



Brand Performance Check

Stanley and Stella S.A.

Publication date: September 2023

This report covers the evaluation period 01-01-2022 to 31-12-2022

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.

Scoring overview

Total score: 156

Possible score: 202

Benchmarking Score: 77

Performance Benchmarking Category: Leader



Summary:

Stanley and Stella has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 77, the member is placed in Leader category.

Stanley and Stella has a sourcing strategy that focuses on consolidation and maintaining long-term relationships. The brand has a strict onboarding process involving a thorough due diligence process, including an internal sustainability assessment as a precondition.

Stanley and Stella has started conducting risk scoping on country, sector and product level and includes all eight labour standards in this scoping. The brand has done a risk scoping for potential new sourcing countries, but has not yet finalised the risk scoping exercise for its active sourcing countries. However, it has included country, sector and product level risks in its supplier risk assessments, which it does for all its production locations. Stanley and Stella systematically monitors its supply chain and updates its risk assessment. The brand uses different monitoring tools that include input from workers, suppliers, and other stakeholders for this. However, Stanley and Stella did not assess the risks for its Chinese supplier correctly.

The brand shares a forecast with its suppliers every six months to allow suppliers to plan accordingly. Stanley and Stella applies fixed lead times to its orders, as agreed to in its contracts with its production locations. To allow for flexibility when production delays occur, the brand maintains sufficient stock, which removes pressure from the suppliers.

Having a local office in Bangladesh and China with dedicated managers handling sustainability responsibilities, the brand has a strong monitoring and follow-up plan for its suppliers. Based on the findings from its monitoring actions, the brand has factory specific corrective action plans, addressing risks and harms found. Stanley and Stella gives every risk a score based on its likelihood and severity, and prioritises the risks with the highest scores in its follow-up.

Stanley and Stella mainly sources from Bangladesh. The member has not signed the International Accord. Twelve of its factories are covered by the RMG Sustainability Council (RSC), and one factory falls out of the RSC's scope. Stanley and Stella initiated a third-party audit on fire and building safety in 2021 at this factory, which was finalised in 2022.

The brand is on track with embedding the risk-based approach within the company. Still, it should focus on the biggest challenges of excessive overtime, health and safety and living wages in 2023 for Bangladesh and China and strengthen its due diligence in China.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because this is a transition year, Fair Wear lowered the scoring threshold for this year only.

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.

Company Profile Stanley and Stella S.A.

Member company information

Member since: 15 Dec 2011

Product types: Garments, clothing, fashion apparel, Promotional wear and accessories, Bags and Accessories

Percentage of CMT production versus support processes 99%

Percentage of FOB purchased through own or joint venture production 0%

Percentage of FOB purchased directly 99%

Percentage of FOB purchased through agents or intermediaries 13%

Percentage of turnover of external brands resold 0%

Are vertically integrated suppliers part of the supply chain? Yes

FLA Member No

Member of other MSI's/Organisations GOTS, PETA, OEKOTEX,

Number of complaints received last financial year 1

Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? Yes

Membership fee has been paid? Yes

Production countries, including number of production locations and total production volume.

Production Country	Number of production locations	Percentage of production volume
Bangladesh	13	97
China	1	3

Layer 1 Foundational system's criteria

Possible Points: 8

Earned Points: 8

1.1 Member company has a Responsible Business Conduct policy adopted by top management.: Yes

Comment: Stanley and Stella has a solid Responsible Business Conduct Policy in place.

1.2 All member company staff are made aware of Fair Wear's membership requirements.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.: Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: Yes

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

Comment: Stanley and Stella discloses 100% of production locations internally through Fair Wear's information management system.

1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes

Comment: Stanley and Stella discloses 100% of production locations externally on Fair Wear's transparency portal.

1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes

Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

Possible Points: 90

Earned Points: 68

Indicators on Sourcing strategy

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.	Intermediate	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	4	6	0

Comment: Stanley and Stella has a sourcing strategy addressing influencing labour conditions and consolidation. The sourcing strategy is not written down, but is generally understood to be part of Stanley and Stella's core principles. The member has 14 active suppliers. 96% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 6% of the production volume comes from suppliers where Stanley and Stella buys less than 2% of its total FOB. This is an improvement compared to the previous year. The brand has a policy of not having more than 30% leverage at one supplier location, nor giving one supplier more than 25% of its FOB as not to create dependencies. Stanley and Stella has not yet included a focus on increasing influence through active cooperation with other clients.

Recommendation: Stanley and Stella could include in its sourcing strategy a plan to increase influence on suppliers by cooperating with other buyers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Basic	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	2	6	0

Comment: Stanley and Stella has a sourcing strategy that focuses on maintaining long-term relationships. 67% of the member's total FOB volume comes from suppliers with whom Stanley and Stella has a business relationship for at least five years. The member has New Supplier Acceptance Reports which different departments within the company have to sign before starting production, which outline the estimated yearly quantity of products the supplier may expect the brand to order. The brand has contracts in the form of 'General Terms and Conditions' with its suppliers that outline the minimum order quantities (MOQs) for each style the brand commits to buy together with its lead times. This list is to be revised every six months according to the contracts. As such, the General Terms and Conditions do not explicitly address the duration of the contract between Stanley and Stella and its supplier, but it is understood to be ongoing. The actual contracts the brand has with its suppliers do not specify a duration, and the member does not explicitly commit to long-term contracts yet.

Recommendation: Fair Wear recommends Stanley and Stella to commit to long-term contracts.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy.	Basic	Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners.	HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations.	2	6	-2

Comment: Stanley and Stella conducts risk scoping and includes the following risk factors: country, sector and product level. The brand has done a risk scoping for potential new sourcing countries, but has not yet finalised the risk scoping exercise for its active sourcing countries. However, it has included country, sector and product level risks in its supplier risk assessments. The member has yet to include business model and sourcing model risks in its risk scoping. The risk scoping misses a gender lens for all eight Code of Labour Practises, and the risks of sexual harassment and gender-based violence are not included.

Input from workers, suppliers and stakeholders is included in the risk scoping by including information from Fair Wear country studies, audit reports, information collected through physical presence in its production locations and data from the media and other internationally recognised human rights organisations.

The member adjusts its sourcing strategy based on the risk scoping, as outcomes of the scoping are included in decision-making regarding which new sourcing countries the brand considers. To date, Stanley and Stella's sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively.

Requirement: Stanley and Stella must include all sourcing countries in its risk scoping.

Recommendation: Fair Wear recommends Stanley and Stella to include all risk factors in its risk scoping.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order.	Advanced	Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward.	Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers' policies.	4	4	0

Comment: It is the standard process for Stanley and Stella to inform new suppliers about Fair Wear membership by sharing its Code of Conduct and the Code of Labour Practices. This process has been followed for the supplier added last year. Additionally, it is standard practice in the onboarding process to visit the supplier and have a dialogue about CSR/human rights and how the supplier and Stanley and Stella can cooperate on this topic. The attitude of the supplier management towards CSR, and the willingness to change, is an important decisive factor.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.	Advanced	Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders.	Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers.	6	6	0

Comment: Stanley and Stella collects human rights information of potential new suppliers by asking suppliers to do a self-assessment and by collecting third party information (NGO reports, research, news media), existing audit reports. Afterwards, Stanley and Stella verifies the information from the self-assessment by conducting an internal audit. In this audit it collects information on all eight Code of Labour Practices, including wages and working hours. The company collects information from workers to inform the sourcing decision. Stanley and Stella checks whether the factory has an internal grievance mechanism and a worker committee and it checks the meeting minutes of the worker committee meetings. The brand only moves forward with factories that meet their mandatory requirements. Based on the findings of the self-assessment, it then discusses a time-bound corrective action plan (CAP) with the supplier that the supplier needs to agree to in order to move forward with the relationship. The member's sourcing strategy does not mention a preference for suppliers where workers are free to form or join a trade union and/or bargain collectively.

Stanley and Stella followed this process for the one supplier in Bangladesh it added in the previous financial year.

Recommendation: Fair Wear strongly recommends Stanley and Stella to privilege suppliers where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.	Basic	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	2	6	0

Comment: In the previous financial year, Stanley and Stella added one new supplier in Bangladesh.

Stanley and Stella has shared information about Fair Wear's CoLP and the complaints helpline within the first year of doing business. The Worker Information Sheet has been posted as well.

Stanley and Stella requires new suppliers to organise onboarding sessions for its workers to raise awareness about the Fair Wear CoLP and the complaints helpline, but it did not yet have the content of this training approved by Fair Wear. The factory organised these sessions to raise awareness about the Fair Wear CoLP and the complaints helpline.

Recommendation: Stanley and Stella is recommended to check the content of the onboarding training with Fair Wear. It is also recommended to add introductory training for factory management on social dialogue within the first year of doing business to its onboarding process.

Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously monitor human rights risks in its supply chain.	Intermediate	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	4	6	0

Comment: Stanley and Stella has a systematic approach to identifying human rights risks in its supply chain and has assessed the risks for each production location. It has determined the appropriate monitoring tool and frequency per country. For instance, each supplier in Bangladesh (13 factories, 97% FOB) has a monitoring plan which includes daily visits by its Quality Assurance Officers and regular visits on a need by need basis by its Sustainability Operations Team, resulting in daily Overtime Monitoring reports and monthly Sustainability Observation reports. This data feeds into quarterly Supplier Sustainability Scorecards. Stanley and Stella also conducts yearly Sustainability Audit Reports for each factory and enrolled most of its suppliers in Fair Wear audits (12 factories, 99% FOB).

Regarding the Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh, besides one factory, Stanley and Stella sources only from factories that the Ready-made garments Sustainability Council (RSC) covers. It stays informed of the audits and monitoring activities carried out by the RSC, and includes this information in their own monitoring reports. One factory falls out of the RSC's scope and Stanley and Stella initiated a third-party audit on fire and building safety in 2021, which was finalised in 2022. Stanley and Stella is not a signatory of the International Accord.

Stanley and Stella monitors its supplier in China (1 factory, 3% FOB) by enrolling its supplier in a Fair Wear audit, and having its local CSR manager conduct regular internal audits and follow-up visits. Stanley and Stella is in the process of applying the same monitoring process it follows in Bangladesh to its Chinese supplier and worked towards this goal by extending the responsibilities of its China Operations Manager to include sustainability in 2022. COVID-19 lockdowns still complicated factory visits in 2022 in China.

In its risk assessment, the member has not assessed the impact and prevalence of all risks correctly. Stanley and Stella assessed the impact and prevalence of excessive overtime and forced labour low for its supplier in China, even though several sources indicate that these are high risks issues in China, including a Fair Wear audit at the factory with excessive overtime findings.

Next to its systematic approach, the brand ensures it uses different monitoring tools that include input from workers, suppliers, and other stakeholders. These tools are: regularly checking the meeting minutes of the worker committees to check whether collaboration between worker committee and factory management is taking place, inviting worker committees to the closing meeting of an audit, and enrolling its suppliers in Fair Wear audits.

Requirement: Stanley and Stella must include the requirements of the new 'Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh' in its monitoring system. In accordance with the policy, the member must be able to demonstrate collaboration on prevention, mitigation and remediation with the signatories of the International Accord, as well as proof of actual (financial) contribution to what is required from the RSC activities for all its production locations in Bangladesh.

Recommendation: Fair Wear recommends Stanley and Stella to reconsider the impact and/or prevalence of the risks for its Chinese supplier, informed by a risk scoping exercise for the country risks prevalent in China.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA).	Advanced	Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention.	Use of supplier questionnaire to inform decision-making, collected country information, and analyses.	6	6	0

Comment: Stanley and Stella has mapped the risks to freedom of association (FoA) in its supply chain, including the risks to women workers. Some of the risks identified are 'no participation of women in social dialogue structures', 'intimidation by employer', 'no factory policy regarding FoA' and 'grievance mechanism not functional'. Stanley and Stella uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers on this topic. In addition, Stanley and Stella assesses in its Sustainability Audit Reports (SARs) if suppliers have trade unions and CBAs in place. Stanley and Stella has not yet mapped the risks to FoA to the same extent for China. The member has supplier-level monitoring in place to assess and understand the risk at suppliers. The member systematically includes supplier and worker committee input in its monitoring efforts.

Recommendation: Stanley and Stella is recommended to deepen its understanding of risks to FoA in China, and for example check whether worker committees are democratically elected. Stanley and Stella is recommended to use the Supplier Questionnaire from Fair Wear's FoA Guide to assess and understand the risk regarding violation of FoA at its suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.	Intermediate	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	4	6	0

Comment: Stanley and Stella has included gender in its risk scoping. The member could show it understands the basic gender risks for its sourcing countries, and for instance, identified sexual and gender-based violence and discriminating in wages and/ or job roles as a risk in its supply chain. Additionally, Stanley and Stella actively collects gender data per factory for its entire supply chain. Data it collects are worker demographics, equal pay wage analysis, maternity leave, percentage of female supervisors, anti-harassment policies, anti-harassment committees and meeting minutes. This information is collected annually in the brands Sustainability Audit Reports (SARs). The member has yet to analyse the collected gender-disaggregated data at the factory and country levels.

Recommendation: Fair Wear recommends the member to start analysing the gender data collected at country and factory levels and connect them. Fair Wear's gender instruments can be helpful.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.10 Member company considers a production location's human rights performance in its purchasing decisions.	Intermediate	Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making.	Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy.	2	4	0

Comment: Stanley and Stella has a strong and systematic evaluation system for assessing suppliers' human rights performance. Suppliers' human rights performance is evaluated systematically every quarter in the Supplier Sustainability Scorecards (SSSs), defining clear scoring criteria across different areas, considering the daily overtime monitoring reports, monthly sustainability observation reports, audits and CAPs, and other factory initiatives. The outcome of this evaluation has not yet influenced purchasing decisions, but it has been communicated to suppliers that the outcome of the evaluation can influence purchasing decisions in the long term.

Stanley and Stella's top management meets its suppliers at the end of every year to discuss the evaluation as well. It has been communicated to factory management that one of the implications of the evaluation can be that Stanley and Stella changes its production volume at the factory or that it will discontinue with the factory. Stanley and Stella shares the outcome of the evaluation with its suppliers.

Recommendation: Fair Wear encourages Stanley and Stella to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting.	Advanced	Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks.	Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators.	4	4	0

Comment: Stanley and Stella uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database. Additionally, the member actively prevents unauthorised subcontracting by visiting all suppliers during production. In both Bangladesh and China, its local quality control staff visits the production site and can thus check whether production is outsourced unauthorised. Stanley and Stella also has a policy on subcontracting in their Code of Conduct that all suppliers are required to sign. No subcontractors were missing in the database.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Advanced	Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions.	Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers.	4	4	0

Comment: Stanley and Stella has identified whether homework is prevalent in its sourcing countries. According to the member there is a very low risk of homeworkers being used by its suppliers because all products the brand develops require heavy machinery. The brand can prove the low risk for 97% of its suppliers through its regular on-site presence of its local team in Bangladesh and the checking of employment records and factories' policy on homeworkers. Furthermore, audits have not identified homeworkers in Stanley and Stella's supply chain.

Indicators on Responsible purchasing practices

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.	Intermediate	Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain.	Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals.	2	4	0

Comment: Stanley and Stella uses contracts with its suppliers. The member has agreements in the form of purchase orders that stipulate amongst others: payment terms of ten days before estimated time of order arrival (Bangladesh) or a downpayment on sight (China) and penalties. An unequal burden is placed on the suppliers by including penalties for delivery delays after three weeks and quality issues without proof of fault by the supplier. However, one contract mentions ringfencing labour costs, explicitly stating that the labour cost component is excluded from price negotiations. Moreover, the contracts outline the minimum order quantities for each style the brand commits to buy together with its lead times. This list is to be revised every six months according to the contracts.

These contracts do not yet mention the shared responsibilities of CoLP implementation.

Recommendation: Fair Wear strongly recommends Stanley and Stella to include the shared responsibility of CoLP implementation in its contracts, including fair payment terms. Fair Wear strongly recommends Stanley and Stella to reduce payment terms to 60 days upon goods being loaded on the vessel.

Fair Wear strongly recommends that Stanley and Stella remove penalties for late delivery and quality issues from its contracts, or at least ensure there is 'proof of fault by the supplier'.

Stanley and Stella is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in their decision-making processes.	Advanced	Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company.	Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information.	6	6	0

Comment: There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. CSR and sourcing use a shared KPI scorecard for all suppliers. Stanley and Stella has included responsible business practices in job role competencies of staff responsible for maintaining relations with production locations, such as in the Head of Global Sourcing job role. One of the main responsibilities the vacancy outlines is that by "monitoring economic criteria (price, time-to-market, min. quantities of order) you ensure that our high standards in terms of innovation, social compliance and sustainability are met".

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.15 Member company's purchasing practices support reasonable working hours.	Advanced	Members' purchasing practices can significantly impact the levels of excessive overtime at factories.	Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes.	6	6	0

Comment: At the beginning of each year, Stanley and Stella discuss capacity and order estimates for the coming year with its suppliers. Stanley and Stella applies fixed lead times as agreed in its contracts with its production locations. Any factory closures for public holidays are added to these lead times. The production lead times vary from seven weeks if raw materials are available at the factory to sixteen weeks if raw materials need to be imported. For specific raw materials, Stanley and Stella manages a buffer stock at the factory to reduce overall lead times without putting any time pressure on the dyeing and Cutting, Making, Trimming (CMT) processes.

Stanley and Stella mainly deals with Never Out of Stock items. To allow for flexibility when production delays occur, the brand maintains sufficient stock. When developing a new product, Stanley and Stella follows an extensive product development process in which it involves its suppliers. Production only starts after a sample has been approved to prevent changes and delays in production. The brand uses historical data and the current stock situation to forecast and place orders monthly. The brand shares a forecast with its suppliers every six months to allow suppliers to estimate the business they can expect from the brand and plan accordingly. The brand places orders monthly. Every month Stanley and Stella checks the deviation between its forecasting and its actual orders and reports back to its headquarters about this. The brand shipped higher quantities in 2022 than expected, with deviations of 15% to 20% occurring. In the case that orders were larger than forecasted, the brand checked with the respective factory if it could handle the extra quantities beforehand and accepted longer lead times.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.16 Member company can demonstrate the link between its buying prices and wage levels at 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, cost sheets including labour minutes.	6	6	0

Comment: Over 99% of Stanley and Stella's FOB is from suppliers with whom 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 its products. For each product, the brand is aware of the cost of raw material and labour minutes and generally understands 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 its suppliers. In 2022, Stanley and Stella also discussed the Fair Price app with six of its Bangladeshi suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.	Advanced	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	4	4	0

Comment: The member uses one agent for a supplier based in Bangladesh. The agent fully supports the implementation of the Code of Labour Practices (COLP) and signed the questionnaire before production started. In addition, the Bangladesh Sustainability Operations Team is also in direct contact with the supplier to implement the COLP.

Layer 3 Remediation and impact

Possible Points: 90

Earned Points: 68

Indicators on Quality and coherence of prevention and remediation system

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.1 Member company integrates outcomes of human rights risk identification (layer 2) into prioritisation and follow-up programmes according to the risk profile.	Advanced	Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes.	Overview of supplier base with accompanying risk profile and follow-up programmes.	6	6	0

Comment: Based on the risk identification as described in chapter two, Stanley and Stella has linked factory risks to appropriate follow-up for factories covering 100% of FOB. Based on the findings from its monitoring actions, the brand has factory specific corrective action plans, addressing risks and harms found. Stanley and Stella gives every risk a score based on its likelihood and severity, and prioritises the risks with the highest scores in its follow-up. For example, one factory could not provide meeting minutes for its anti-harassment committee meetings. The brand rewarded this risk with the highest significance score, and discussed with the factory that within one month a policy regarding anti-harassment committees and its process should be drafted, and workers should be trained on this policy. The factory then provided attendance records of the anti-harassment policy training. Likewise, the finding that workplace stations were too crowded was awarded with the highest risk score, and within one month the brand and the factory worked on making sure all passages in the factory remained unblocked for emergency evacuation and set-up a preventative fire safety training for workers. In the same factory, the finding that the maternity register was not properly maintained for 2022 because of changes in personnel resulted in a low-risk score, and the factory agreed to update the relevant personnel files within the financial year and provided the maternity leave record for verification.

Stanley and Stella sources from thirteen production locations in Bangladesh. The member has not signed the International Accord. Twelve of its factories are covered by the RMG Sustainability Council (RSC), and one factory falls out of the RSC's scope. Stanley and Stella initiated a third-party audit on fire and building safety in 2021 at this factory, which was finalised in 2022. The brand keeps track of the status of RSC audits in its overall factory action plans, and reports on findings, discussed follow-up and its timeline when applicable.

Recommendation: Fair Wear strongly recommends Stanley and Stella to become a signatory of the International Accord or at least follow Fair Wear's Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's improvement and prevention programmes include a gender lens.	Intermediate	The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender.	Proof of incorporation of the gender lens in follow up programmes, including stakeholder input.	4	6	0

Comment: As described in indicator 2.9, the brand has done a gender mapping and collected gender-specific data. Based on the results of the Sustainability Audit Report (SAR), the brand requires its factories to provide training on future female leadership, include more women in its social dialogue structures and/ or work on its policy regarding discrimination, including gender-based discrimination.

Moreover, the brand has enrolled two suppliers in the Fair Wear Workplace Education Programme Violence and Harassment Prevention (WEPVHP) Training after issues were found in the audits, see as well indicator 3.15.

Recommendation: The member is encouraged to include a gender lens in all its action plans, also related to code of labour practices other than discrimination or social dialogue.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's improvement and prevention programmes include steps to encourage freedom of association and effective social dialogue.	Advanced	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	6	6	0

Comment: Stanley and Stella included comprehensive steps to encourage FoA and effective social dialogue in its improvement and prevention actions. As preventative steps, the member systematically assesses the functioning of worker committees and the understanding of social dialogue and FoA amongst the workers in its supply chain and requires its factories to provide internal training to the various worker committees on their roles and responsibilities as worker representatives and to its workers on their social dialogue/ FoA rights when required. The brand does not assess the training, but follows up by discussing with the factory any issues that came up during the training (if applicable) and by cross-checking the understanding of worker committee members regarding their roles and responsibilities. As improvement steps, Stanley and Stella follows up on audit findings related to FoA and for example requires its factories to update its grievance policy to include a non-retaliation process, and to recruit a qualified welfare officer. The member has applied a gender lens and ensured its steps to promote FoA and effective social dialogue address the specific risks for female workers.

Recommendation: Fair Wear recommends Stanley and Stella to be more comprehensive and include steps to promote FoA and effective social dialogue in its improvement and prevention actions in China.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports operational-level internal grievance mechanism.	Advanced	Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers.	Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue.	6	6	0

Comment: Suppliers' internal grievance mechanisms are assessed at the business relationship's start and monitored systematically. Internal grievance mechanisms are reviewed as part of the onboarding process and the standard monitoring process for all suppliers. The member knows which suppliers have worker representation and monitors its functioning. Stanley and Stella supports and monitors the mechanism and responds when the mechanism is ineffective. As described under indicator 3.3, worker committees receive training from the CSR manager on their roles and responsibilities. The brand checks the grievance training record, including its calendar as part of its training follow up. To check if the grievance mechanism procedure is implemented correctly, the brand also checks the grievance register to see if all grievances are registered and resolved.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Advanced	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	6	6	0

Comment: Stanley and Stella actively cooperates with other customers at its shared suppliers, responding to CAPs and complaints collaboratively. Next to that, the member also cooperates in taking more preventive measures, such as organising training.

Regarding the Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh, Stanley and Stella has access to the reports of the Ready-made garments Sustainability Council (RSC), but it does not yet collaborate on follow-up with other brands.

Recommendation: We recommend Stanley and Stella to also work together on the follow up of the reports of the Ready-made garments Sustainability Council (RSC).

Indicators on Improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of progress towards implementation of improvement programme per relevant factory.	73%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	6	6	-2

Comment: In the past financial year, Stanley and Stella has received five Fair Wear audit reports. During the performance check, the member could demonstrate with a sample that more than two third of the CAP issues requiring improvement actions have been followed up.

Examples of improvement actions that were taken include monitoring the issuing and use of adequate personal protective equipment (PPE) by a factory, monitoring the recruitment of a full-time doctor on site of one of its production locations, and monitoring the creation and distribution of a promotion policy by one of its production locations.

Stanley and Stella has shown that it also followed up on more structural and complex issues, such as ensuring that workers' representatives are democratically elected. To follow up, the member brand asked its factory to provide training to its elected participation committee on its role and responsibilities, and it checks whether the meeting minutes of its meetings were visibly posted for all workers to see. It also checks through inspection of the meeting minutes whether the participation committee gets involved with the follow-up of outstanding issues.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Intermediate progress	Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe.	Update on prevention programmes.	4	6	-2

Comment: Stanley and Stella has identified some root causes of the CAP issues and discussed these with its suppliers. The member has implemented some preventive steps, for instance, it identified a lack of communication between factory management and workers as a root cause for a low level of awareness of the Code of Labour Practices (CoLP) and/or the functioning of worker committees. The brand discussed with the factories to which this applies that its workforce should continuously receive training on the respective subject(s), and the brand verifies this throughout the year.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.8 Member company validates risk profile and maintains regular dialogue with factories where no improvement or prevention programme is needed.	No factories in the respective risk profile	When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses.	Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo.	N/A	6	0

Comment: Stanley and Stella does not have suppliers where improvement or prevention steps are not needed.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Intermediate	Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays.	This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc.	4	6	0

Comment: In the previous year, five audit reports of the total five audits mentioned excessive overtime. Stanley and Stella analysed the root causes of these findings. According to the member, a lack of communication, low efficiency, a shortage of workers, low gas pressure and delays in the supply chain are all root causes for excessive overtime.

The brand acknowledges this as a systemic issue and has set up an overtime check at a factory level. Quality assurance officers at each factory collect the working hours data for lines working for Stanley and Stella. Any overtime above 2 hours per day or 12 hours per week is flagged. An online overtime tracker tool is shared with concerned teams. When excessive overtime occurs, the brand immediately reaches out to factory management, tries to understand the reasons, and reiterates that excessive overtime is unacceptable as per the brand's Code of Conduct. Moreover, the brand has high stock available for its customers which allows them to be flexible with lead times. The brand accepts production delays and sometimes resorts to air freight. But as Stanley and Stella shares the factories with other brands, the brand can only influence working hours for its own production. Therefore, excessive overtime remains a challenge in the brand's supply chain.

Recommendation: Fair Wear recommends cooperating with other customers at the factory to increase leverage when mitigating excessive overtime.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.	Advanced	Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved.	4	4	-2

Comment: In the previous year, five out of five audits and one complaint included findings regarding non-payment of legally required wage elements, for example 'wages are paid later than legally required' and 'allowances, bonuses, overtime premiums or benefits are not paid as legally required'. Stanley and Stella responded immediately to these findings by requesting documentation of outstanding payments and updated policies on for example settlement and/or maternity benefit policy, which its local teams verified. Stanley and Stella has included workers' representation at their suppliers in Bangladesh in finding a solution to these findings.

In the previous year, no audits included findings regarding failure to provide wage data.

Stanley and Stella's Chinese supplier experienced a lockdown due to COVID-19 between March and April. The member brand conducted an onsite audit in June in which it checked the payment of legal minimum wages, and no issues were found.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.	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.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	4	6	0

Comment: Stanley and Stella has an overview of the wage levels at its Bangladeshi suppliers, and discusses the topic of wages with 93% of its suppliers. Stanley and Stella has done a thorough root-cause analysis to find out why wages at suppliers are below the living wage, which is due to legal minimum wage not covering cost of living according to the brand. Moreover, the brand has started analysing the costs of financing wage increases for its production locations in Bangladesh. Based on the root-cause analysis, Stanley and Stella has developed a time-bound plan to enable the systemic increase of wages at all its suppliers.

Recommendation: Fair Wear encourages Stanley and Stella to discuss with suppliers about different strategies to work towards higher wages and develop a systemic and time-bound approach with the factory and worker committee to start increasing wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and has a long-term business relationship.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Basic	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	2	6	0

Comment: In 2022, Stanley and Stella has discussed wage increases with its factories. Stanley and Stella's CEO presented its living wage project to its main partner factories in Bangladesh, resulting in top management commitment and support to paying higher prices. For analysis purposes, Stanley and Stella uses the living wage benchmark of the Global Living Wage Coalition as the target wage. The brand plans to use its profit to finance wage increases.

Moreover, to address living wages in the short term, Stanley and Stella supported Fair-priced Grocery Shops (FGS) in four different factories in Bangladesh. The brand monitors the usage of the FGSs on a regular base. Almost 10.000 workers made use of discounts on basic commodities. Each factory sold a basket of goods to workers containing daily essentials like rice, oil and lentils at a discount of almost 50%. This translates to a value of roughly 200-450 takka per worker which it saves by buying the basket. Workers could purchase the basket twice in 2022.

Recommendation: We strongly recommend members to integrate the financing of wage increases into their own systems, herewith committing to a long-term process that leads to sustainable implementation of living wages. A higher monthly income gives workers more financial independence. In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	0%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	0	6	0

Comment: Stanley and Stella does not contribute to higher wages at any of its production locations.

Requirement: Stanley and Stella is required to show that discussions and plans for wage increases have resulted in the payment of a target wage.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear Complaints Procedure.	Advanced	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	4	4	-2

Comment: Stanley and Stella received one complaint in the past financial year, about living wage and safe and healthy working conditions, at one of its suppliers in Bangladesh.

The member actively responded to these complaints as per Fair Wear’s Complaints Procedure and addressed the complaint together with factory management, worker representation and another sourcing brand. Stanley and Stella included the outcome of this complaint in deciding on follow-up in its human rights improvement and prevention plans, by deciding with the factory that mid-level management should be enrolled in a training program regarding anti-harassment.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training appropriate to the improvement or prevention programme.	Basic	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	2	6	0

Comment: Stanley and Stella has some CAP findings where training is a recommended follow-up action related to factory communication, discrimination and health and safety. In 2022, two production locations underwent the WEP Violence and harassment prevention module of Fair Wear.

Recommendation: Stanley and Stella is recommended to implement training for all factories where this is part of its improvement and/or prevention programme.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Advanced	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	6	6	0

Comment: Stanley and Stella followed up on all training results. Stanley and Stella discussed the training report with factory management. Additionally, the member used the results of the training as input for its human rights risk monitoring, by including the monitoring of the Anti-Harassment Committee (AHC) in the suppliers' Sustainability Audit Report (SAR).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights risk monitoring system includes a responsible exit strategy.	Intermediate	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	2	4	0

Comment: Stanley and Stella’s human rights risk monitoring includes a responsible exit strategy. In the past financial year, the member stopped with one supplier as part of its consolidation strategy. In agreement with the factory management, it shifted the production it had in this unit to a sister factory, which was already an active supplier of the brand as well. The member followed the steps in its responsible exit strategy. Stanley and Stella's responsible exit strategy does not yet include the involvement of relevant stakeholders, particularly unions, NGOs, and/or labour inspection, in its steps. Stanley and Stella also did not yet discuss the responsible exit strategy with its suppliers.

Requirement: Fair Wear strongly urges Stanley and Stella to update its responsible exit strategy so it aligns with Fair Wear's requirements, specifically adding the involvement of relevant stakeholders, particularly unions, NGOs, and/or labour inspection where applicable.

Recommendation: Stanley and Stella could discuss the responsible exit strategy with its suppliers, for instance as part of its supplier evaluation.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.18 Member company’s measures, business practices and/or improvement programmes go beyond the indicators or scope.	Basic	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	2	6	0

Comment: Stanley and Stella undertakes activities related to human rights that go beyond Fair Wear's scope, namely it sets out to broaden the scope of its monitoring, remediation and prevention to all tiers. In 2022, Stanley and Stella started with country risk scoping for its cotton supply chain.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 22

Earned Points: 20

Indicators on Communication, transparency and evaluation

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership and its human rights due diligence efforts.	Advanced	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	4	4	0

Comment: Stanley and Stella communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. By communicating about Fair Wear and Stanley and Stella's human rights due diligence efforts on its website, its garments and on its social media, Stanley and Stella actively spreads the Fair Wear message.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).	No reselling of external brands	Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information.	External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct.	N/A	4	0

Comment: Stanley and Stella does not sell external brands.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Social report is submitted to Fair Wear and is published on the member company's website.	Advanced	The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan.	Social report.	4	4	0

Comment: Stanley and Stella has submitted its social report, which Fair Wear approved. Stanley and Stella has also published the report on its website.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.4 Member company engages in advanced reporting activities.	Intermediate	Good reporting by members helps ensure the transparency of Fair Wear's work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report.	Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge.	2	4	0

Comment: Stanley and Stella does not report externally on factory-level data and remediation results.

Requirement: Stanley and Stella should report on factory-level data and remediation results. Good reporting by members helps to ensure the transparency of the member and Fair Wear's work.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.5 Member company has a system to track implementation and validate results.	Advanced	Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made.	Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback.	6	6	0

Comment: Stanley and Stella has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. The internal evaluation system involves top management. In its evaluation system, the member includes triangulated information from external sources, such as Fair Wear audit reports and supplier feedback. Its CSR team discusses its Supplier Sustainability Scorecards (SSSs) quarterly with its suppliers, and its top management discusses the development of the SSSs annually with the top management of its factories.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	Advanced	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 should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: The previous performance check included the following requirements:

'Five Bangladesh suppliers of Stanley/Stella have not been monitored in the last three years. After three years of membership, Stanley/Stella is required to monitor its full supply chain. Regular monitoring requirements apply to all production locations that produce more than 2% of the member's volume OR where the member is responsible for >10% supplier's overall production capacity. Fair Wear has defined lighter monitoring requirements for tail-end production locations. At production locations in specific high-risk areas where Fair Wear requires an enhanced programme tail-end requirements do not apply and regular monitoring is required. Hence, the brand is expected to monitor all production locations in Bangladesh.'

And;

'Stanley/Stella did not conduct audits at tail-end suppliers.'

With the risk-based approach, Fair Wear does not apply a three year monitoring threshold anymore. Production locations in specific high-risk areas need to receive adequate monitoring, and Stanley and Stella did so by enrolling five of their suppliers (four in Bangladesh, one in China) in a Fair Wear audit in 2022. Overall, thirteen of the fourteen production locations received a Fair Wear audit within the previous three financial years, and Stanley and Stella planned a Fair Wear audit in 2023 for the remaining one production locations with which they started production in 2020 and 2022. This will be assessed during next year's performance check.

'Any communication that implies that products, factories or brands are 'certified' or 'fair' must be avoided. Stanley/Stella must inform all third-party resellers about Fair Wear's communication policy and ensure these are implemented correctly.'

Stanley and Stella addressed this requirement by communicating about the Fair Wear communication guidelines internally through e-mails and sales meetings, and externally with its official dealers and customers through e-mails, meetings, its website and continuous monitoring of the online communication of its official dealers.

Stanley and Stella followed up on all requirements.

5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Yes

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Yes

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Yes

Recommendations to Fair Wear

Stanley and Stella sees more improvements from Fair Wear every year in terms of raising the bar in the industry. Still it would like to see Fair Wear take more leadership in bringing brands together for collaboration. Likewise, Stanley and Stella would appreciate a stronger message from Fair Wear targeted at suppliers, especially regarding the need for brands and suppliers to work together towards living wages.

Brand Performance Check details

Date of Brand Performance Check: **13-07-2023**

Conducted by: **Maaïke Rubenkamp**

Interviews with: Jean Chabert -CEO

Céline Charveron - Sustainability Ambassador

Michel Hublet - Head of Sustainability

Abdulla Al Rumi -Bangladesh Country Manager

Sharif Nehal - Bangladesh Sustainability Manager

Md Shihab Nur - Bangladesh Pricing and Sourcing Manager

Jahin Rahat Khan - Bangladesh Sustainability Officer

Matthew Ma - China Operations Manager

Virginie Junck - Accounting Manager

Andreea Cristescu - Accountant