

Brand Performance Check Stanley and Stella S.A.

Publication date: July 2021

This report covers the evaluation period 01-01-2020 to 31-12-2020

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online Brand Performance Check Guide provides more information about the indicators.

This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.

Brand Performance Check Overview

Stanley and Stella S.A.

Evaluation Period: 01-01-2020 to 31-12-2020

Member company information	
Headquarters:	Brussels , Belgium
Member since:	2013-07-18
Product types:	Garments, clothing, fashion apparel; Promotional wear and accessories; Bags; Accessories
Production in countries where Fair Wear is active:	Bangladesh, China
Production in other countries:	N/A
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	66%
Benchmarking score	81
Category	Leader

Summary:

Stanley and Stella S.A. (hereafter Stanley/Stella) has shown advanced results on performance indicators. The benchmarking score of 81 means that Fair Wear has again awarded Stanley/Stella the 'Leader' status. Although the monitoring threshold does not determine the category this year, Stanley/Stella has fulfilled the monitoring requirements at suppliers responsible for 66% of its production volume.

Corona Addendum:

Stanley/Stella faced unprecedented sales shutdown in the Spring of 2020 due to COVID-19. The brand did not cancel any orders, but as sales dramatically declined in March and April 2020, the brand had to put 10% of placed orders (that were in the raw material procurement stage) on hold for two months. These orders were all confirmed in May with new delivery dates. In consultation with suppliers, the brand agreed on a 1% discount from all suppliers to be able to maintain regular payment terms on the delayed orders. To support one supplier facing financial difficulties, the brand made payments earlier than the required payment schedule.

Stanley/Stella mapped out key risks and the impact of COVID-19 on suppliers in Bangladesh. These were production stoppages/ lack of orders leading to income/job loss, lack of workers, Health and Safety (H&S) risks, and additional costs for H&S measures. The brand engaged with suppliers almost daily on these risks, and having a local office in Bangladesh, Stanley/Stella was able to visit the suppliers when possible. The brand collected photos and videos to understand supplier response and preparation better to address COVID-19 H&S risks. The brand did not find specific issues to be remediated. Stanley/Stella has not explicitly discussed the impact of increased costs for suppliers related to COVID-19. At the same time, suppliers have not requested financial support from the brand to cover these costs.

Performance Category Overview

Leader: This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

Needs Improvement: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	84%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: Though being a relatively small brand but working with big factories (shared with other brands) for its core product line, over 84% of the brand's production volume comes from production locations where Stanley/Stella buys at least 10% of production capacity. This is a significant increase compared to 2019 (61%) and is linked to increased production and growth at few supplier locations. At the same time, the brand has a policy of not having more than 30% FOB at one supplier location.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	2%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

Comment: A little over 2% of the brand's 2020 production volume came from production locations where the brand buys less than 2% of FOB. Compared to the previous year this is an increase of 2%. The three production locations accounting for this indicator are either doing test orders or making a small collection/ few styles for the brand.

Recommendation: Fair Wear recommends the brand consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Stanley/Stella should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	74%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: Stanley/Stella works towards maintaining a long-term business relationship with suppliers and has been working with three of its core suppliers for more than five years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: Stanley/Stella had one new supplier in 2020 where it had placed test orders. The supplier has signed and returned the questionnaire with the Code of Labour Practices.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

Comment: Stanley/Stella has a well-defined and structured due diligence process. New supplier scoping for Bangladesh is done by the country manager who is based locally and has extensive knowledge of the sector and factories. When selecting a new factory, a desk research is conducted to gather information pertaining to the factory's reputation, certification, and memberships, this is followed by a factory visit and an internal audit by the Sustainability officer. The topics covered in the internal audit include compliance with local laws, tracking of wage levels, overtime among others. Based on the findings from the internal audit a CAP is developed and after the factory agrees to work on the finings the supplier is approved for the test phase. Production quality is checked with the test order.

The brand uses an appraisal tool that evaluates and scores the supplier based on information regarding production capacity & operation, forecasted importance for Stanley/Stella, financial stability & compliance, production quality, and sustainability (certifications, existing audit reports, minimum wages paid, social initiatives and environmental efforts). The concerned department managers score the relevant sections in the tool and the CEO reviews and approves the factory.

During the COVID-19 pandemic of 2020, the described approach was followed as usual and the brand onboarded one new supplier in Bangladesh. Stanley/Stella mapped out key risks and the impact of COVID-19 on suppliers in Bangladesh, namely - Production stoppages/ lack of orders leading to income/job loss, lack of workers, Health and Safety (H&S) risks, additional costs for H&S measures, among others. The brand engaged with suppliers almost on a daily basis on these risks. Having a local office in Bangladesh, Stanley/Stella was able to visit the suppliers when it was possible. The brand has one tail-end production location in China. Stanley/Stella engaged with the supplier to remain aware of the situation. The main issues faced by the supplier were reduction of orders and lockdowns, though for a shorter period and partly during the Chinese new year.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

Comment: Stanley/Stella's monitoring system includes a systematic check that is performed during every production cycle. The brand has a 22 member local team, the quality controllers apart from checking product quality, planning also check working conditions, the results of which are documented in monthly sustainability observation reports, signed off by the factory. This report includes evaluation information pertaining to working conditions, subcontracting risks, building and fire safety, health & environmental risks. All findings of this report are reviewed and followed up by the Bangladesh sustainability officer. Additionally, the brand monitors overtime on a daily basis, any hours exceeding legal limits are immediately reviewed by the country manager and discussed with the factory management. In 2020, Stanley/Stella worked on developing a Supplier Score Card defining clear scoring criteria across different areas taking into account the daily overtime monitoring reports, and monthly sustainability observation reports, Audits and CAPs, and other initiatives of the factory. The brand intends to use the scorecard to review suppliers where they can increase leverage and invest further in the relationship.

Stanley/Stella did not cancel any orders but as sales dramatically declined in March and April 2020, the brand had to put 10% of placed orders (that were in the raw material procurement stage) on hold for two months. But as factories were also closed for a month and reopening with limited workers the brand believes this did not negatively impact the factory. These orders were all confirmed in May with new delivery dates. The brand discussed and agreed on a 1% discount from all suppliers in order to be able to maintain regular payment terms on the delayed orders.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: Stanley/Stella mainly deals with Never Out of Stock items. The brand currently uses both historic data and the current stock situation to forecast and place orders, monthly. The brand shares a six-month outlook with suppliers both in units and raw materials required, to allow suppliers to estimate the business they can expect from the brand and plan accordingly.

The brand agrees on lead times with suppliers through discussion and negotiation based on an understanding of the supplier's capacity, expertise, availability of raw materials, public holidays at the factory, etc. If raw materials are available the lead times are short (7 weeks), this increases to 10 weeks if raw materials are locally available, and 16 weeks if the supplier needs to import raw materials.

In order to deal with demand fluctuations, the brand tries to maintain sufficient stock. In scenarios when the suppliers inform that the order requested cannot be delivered in the required time, the orders are shuffled based on priority and capacity available at the supplier. That apart, the brand also ensures multiple suppliers can make their products. Stanley/Stella accepts delays in deliveries, up to two months. In exceptional cases, the brand requests penalty airfreight at the factory's cost (only for the urgent quantity needed, and not the full order volume). In 2020, Air Freight (at factory cost) was requested at three suppliers with a maximum impact of 0,3% of the factory's revenue with Stanley/Stella.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	6	6	0

Comment: Fair Wear audits in Bangladesh indicate that excessive overtime remains a common issue in the region. The brand acknowledges this as a systemic issue in the region and has set up an overtime check at a factory level. Quality controllers at each factory collect the working hours data for lines working for Stanley/Stella. Any overtime above 2 hours/day is flagged. An online overtime tracker tool is shared with concerned teams. When excessive overtime occurs the brand immediately reaches out to factory management, understands the reasons, and reiterates that excessive overtime is not acceptable.

In 2020, one supplier requested the brand to allow overtime to complete orders (because of lockdown delays and rush orders from multiple brands). The amount of overtime requested was excessive and hence the brand declined the request and instead allowed a delay in delivery.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	4	4	0

Comment: Over 90% of Stanley/Stella's FOB is from suppliers where the brand has a direct relationship.

The brand's relationship with suppliers is built on trust and is consciously working towards mapping out the 'real' costs of their products. For each product, the brand is aware of the cost of raw material, labour minutes and in general, has an understanding of the costs of every department at the factory. Since the factory on its own does not share an open costing, the brand shares its estimates with the factory to seek their feedback. The labour costs indicated by the factory where found logical are not discussed or negotiated. The brand uses an excel based price simulator to evaluate and arrive at price changes. For example, in the past, when the minimum wage went up in Bangladesh the brand already discussed and agreed on a new increased price with their suppliers. Stanley/Stella has not explicitly discussed the impact of increased costs for suppliers related to COVID-19. At the same time suppliers have not requested financial support from the brand to cover these costs.

Recommendation: Stanley/Stella could provide suppliers who don't use open costing, training on product costing and how to quote prices including (direct and indirect) labour costs.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	-2	O	-2

Comment: The brand monitored wage payments at supplier locations in Bangladesh by reviewing wage statements to ensure workers received legal minimum wages. Stanley/Stella is aware that workers received 65% of wages for the month of April during the lockdown, as per local government regulations. The brand shared that even though one supplier was willing to pay full wages, it was prohibited by the garment manufacturing association, in fear that it might cause disruptions.

Requirement: During COVID-19 the member is expected to thoroughly check with its suppliers whether they foresee any issues with payment of wages. The brand is encouraged to review the Fair Wear / ETI COVID Lost Wages and Jobs Series, which lays out guidance for member brands to uphold their responsibilities to workers in their supply chains who are facing reduced wages in the context of COVID.

Recommendation: In case of a crisis such as COVID-19, the brand is encouraged to find solutions in collaboration with their suppliers to ensure they can continue payment of minimum wages to their workers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

Comment: There were no findings of late payment by Stanley/Stella. The brand did not change its payment terms because of COVID-19 and reassured all suppliers early in the pandemic that all orders would be maintained and paid. Stanley/Stella accepted delays in deliveries. In exceptional cases, the brand requested a penalty for airfreight at the factory's cost (only for the urgent quantity needed, and not the full order volume). Air Freight (at factory cost) was requested at three suppliers with a maximum impact of 0,3% of the factory's revenue with Stanley/Stella.

Stanley/Stella did not cancel any orders, but the brand discussed and agreed on a 1% discount from all suppliers in order to be able to maintain regular payment terms on the delayed orders. This discount supported the brand to pay interest on loans taken to enable on-time payments to suppliers.

For one supplier the brand made payments earlier than the required payment schedule as the supplier was facing financial difficulties.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Advanced	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	6	6	0

Comment: The brand discussed the need for wage increases with most of its suppliers and started using the labour minute value calculator tool. Periodically the brand evaluates and tracks the worker salary at supplier locations by grade. The brand also did an assessment of benefits and bonuses to understand the net salary and benefits package of the workers, with and without overtime.

At one factory which does not fall in the RMG category and has lower legal minimum wage requirements, the brand worked with the supplier to raise minimum wages to RMG wage levels, by increasing the FOB price, with payouts starting from January 2021.

Internally, the brand has done a management level review of living wage costs and the impact on FOB prices to achieve living wage across its supply chain by 2025.

Nevertheless, the brand wanted to already implement initiatives to deliver benefits to workers (through savings on expenses). In 2020, the brand facilitated the establishment of Fair-priced Grocery Shops offering workers access to discounted groceries at two supplier locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	6	0

Comment: The brand has committed to payment of living wages at supplier locations by 2025 and has set the target wage at 16,000 takas, reviewing the GLWC's estimate and Fair Wear guidance. The brand has started using the Labour Minute Value costing tool to gain more insights and develop a strategy to support wage increases at its supplier locations.

In 2020, Stanley/Stella supported the establishment of a Fair-priced Grocery Shop at two supplier locations to deliver benefits to workers (through savings on expenses) by facilitating access to discounted groceries. These benefits amount to ~400 taka, which works out to 5% additional income that particular month for the worker availing the discount. In total, 88% and 98% of workers availed this benefit at the two supplier locations, respectively.

That apart, the brand is also setting up a foundation with a commitment to contribute a share of profits to support Fair Prices Grocery Shops in the long term and offer scope for customers to contribute to this initiative.

Recommendation: Fair Wear advises companies to avoid the concept of a one-time charitable contribution. We strongly recommend members integrate the financing of wage increases in its own systems, herewith committing to a long-term process that leads to sustainable implementation of living wages.

Fair Wear recommends Stanley/Stella to use the below Living Wage estimates in calculating the Living Wage Factor for facilities in Bangladesh:

- In Dhaka: AFW or GLWC's LW estimate for Dhaka.
- Outside of Dhaka: use AFW, GLWC's LW Estimate for Dhaka, or the trade union minimum wage demand of 2018. (Refer: Fair Wear Living wage policy)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	O

Comment: The member is yet to pay target wages set at production locations.

Purchasing Practices

Possible Points: 52

Earned Points: 38

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	66%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	No (implementation will be assessed next performance check)	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	years. After three years of me supply chain. Regular monitor produce more than 2% of the >10% supplier's overall produc requirements for tail-end productisk areas where Fair Wear recommendation.	f Stanley/Stella have not been monitored in the last three mbership, Stanley/Stella is required to monitor its full ring requirements apply to all production locations that member's volume OR where the member is responsible for ction capacity. Fair Wear has defined lighter monitoring duction locations. At production locations in specific high-quires an enhanced programme tail-end requirements do not is required. Hence, the brand is expected to monitor all adesh.
Total monitoring threshold:	66%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: In 2020, the Sustainability & PR Manager of the brand was designated to follow up on problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Comment: Member makes use of FWF audits and/or external audits only (N/A)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	No Corrective Action Plans were active during the previous year	2 part indicator: Fair Wear audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	N/A	2	-1

Comment: One Fair Wear audit was conducted in December 2020, with the report shared with the member in April 2021, hence this is beyond the scope of the performance check and will be reviewed in the next check.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Advanced	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	8	8	-2

Comment: One Fair Wear audit was conducted in December 2020, with the report shared with the member in 2021, hence this is beyond the scope of the performance check and will be reviewed in the next check.

In Bangladesh, all production locations were visited by the Bangladesh team and quality inspectors during production. During these visits topics related to monitoring overtime, pending issues from previous CAPs (e.g. Living wage), and special projects such as the Fair-priced Grocery Shops were discussed with the supplier and factory management. That apart, the brand monitored factories through monthly Sustainability Audits and followed up on findings which were mainly pertaining to Health & Safety (lack of PPE's) and Fair Wear information posters missing. The brand ensured all its suppliers took required COVID-19 health & safety measures with its quality inspectors at the factory verifying this and sharing photos.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	ο

Comment: In Bangladesh, all production locations were visited by the Bangladesh team and quality inspectors during production. During these visits topics related to monitoring, overtime, CAP remediation, and special projects such as the Fair-priced Grocery Shops were discussed with the supplier and factory management.

This indicator is not applicable for all members due to the travel restrictions in 2020.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

Comment: The brand mainly uses Fair Wear audits but collects external audits at almost all suppliers to review the scores, ratings to stay informed of the situation at the factory, and address customer requirements.

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the Fair Wear audit quality tool and corrective actions are implemented.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: Bangladesh: The brand is not a signatory of the Bangladesh Accord on Fire and Building Safety, but in principle only works with factories that are covered by the Accord. Despite this, one supplier of the brand, with around 2% FOB, is not covered under the Accord programme. The brand shared that the factory falls under cottage industries (not covered in the BGMEA) and hence does not qualify to be covered under the Accord. While the monthly assessment of the brand includes a visual inspection of the building and availability of fire extinguishers this is not sufficient to replace the monitoring of the Accord. The Accord has transitioned to RMG Sustainability Council (RSC) but due to the COVID-19, Accord/RSC audits could not take place at production locations, but the brand has closely followed up with the factory to stay updated and ensure that the factory is enrolled for the audits. The brand is aware of gender-related risks for Bangladesh and has facilitated the participation of production locations in the violence prevention training of Fair Wear.

China: The brand has one tail-end supplier making one type of product. The brand's part-time Sourcing Manager oversees this supplier's compliance with the brand's quality and sustainability policies. Stanley/Stella has not proactively mapped out country-specific risks to follow-up.

COVID-19

Stanley/Stella mapped out key risks and the impact of COVID-19 on suppliers in Bangladesh, namely - No production/ lack of orders leading to income/job loss, lack of workers, health and safety risks, additional costs for H&S measures, rearrangement of production processes, among others. The brand engaged with suppliers almost on a daily basis on these risks and having a local office in Bangladesh, Stanley/Stella was able to visit the suppliers when it was possible. The brand adapted the COVID-19 Factory Health and Safety Discussion Sheet and collected photos and videos to gain a better understanding of supplier response and preparation to address COVID-19 health and safety risks (e.g. arrangements for temperature checks, availability of hand sanitization stations etc.). The brand did not find specific issues to be remediated. Stanley/Stella has not explicitly discussed the impact of increased costs for suppliers related to COVID-19. At the same time suppliers have not requested financial support from the brand to cover these costs.

Requirement: Fair Wear requires that members sourcing in Bangladesh ensure credible fire and building safety inspections at all of their suppliers. These inspections must be based on the standards agreed on by Bangladesh's National Tripartite Committee on Fire and Building Safety in the garment industry.

Recommendation: Stanley/Stella is advised to discuss with its suppliers which support they can provide in implementing OHS measures in response to COVID-19.

China: Knowing the country-specific risks facilitates the starting point for discussing this with suppliers. Stanley/Stella can agree on additional commitments that are required to mitigate risks.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No CAPs active, no shared production locations or refusal of other company to cooperate	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1

Comment: No CAPs are active at shared production locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	N/A	2	O

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	N/A	2	0

Comment: Due to the COVID-19 pandemic, it was not possible to conduct audits in some supplier locations and the minimum monitoring threshold was not met. Hence this indicator is N/A.

Recommendation: Fair Wear encourages members to go beyond the minimum required monitoring threshold and rewards members who audit production locations in the tail end as well to mitigate potential social compliance risks.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 17

Earned Points: 13

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	2	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	2	
Number of worker complaints resolved since last check.	0	

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The sustainability team of the brand is designated to follow up on worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Workers at production locations are informed about the Fair Wear CoLP and complaints hotline through the Fair Wear worker information sheets posted in the factories on boards located at the sewing floors. The brand's sustainability team checks if the worker information sheets are posted as part of monthly sustainability audits.

Stanley/ Stella has not posted the Fair Wear worker information sheet at one tail-end location of the brand managed by an agent.

Requirement: Stanley/Stella must ensure that the Worker Information Sheet, including contact information of the local complaints handler of Fair Wear, is posted in factories in a location that is accessible to all workers. Member company should check by means of a visit whether the Worker Information Sheet is posted in the factories.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	33%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural workermanagement dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: Three production locations of Stanley/Stella underwent the Gender-Based Violence module of Fair Wear. As this module also covers the topics included in the basic 'workplace education programme' the FOB of these production locations count towards this indicator.

Furthermore, Stanley/Stella took additional efforts to discuss this topic with members of the worker participation committee, explaining to them the presence of internal grievance mechanisms, the purpose of the Fair Wear complaint hotline, and also when to use them.

Recommendation: Fair Wear recommends members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline among a larger portion of its suppliers. Stanley/Stella should ensure good quality systematic training of workers and management on these topics. To this end members can either use Fair Wear's Workplace Education Programme (WEP) basic module, or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear guidance on good quality training is available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: Two complaints were received from workers on the Fair Wear complaints hotline pertaining to verbal abuse and physical harassment and excessive overtime at supplier locations of the brand.

Stanley/Stella actively followed up on the complaint with the factory management, discussed root causes, and collaborated with other Fair Wear members to remediate the issue. Both complaints have been resolved. As WEP training was suggested for remediation and prevention of the complaint pertaining to harassment and abuse, the brand observed the sessions to ensure effective implementation.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: Stanley/Stella actively collaborated with two other Fair Wear members to resolve complaints, through emails, calls, and joint meetings with factory management and Fair Wear teams.

Complaints Handling

Possible Points: 17

Earned Points: 15

4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: All new staff are invited to attend an 'inspiration day' where the presentation also includes topics and updates pertaining to the brand's approach to CSR and social compliance, Fair Wear membership.

Documentation on Fair Wear membership and other CSR topics is made available to all employees. The Bangladesh team participated in relevant Fair Wear webinars and meetings.

The brand has an employee programme to improve staff awareness of their supply chain, across departments, by facilitating factory visits for staff based in the headquarters.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: Dedicated sourcing and CSR training is offered to staff to understand key CSR concepts (which includes the Fair Wear COLP). Quality officers receive training on the Fair Wear requirements who also do monthly sustainability observation checks.

CAPs at all supplier locations are actively tracked, updated and a status summary is maintained in a shared folder internally between the brand team at headquarters and the Bangladesh liaison office.

Recommendation: Fair Wear recommends that Stanley/Stella facilitate the participation of the team based in Bangladesh in Fair Wear member learning programmes (webinars/ online meetings). Given that the team is deeply involved in the implementation of the membership requirements, participation in such programmes help the team stay updated, and offer context to important changes/ policies and new requirements.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	N/A	2	0

Comment: The member does not rely on agents especially when it comes to working with suppliers on the Code of Labour Practices (COLP). For Bangladesh, even though an agent is used to work with smaller supplier locations, the brand's local team directly engages with factories on CoLP implementation.

For China, the brand has a part-time sourcing manager, who scopes for potential new suppliers and ensures compliance with the brand's quality and sustainable policies.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	48%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: In 2020, three production locations of the brand underwent five follow-up training modules of the Fair Wear violence prevention training and one location by an external local training organization. The external training programme was implemented in factories before the publishing of the checklist and standards for non- Fair Wear training hence has not gone through the training evaluation process.

Requirement: For any new non-Fair Wear training, Stanley/Stella must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Recommendation: Fair Wear recommends Stanley and Stella S.A. to follow up on the initial training by establishing functional worker committees with a step-by-step approach and organise multiple follow-up sessions spread over several months and strengthen herewith internal grievance mechanisms. The training outline should have a worker-centered approach and focus on behavioural and structural change to improve working conditions for the long term, such as gender based violence and worker-management dialogue. To this end, Stanley and Stella S.A. can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	Active follow- up	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	2	2	0

Comment: Stanley/Stella continues to monitor the Anti-Harassment Committee (AHC) set-up at main supplier locations in Bangladesh and participates in the follow-up meetings.

Training and Capacity Building

Possible Points: 11

Earned Points: 9

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: The brand's policies do not allow subcontracting. The brand is aware of all its production locations, has a local team in Bangladesh who visits each supplier location regularly and monitors the production during the production cycle to mitigate any risks of unauthorized subcontracting.

For China, the brand has a part-time sourcing manager, who visits the supplier to ensures there is no unauthorized subcontracting.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: CAPs at all supplier locations are actively tracked, updated and a status summary is maintained in a shared folder internally between the brand team at headquarters and the Bangladesh liaison office.

That apart, the brand has an online shared platform, to be able to consolidate and document all information pertaining to each supplier (overtime tracking, monthly sustainability reports, certifications, accord updated etc.), in one place, accessible by both brand teams at headquarters and Bangladesh liaison office.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: Public communication about Fair Wear membership complies with Fair Wear's Communication Policy. Fair Wear Logo, a link to www.fairwear.org and a brief explanation about the membership are displayed on brand websites. The leader logo on the hang-tags of the member's products is in line with the communication policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

Comment: The brand discloses 100% of its suppliers to other Fair Wear members and 100% suppliers on the Fair Wear website as well.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The concerned staff and management discuss and evaluate Fair Wear membership. This is currently done more on a need/ issue basis. The performance check results were reviewed last year, and a plan of action was worked on.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	75%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: The member had four requirements from the previous performance check and addressed three of them. The requirements pertaining to conducting Building and Fire safety inspections at one supplier remain to be addressed.

Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check.

- conducting Building and Fire safety inspections at suppliers not covered under the RSC/Accord programme.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

- 1. Happy to be contributing to the development of the Fair Wear LMV tool.
- 2. Information provided from Fair Wear is sometimes vague and confusing both from Headquarters and Local office.
- 3. Complaints process and communication flow were not clear and Fair Wear took decisions before the consultation with members.
- 4. COVID- 19 dossier was shared too late.
- 5. Often lack clear guidelines and requirements, hard to find answers, Brand Liaison is also not always able to offer the necessary clarity.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	38	52
Monitoring and Remediation	13	17
Complaints Handling	15	17
Training and Capacity Building	9	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	94	116

Benchmarking Score (earned points divided by possible points)

81

Performance Benchmarking Category

Leader

Brand Performance Check details

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Date	OI BLANC	i Periormano	e uneuk:

14-06-2021

Conducted by:

Supraja Suresh

Interviews with:

Jean Chabert -Managing Director
Matthieu Leclercq- Head of Operations
Abdulla Al Rumi -Bangladesh Country Manager
Stefan Crampton - Head of Planning and Inventory Management
Veronika Szalai -Sustainability Officer
Sharif Nehal - BangladeshSustainability Officer
Andreea Cristescu - Accounting Manager