standard 100	Emails, meetings	All our products are certified OEKO-TEX Standard 100, and we regularly engage with the laboratory Centexbel, based in Belgium, to maintain our certification.
Peta	Vegan materials	Emails	We ensure our products meet the standards to be 'PETA-Approval', namely refraining from conducting or commissioning any animal tests on ingredients, formulations, or finished products and pledging never to do so.
Factories / partners	Procurement practices, working conditions, environmental impact, product quality, safety	Emails, meetings, site visits, audits, surveys	We are committed to supporting our partners' sustainability efforts through long-term collaboration, training, and open dialogue.
Supply chain workers	Working conditions in garment factories	Direct dialogue during on site-visits or through representative groups	We engage with supply chain workers during on-site factory visits, through open discussions and dialogue. In addition, factory worker representatives provide valuable input on workers' concerns, helping us better understand their needs and priorities.
Communities	Support to local communities	Direct dialogue, interviews	We listen to feedback from affected communities and their representatives through our collaboration with the NGO Drip by Drip. Insights from our joint projects help inform and guide our decisions.
Customers	Market feedback & needs Education	Emails, meetings, fairs, surveys, social media engagement	We produce durable garments and promote transparency to support informed, responsible purchasing. Through ongoing dialogue, we educate our customers on our approach to sustainability while also gaining insight into their expectations and needs.
Employees	Education	Emails, meetings, surveys	We support our employees' growth by helping them expand their knowledge of sustainability in the textile industry, including its challenges and Stanley/Stella's approach.
Other brands	Collaboration Information sharing	Meetings, emails, conferences	Working together and leveraging our respective strengths at shared suppliers, we aim to contribute with a bigger impact.

STANLEY/STELLA

We believe that the textile and garment industry can act in a responsible way and care about people, the planet, and society.

We don't need to tell you more about the reasons why we're fully committed to sourcing organic cotton, reducing our carbon footprint or urging our suppliers to pay a fair remuneration to their workers because we believe these points are important to you too. We thank you for joining us on our journey, and for sharing your support, enthusiasm and ideas. If you'd like to find out more about our path to sustainability or get involved:

Please contact us

 stanleystella.com

 [wearestanleystella](https://www.instagram.com/wearestanleystella)

 sustainability@stanleystella.com