



Stanley and Stella S.A.

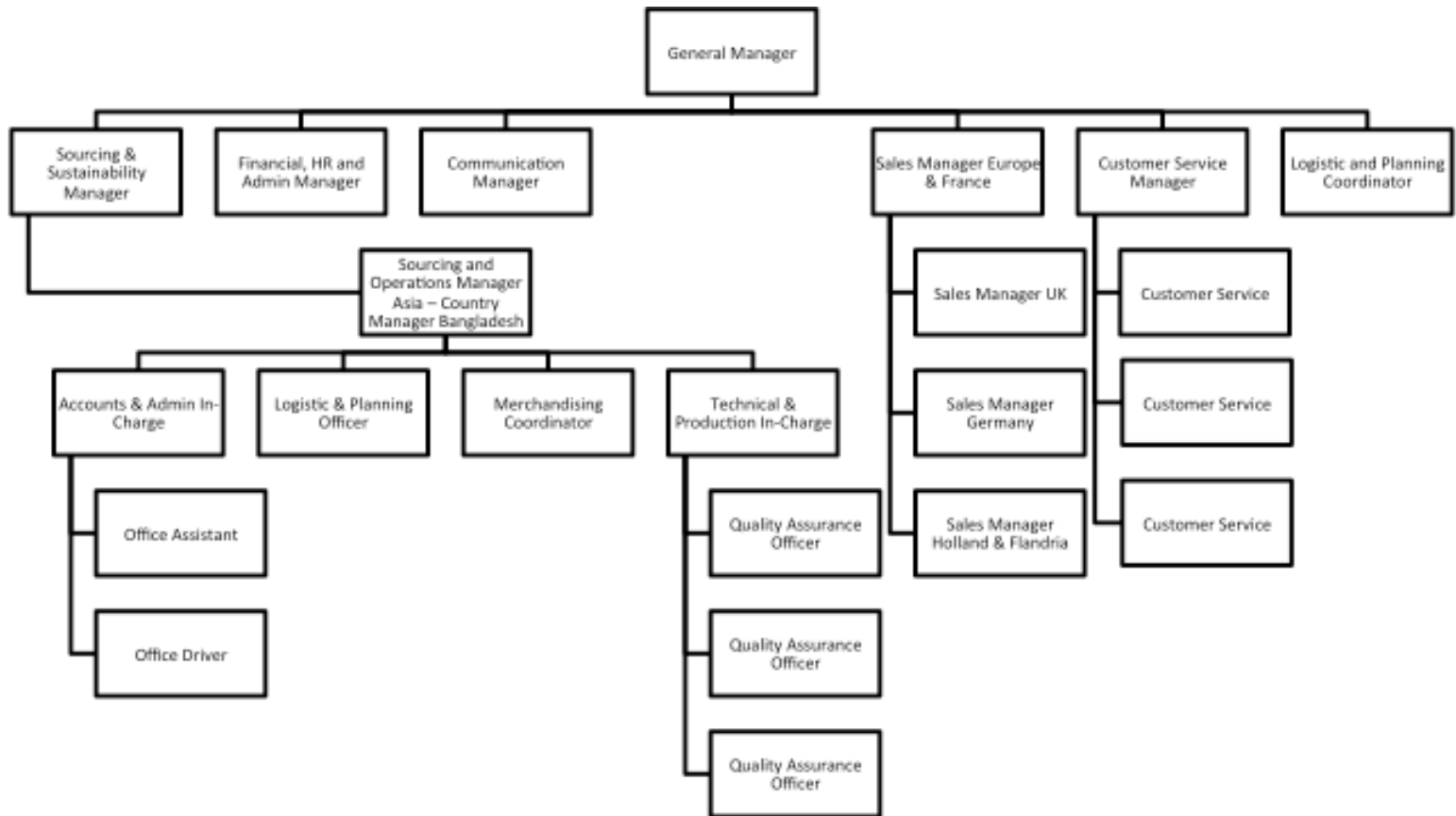
Company & brand logo :



URL company website : www.stanleystella.com

Start date membership : 15th December 2011

2013 Financial Year Organizational chart





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1. Summary: goals & achievements 2013

This Social Report applies to Stanley and Stella S.A. (previously Chabert Invest S.A.).

The main objective of Stanley and Stella in 2012 was to change the habits of the promotional market. We decided to take the challenge to change the mind-sets proposing "sustainable" and therefore NON-through-away t-shirts, polo-shirts and sweat-shirts. Focusing on fashion styles, premium quality, durability, sustainability, ethic and with the final goal that people will wear those printwear t-shirts in the streets instead of keeping in the closet for sleeping or gardening.

The company believes in true ethical and environmental friendly entrepreneurship and is developing the brand with this objective.

We decided to become members of FWF in December 2011 and to communicate our membership to the market via our catalogues and website from 11st January 2012.

In 2011-2012, we have decided to produce exclusively in the big Europe zone (South Europe, Eastern Europe and Turkey) rather than in Asia where having most of our past experiences. Nevertheless this strategy was not sustainable on the long run and we have been forced by our market to take the decision in the middle of 2012 to start producing also in Asia from the 2013 collection to be able to offer expected acceptable prices

In 2013, we have continued with the same spirit, choosing to work with good supplier factories, with good CSR standards and that has been already audited many times by companies such as FairWear Foundation, SGS, Intertek, BSCI, Compliance Corp, and many international brands.

Despite the good skills and reputation of the supplier chosen, we have planned to organize our own audits too (with FWF) to have our own ones and be able to use them for transparency purpose. The objective was to immediately cover 100% of our buying value, but we know already that the suppliers were compliant for most of the subjects. We could manage to control 100% of our sources.

We have decided to place orders only with factories that agree with the FWF Code of Conduct. And with factories that understand our vision about CSR and most important that are willing to improve continuously to provide good social and working conditions to workers.

"Doing business is one thing, doing it while respecting people and preserving nature is much better. This is part of our destiny and our responsibility. The improvement of labour conditions to the organization and its strategy will enhance human relations and allow a better economical balance. Nature is the gift of life; we must respect it and preserve it. It's a question of the survival of the planet and our children. We have to think ahead and act!" Jean Chabert, General Manager

2. Sourcing strategy

2.1. Sourcing strategy & pricing

We sourced our products from the following countries:

- 4,1% Turkey: T-shirts, Polo-shirts, Knitted Tops
- 1% Romania: Sweat-shirts
- 1% Portugal: Sweat-shirts, T-shirts (same owner as Romanian but not used for the moment)
- 76,6% Bangladesh: T-shirts, Polo-shirts, Knitted Tops, Sweat-shirts
- 17,3% Pakistan: Sweat-shirts

100% of our products (SKU = Single Keeping Units) were Sustainable, made either from Organic Cotton, either from Tencel Lyocell, or blended with a majority of those fibers.

We have a strong textile Sourcing experience of more than 20 years.

The Sourcing and Sustainability Manager is taking care of all the sourcing activities and has a personal experience of 15 years in field Sourcing all over the world, including but not limitative: factories selection, audits, CSR, EHS, product development, purchase, production follow-up, quality, transportation, warehousing and supply chain in general.

We negotiate prices using the open-book methodology allowing the supplier to make profit and with a direct link between the FOB/EXW prices, the Material costs, the Workers salaries and local inflations costs. This is the only fair way to negotiate with a guarantee of long-term relation.

2.2. Organisation of the sourcing department

We are a small new start-up and the Sourcing Department was only one FTE in the Head-Office in Belgium but with 10 FTE in the Bangladesh Regional Office in 2013 Financial Year. The objective of this large HR investment in Asia in 2013 compare to 2012, was to invest in Production presence/control, to verify the products quality and the social conditions in every Bangladesh factory during every day of production of Stanley & Stella. This was crucial to avoid non authorized sub-contracting and to ensure good working conditions every single day and not only when there are foreign buyers visits or inspection agents audit such as in too many Bangladesh factories working for less careful brands.

2.3. Production cycle

Stanley & Stella had one collection in 2013. The printwear sector has something special that there are no limited collection, styles are basics that can be sold during more than one season / and sometimes during several years.

Being a new brand with a new positioning and business model on the market, we can't reply on sales history, Sales Forecast are therefore based on field experience and main customers feedbacks. Sales forecast and stock level provide the Purchase needs and based on this we compose Purchase Orders fitting to the minimums per style and colours required by the suppliers.

Suppliers selected by St&St has fashion retail industry experience and are used to produce in regular lead-times. When they receive an order that is in their production planning they try to match the required shipment date if possible. If not possible St&St and the Suppliers will define the best other shipment date possible.

Standard lead-times are 5-6 weeks for Turkey and 7-8 weeks for Romania/Portugal, 8-16 weeks for Asia from order placement until shipment. Shipments are roughly 1-2 weeks from Europe sources and 5-6 weeks from Asian sources.

2.4. Supplier relations

We select suppliers following a 9 parameters assessment criteria's based on our needs and our strategy. Those parameters are: Strategic, Quality, Technical, Sustainability, Ethic (CSR-EHS), Commercial, Financial, Legal, and Logistic.

Sustainability and Ethic are as much important as the Strategic, Quality and Technical criteria's in our evaluation because it's the basis of the DNA of Stanley & Stella.

We decided to work initially with European suppliers rather than with the Asian ones we know from Years, we were therefore starting new relations in 2011. From end 2012 we have started Asian sourcing too, but keeping good relations with the initial suppliers. We visit the supplier from Belgium 6-8 times per year (less and less to the European factories because thing work easily), but in Asia the monitoring is weekly in Bangladesh and Monthly in Pakistan.

We do direct sourcing; we don't want to work with unnecessary intermediaries. We believe this is the only sustainable way of doing sourcing and the only way to guarantee transparency and traceability in our entire Supply Chain.

We verify everything that our suppliers says; we check their information and certificates. We work only with Organic Cotton GOTS/OCS Certified, Oeko-Tex100 Certified and REACH compliant suppliers, these are minimums must that can't be compromised.

The Sourcing & Sustainability Manager is responsible for the sourcing and take the decision regarding the selection of new supplier with the approval of the board.

2.5. Integration monitoring activities and sourcing decisions

Stanley & Stella aim to be a sustainable brand in his DNA, therefore everything we do is based on those principles.

We don't rely only on audits, we do a lot of visits every year and check all details, and for now we didn't notice anything critical. The only visible missing point is the lack of permanent doctor inside the European & Pakistan factories, but it also doesn't make sense in countries such as Turkey and Romania for small factories with hospitals and doctors available all around. For Pakistan too there is an Hospital very close.

The suppliers selected till know are brilliant. But if we need to explain how we plan to work in the future: the working conditions in factories are an essential parameter that we will take into account during placement of orders. We will always work with a limited number of suppliers; we plan therefore to have always a clear view of each of them. If we do not see any progress to the corrective action plan established and no willing to improve, we would have to consider to stop the relationship with the concerned suppliers. We plan to have a summary table of the Environmental/CSR/EHS situation for each factory we will work with. This table will be updated after each audit. This was planned to be implemented during 2013, but postponed to 2014.

Our suppliers must follow the continuous improvement process concept of FWF as well as the CAP of each audit, this is mandatory and followed-up approximatively on monthly basis by Stanley & Stella staff.

3. Coherent system for monitoring and remediation

3.1. Coherence of the programme

We have decided to check 100% of the factories, but in countries such as Pakistan and Romania we rely on other third parties audits as it's difficult and maybe not really necessary to organize FWF Audits. In Bangladesh we plan to keep FWF Audits as there are much more deep and interesting than any other Auditing company.

We visit suppliers continuously and speak about CSR and Environment during each visit.

3.2. Factories Monitoring

3.2.1. Factory S001 / Turkey

1. 4,1% of 2013 Production
2. CSR subjects were part of the agendas of discussion during each meeting but also during e-mail communication, Skype and phone conference calls.
3. 1 complaint have been filed and received during that period of time, but solve in couple of days.
4. Cooperation with one other supplier clients from Austria done so far but willing to do more in the future
5. Audits reports were already quite good, nevertheless the minimum FWF Living Wage is the most difficult labour standard to convince because the difference between the minimum/average wages and minimum living wage is very big in Turkey and no garment factory is reaching the expected wished level of salary.
6. The FWF Nov 2012 audits came to a CAP (Corrective Action Plan) with minor points to improve and all were completed in couple of months
7. The factory has been following FWF CSR training and information sessions during several training in Istanbul in 2012 and 2013

3.2.2. Factory S002 / Romania & Portugal

This was the second source of ST&ST in 2012

1. 2% of 2013 Production
2. CSR subjects were part of the agendas of discussion during each visit but also during e-mail communication, Skype and phone conference calls.
3. No complaints have been filed or received during that period of time
4. Cooperation with one other supplier clients from Switzerland done so far but willing to do more in the future if possible
5. Audits reports were already quite good; this is European factories inside European Union and following latest EU standards.
6. The ITS October 2013 audits came to a CAP (Corrective Action Plan) with minor points to improve and all were completed within 1 month.
7. No special training performed in this European Union factory

3.2.3. Factory S003 / Bangladesh

1. 59,6% of 2013 Production
2. CSR subjects were part of the agendas of discussion during each meeting but also during e-mail communication, Skype and phone conference calls. This factory is visited every week by St&St Management team and there is St&St inspector presence everyday of production.
3. No complaints have been filed or received during that period of time
4. No cooperation with other supplier clients done so far but willing to do more in the future. Cooperation with one of their clients on environmental and water use project.
5. Audits reports were already quite good, nevertheless the minimum FWF Living Wage is the most difficult labour standard to convince because the difference between the minimum/average wages and minimum living wage is very big in Bangladesh and no garment factory is reaching the expected wished level of salary. Nevertheless, this factory is recognized, even by FWF as paying his worker far above the local average. Excessive over-time have been found too, but much less compare to any other Bangladesh factory and always paid.
6. The FWF August 2012 and November 2013 audits came to a CAP (Corrective Action Plan) with minor points to improve and all were completed in couple of months
7. No special training performed

3.2.4. Factory S004 / Pakistan

1. 17,3% of 2013 Production
2. CSR subjects were part of the agendas of discussion during each meeting but also during e-mail communication, Skype and phone conference calls. This factory is visited every 4-8weeks by St&St.
3. No complaints have been filed or received during that period of time
4. Cooperation with one other supplier clients Group from Sweden has been tried, but they refused to collaborate unfortunately. But we will try again in the future
5. Audits reports were already quite good, nevertheless the minimum FWF Living Wage is the most difficult labour standard to convince because the difference between the minimum/average wages and minimum living wage is very big in Pakistan and no garment factory is reaching the expected wished level of salary. Factory is fully owned by a Belgian textile family, therefore the standard are high.
6. The Omega May 2012 and WRAP June 2013 audits came to a CAP (Corrective Action Plan) with minor points to improve and all were completed in couple of months
7. No special training performed

3.2.5. Factory S005 / Bangladesh

1. 2,8% of 2013 Production
2. CSR subjects were part of the agendas of discussion during each meeting but also during e-mail communication, Skype and phone conference calls. This

factory is visited every week by St&St Management team and there is St&St inspector presence everyday of production.

3. No complaints have been filed or received during that period of time
4. Cooperation with one other supplier clients from Europe done so far but willing to do more in the future if possible. But this client left because of sub-contracting of their orders without permission due to local agent lack of follow-up
5. Audits reports were already quite good, nevertheless the minimum FWF Living Wage is the most difficult labour standard to convince because the difference between the minimum/average wages and minimum living wage is very big in Bangladesh and no garment factory is reaching the expected wished level of salary. Excessive over-time have been found too, but less compare to Bangladesh average and always paid.
6. The FWF May 2013 audits came to a CAP (Corrective Action Plan) with minor points to improve and all were completed in couple of months. One major point was found also but for an non-authorized subcontracting for another brand without any link with St&St. Nevertheless, despite our daily presence to avoid subcontracting, we are making a special attention to this point with this factory to avoid any problem.
7. No special training performed

3.2.6. Factory S006 / Bangladesh

1. 12,7% of 2013 Production
2. CSR subjects were part of the agendas of discussion during each meeting but also during e-mail communication, Skype and phone conference calls. This factory is visited every 4-8weeks by St&St.
3. No complaints have been filed or received during that period of time
4. Cooperation with one other supplier clients Group from Sweden has been tried, but they refused to collaborate unfortunately. But we will try again in the future
5. Audits reports were already quite good, nevertheless the minimum FWF Living Wage is the most difficult labour standard to convince because the difference between the minimum/average wages and minimum living wage is very big in Bangladesh and no garment factory is reaching the expected wished level of salary. Excessive over-time have been found too, but less compare to Bangladesh average and always paid.
6. The BSCI April 2012 and FWF May 2013 audits came to a CAP (Corrective Action Plan) with minor points to improve and all were completed in couple of months
7. The factory has been following UN CSR training and information sessions during several training in 2012 and 2013

3.2.7. Factory S007 / Bangladesh

1. 1,6% of 2013 Production
2. CSR subjects were part of the agendas of discussion during each meeting but also during e-mail communication, Skype and phone conference calls. This factory is visited every 4-8weeks by St&St.
3. No complaints have been filed or received during that period of time

4. Cooperation with one other supplier clients Group from Sweden has been tried, but they refused to collaborate unfortunately. But we will try again in the future
5. Audits reports were already quite good, nevertheless the minimum FWF Living Wage is the most difficult labour standard to convince because the difference between the minimum/average wages and minimum living wage is very big in Bangladesh and no garment factory is reaching the expected wished level of salary. Excessive over-time have been found too, but less compare to Bangladesh average and always paid.
6. The FWF November 2012 and FWF October 2013 audits came to a CAP (Corrective Action Plan) with minor points to improve and all were completed in couple of months
7. No special training performed

3.3. External production

N/A

4. Complaints procedure

The Sourcing and Sustainability Manager handle the complaints with the suppliers. E-mail : sourcing@stanleystella.com Phone : +32-2-663-05-90

Till today, we receive only one complain from one worker in the Turkish factory. The complain came trough the FWF Complain helpline and have been settle very fast thanks to the collaborative fast action of FWF and one other FWF Member from Austria.

There is an internal Complain register and action plan to deal with complaints that the company could receive trough the FWF helpline.

Supplier factories workers are informed about the complaints procedure trough the FWF information letter for workers pasted on the sewing floors information board walls.

5. Training and capacity building

5.1. Activities to inform staff members

We are a new brand but since the beginning, each existing staff and new coming staff is receiving a training and documentation on FWF, as part of the Sustainability and CSR training at Stanley and Stella. Follow-up of the training are kepts in a file report.

Each staff receives information about Fair Wear Foundation by e-mail and an available file will be at their disposition of any complementary of information needed. In case of question they are able to question the Sourcing and Sustainability Manager.

Since the beginning of our membership in December 2011, FWF was part of our internal and external communication.

Externally we communicate on FairWear to customers and third parties via visits, meetings, catalogues and website, ...

Internally we communicate with staff on FairWear via trainings, e-mails, documentation, sales meetings, end of year reviews, meetings, ...



5.2. Activities to inform agents

N/A

5.3. Activities to inform manufacturers and workers

Some suppliers are already working with FWF Code of Conduct for many years and it is already well implemented. but some recent suppliers are informed via FWF Code of Conduct presented to the staff via trainings and CoC are printed in big boards visible in the factories floors and/or stairs for workers Transparency & communication.

Some factories have been involved in the FWF or UN WEP Training. But this will need to be pushed more in 2014.

6. Stakeholder Engagement

2013 stakeholder involved in the CSR activities:

- Stanley and Stella HQ in Belgium
- Stanley and Stella Asia Office in Bangladesh since summer 2012 preparing new factories for 2013
- Manufacturing factories CSR departments Middle and Top Management
- FWF HQ Staff
- FWF Auditors teams
- FWF Training consultants in Turkey
- Clean Clothes Campaign Belgium
 - o achACT
 - o Schone Kleren Campagne

7. Corporate Social Responsibility

We are member of Fairwear Foundation and proud to be part of their commitments. Our goal is to be an exemplary member.