

STELLAMcCARTNEY

Introduction

Stella McCartney is committed to promoting good labour standards and protecting human rights in all parts of its business. This is our fourth public disclosure under the UK Modern Slavery Act 2015, but protecting the rights and well-being of people in our supply chain has always been a priority.

We are aware that due to globalisation, increasing levels of migration and the complexity of supply chains, forced labour and human trafficking pose a risk for any business. We take the issue of modern slavery seriously and are determined to do our part in making sure that modern slavery is eradicated.

This statement is released in compliance with section 54 of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010 (SB 657). It constitutes our statement for the financial year January - December 2019, but includes some action taken before 2019 and up to June 2020. Our previous Statements released before 2019 can be found [here](#).

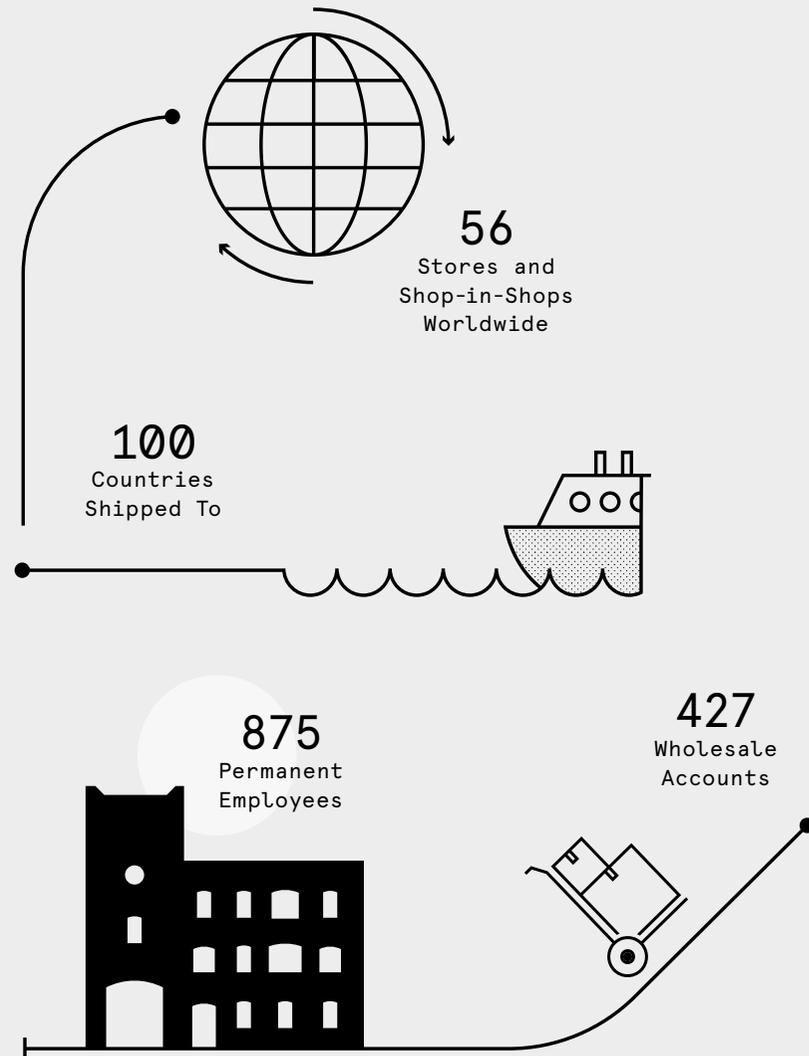
Our Company And Our Products

Stella McCartney (also referred to as "SMC" in this statement) is a luxury lifestyle brand that was launched under the designer's name in a 50/50 partnership with Kering in 2001. In March 2018, Ms Stella McCartney announced her decision to buy all shares for the company from the Kering group and become the sole owner of the SMC brand. Following this change, in July 2019, Stella McCartney and LVMH announced a new partnership to further develop the brand. Changes resulting from these transitions are explained in more detail in relevant sections of this statement.

Stella McCartney offers women's ready-to-wear, menswear and accessories as well as kidswear. A lifelong vegetarian, Stella McCartney does not use any leather, skins, feathers or fur in her designs, collaborations, or licensed products. The brand is committed to ethical values, and believes the company is responsible for the resources it uses and the impact it has on the people, animals and the planet.

MODERN SLAVERY DEFINITION

Modern slavery is a term used to encompass human trafficking, slavery, servitude, forced and compulsory labour, bonded labour and some forms of child labour. Victims are coerced, deceived, threatened or abused into providing work or services without any real possibility to refuse or remove themselves from their situation. In addition to the above, human trafficking can also include an act of transportation, transfer, harbouring or receipt of persons (cross border or internal). Modern slavery is a crime and a grave violation of fundamental human rights.



(*as of December 2019)

Our Supply Chain

COUNTRY	PRODUCT SUPPLIERS IN TIERS 1 & 2
Italy	66%
China	11%
Portugal	05%
India	05%
Spain	03%
Hungary	02%
France	02%

Table 1: Distribution of Product Suppliers (as of December 2019)

The remaining 6% of production is split between Madagascar, Peru, Romania, Thailand and Turkey (Tier 1), Austria, Israel, Japan, Peru, Switzerland, Turkey, United Kingdom (Tier 2).

Our supply chain can be divided into two areas:

1. Production of items we sell such as clothing, shoes or bags – “Product Supply Chain” / “Product Suppliers”
2. Not-for-resale items such as furniture or packaging and contractors such as transport, cleaning or security – “Procurement Supply Chain” / “Procurement Suppliers”

PRODUCT SUPPLY CHAIN

Our materials are sourced and our products manufactured through a carefully selected network of suppliers located around the world, many of which have worked with us since the brand was founded. Italy is by far our biggest sourcing country with 66% of all our Tier 1 and 2 Product Suppliers (see Table 2 on page 9 for more information on Tiers and Product Supply Chain visibility). Although significantly smaller, other key sourcing countries include Hungary, Spain, Portugal, China and India.

In 2019, we worked directly with 78 Tier 1 and 358 Tier 2 Product Suppliers globally. Many of these are small manufacturers and artisans who specialise in particular techniques and processes. For instance, our bag

manufacturers are experts at working with our non-leather bag materials.

We trace the natural materials we use (such as cotton, wool and viscose) back to their country of origin. Our key sourcing countries for natural materials are India, Turkey, Egypt and the USA for cotton, New Zealand and Australia for wool and Sweden for viscose.

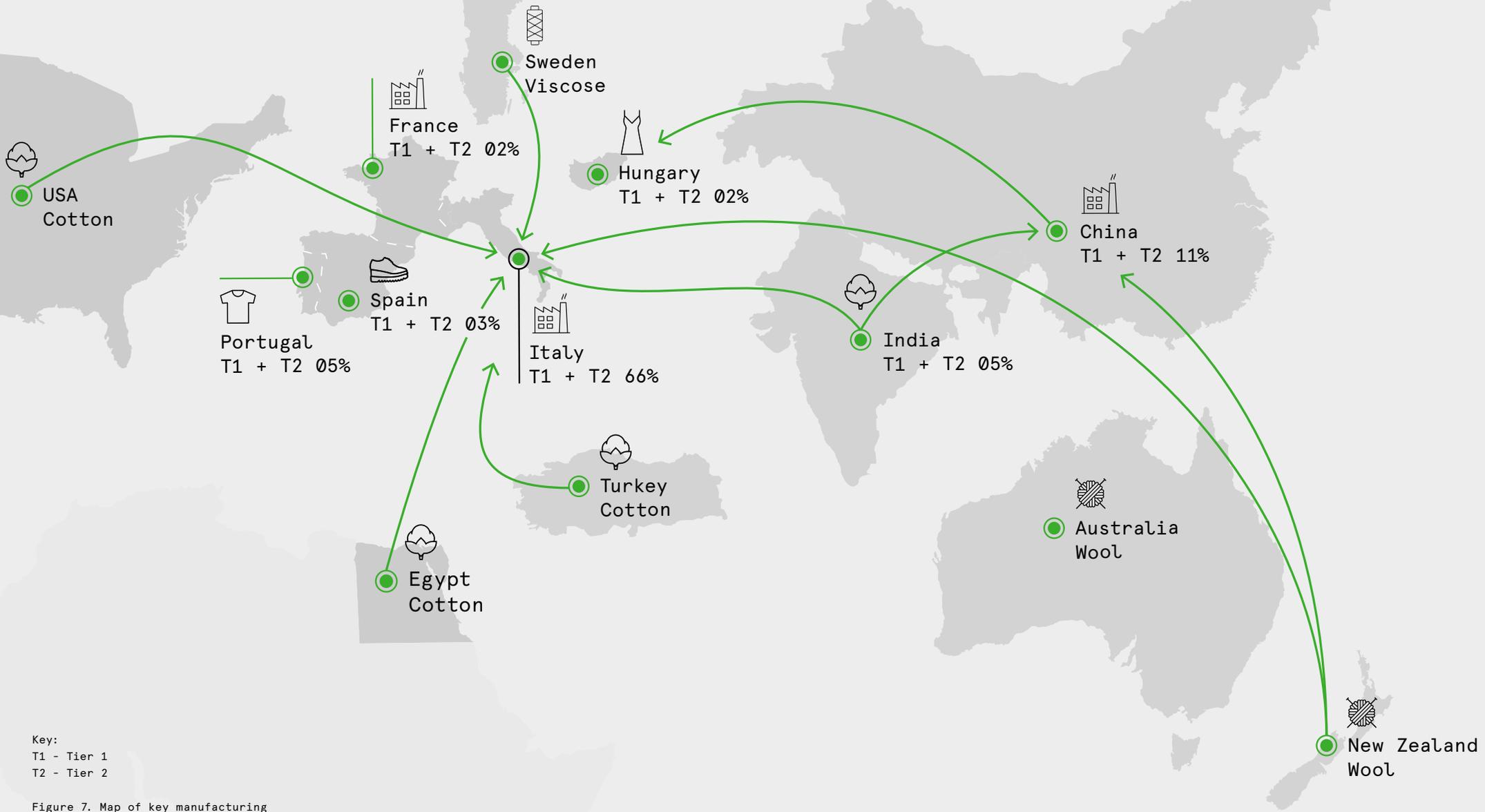
PROCUREMENT SUPPLY CHAIN

In addition to the Product Supply Chain, Stella McCartney operations are supported by a network of Procurement Suppliers and contractors who help us with the day-to-day running of our stores and offices. These include a range of services such as transport, packaging, construction, furniture, cleaning, catering and security.

LICENCE & OTHER PARTNERS

The sourcing and manufacturing of ready-to-wear clothing, accessories, shoes and kids collections are managed by Stella McCartney. The adidas by Stella McCartney range, together with lingerie, swimwear, eyewear and fragrance product categories are licensed. As of December 2019, we also had 17 indirectly operated stores.

The Flow of Key Raw Materials & Key Manufacturing Locations



Key:
 T1 - Tier 1
 T2 - Tier 2

Figure 7. Map of key manufacturing and sourcing locations

Relevant Policies

As a result of SMC becoming an independent company, a full set of social sustainability related policies and standards were developed and released to all direct suppliers in June 2019.

SMC Supplier Code of Conduct (Code) underpins all the key sustainability principles and summarises the key requirements suppliers must meet in order to work with our brand. The Code is based on the fundamental conventions of the International Labour Organisation (ILO) and specifically prohibits use of forced labour and modern slavery.

In addition to the Code, the SMC Responsible Sourcing Guide (RSG) provides detailed information about specific policies and guidance for suppliers to support them with complying with the SMC Code of Conduct. Apart from the Code and Responsible Sourcing Guide, SMC has a number of standalone policies on specific topics. These are periodically updated and new policies are developed in line with key risks and needs of the business.

The Subcontracting Policy was developed and released together with the Code and RSG as a standalone policy setting our expectations for Suppliers in regards to responsible subcontracting practices. We know that

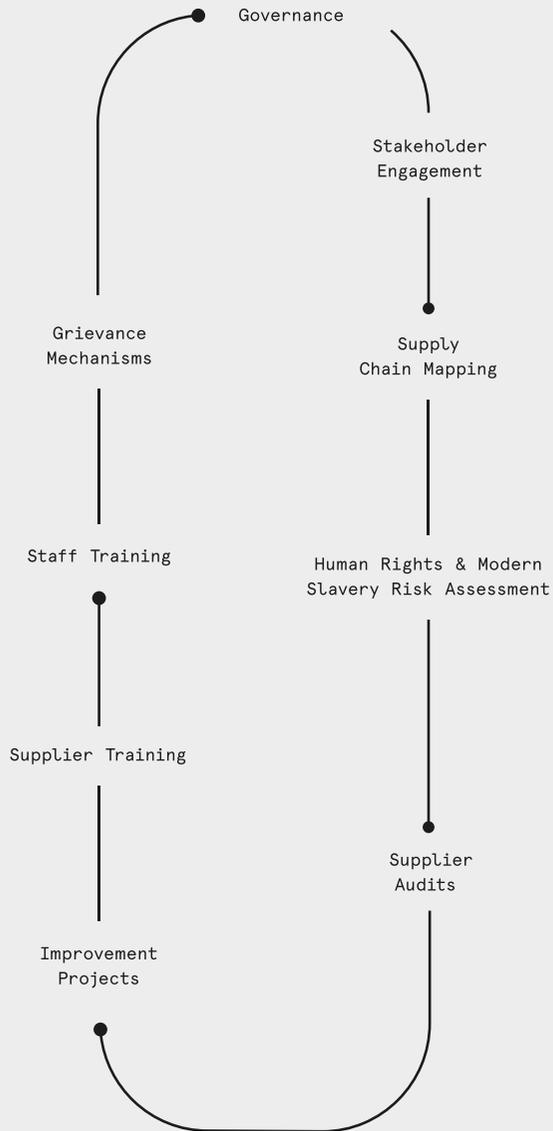
human rights risks, including the risk of forced labour and modern slavery, increase further down the supply chain and the Subcontracting Policy helps suppliers to communicate, monitor and ensure our Standards where Subcontractors are involved in production of SMC goods.

The Stella McCartney Modern Slavery Policy for Partners and the Stella McCartney Modern Slavery Policy for Internal Staff were developed in consultation with four external partners specialising in human rights and have been in place since 2017. The policies not only set the standards but also include guidance on modern slavery indicators, the most common risk areas and suggested due diligence for SMC suppliers.

The Stella McCartney Modern Slavery Remediation Procedure sets out the steps to be taken if a case of modern slavery is identified. For example, it states that we will act with the well-being of the individuals at risk in mind and that we will support our partners in developing and implementing a remediation plan.

Suppliers are required to read and sign the SMC Supplier Code of Conduct and all standalone policies at the beginning of their relationship with SMC, to confirm they understand and comply with the content.

Modern Slavery Due Diligence 1/4



GOVERNANCE

At the highest level, the responsibility to meet the social sustainability requirements sits with our Chief Executive Officer (CEO) and the board of directors. The responsibility for implementing our social sustainability programme on a day-to-day basis sits with our Sustainability and Innovation department. Social sustainability covers all areas of managing the impacts (both positive and negative) that our business has on people, including ethical trade, human rights and responsible business conduct. The Sustainability and Innovation Director, who is supported by a Social Sustainability Manager and a Social Sustainability Coordinator reports directly to our CEO. Social sustainability related issues are regularly discussed with executive management.

STAKEHOLDER ENGAGEMENT

Our experience has taught us that a collective approach to addressing the complex issues around human rights is the most effective. We have been a member of the Ethical Trading Initiative (ETI), a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe since 2012. The ETI enables brands to work together with industry experts and improve working conditions for workers in their supply chains. We report to the ETI annually about our social sustainability work, including modern slavery due diligence.

In addition, we work closely with our business partners, industry peers, external human rights experts and various global and local stakeholders in order to strengthen our ability to ensure that human rights are respected throughout our operations and supply chain. In regards to modern slavery specifically, we work with a number of partners who have expertise in this area. For example, in 2017 an ethical trade consultancy Impactt delivered modern slavery training to our social sustainability team which was disseminated to our Product Suppliers throughout 2018. In January 2019, we approached Stronger Together and the UK Gangmasters and Labour Abuse Authority (GLAA) to deliver a specialised training to our social sustainability team on worker interviewing skills for potential victims of modern slavery. In December 2019, we piloted a collaborative supplier training in Italy with a number of other brands, focusing on human rights due diligence including modern slavery. The content was developed and delivered by a local human rights consultant, also Professor at LUMSA and at Ilsole24ore Business School. In early 2020, we worked with a consultant to develop a risk assessment tool for our supply chain, further detail is provided on page 8.

Modern Slavery Due Diligence 2/4

SUPPLY CHAIN MAPPING

Mapping and understanding our supply chains beyond direct relationships is one of our key priorities. We recognise that our most salient risks regarding modern slavery occur in the lower tiers of our supply chains. Because of this, we have placed significant focus on improving supply chain transparency and product traceability. We have mapped and continue to monitor all Tier 1 and many Tier 2 Product Suppliers. In 2016, we mapped and started monitoring key Procurement Suppliers. In 2017, we improved our T2 supplier mapping by including more trims and shoe component suppliers in the data collection. In 2018, we mapped two new T3 suppliers (cotton ginneries) and one alpaca farm. In 2019, we assessed service providers in the UK and hand-selected wool farms to ensure a fully traceable source of wool.

In 2019, we introduced the Stella Sustainability Hub for our suppliers. The hub is an online platform for suppliers to complete information on their own facility, their subcontractors and raw material suppliers. In addition, the hub provides a space for suppliers to review and sign our policies including the Code of Conduct, Responsible Sourcing Guide and Modern Slavery Policy. This allows us to ensure our supply chain mapping can be updated on a continuous basis and we can have a full picture of our supply chain and its associated risks.

HUMAN RIGHTS AND MODERN SLAVERY RISK ASSESSMENT

We know that the more aware we are of supply chain risks, the more we can do to prepare for and/or prevent issues that may arise. We regularly assess environmental and human rights risks within our Product Supply Chain to the best of our ability, taking into account outside factors such as local politics and climate change. We focus on engaging local stakeholders and experts to help us ensure we are aware of the current trends in our sourcing regions and can increasingly predict and prevent human rights risks as well as assess and address them.

In partnership with Ergon Associates, we conducted a modern slavery risk assessment across all of our business activities in 2017. The assessment focused on five areas: forced labour, child labour, low pay, excessive working hours and modern slavery and included our own operations, as well as our Product Supply Chain, Procurement Supply Chain and franchise partners. Based on the results, we continue to investigate and achieve greater visibility of Tiers 3 and 4 of our Product Supply Chain, particularly for cotton (see page 12 for more details on the identified risks and steps taken).

We continue to monitor changes in our supply chain as well as trends such as migration patterns to ensure our global risk assessment is up to date at all times. As we extend the scope of our monitoring activities, we use a risk assessment tool as the first step to identify priority suppliers and topics to assess in full against our Code of Conduct and policies. All new suppliers are required to provide us with key data about their business, supply chain and workforce before audits are conducted which helps us tailor our audits and monitor our supply chain more effectively.

Building on our 2017 modern slavery risk assessment, in early 2020, we worked with Kumi Consulting to develop a risk assessment tool for our supply chain. The risk assessment tool determines a risk rating for all suppliers or potential suppliers based on a country risk profile, facility level risk, workforce risk and transparency and engagement risk. The tool is able to identify key modern slavery risks at country and facility levels.

To achieve a country risk score, 12 separate issues (from the ETI Base Code and OECD Section II Guidance) are assessed against severity and likelihood of the risks occurring using a range of available indices and data. This is then broken down to incorporate likelihood of risk in the fashion sector specifically.

Facility level risk includes a range of data gathered in the field, including if there is accommodation, if the supplier uses subcontractors and if management is transparent. As certain workers are more at risk of modern slavery and other forms of potential exploitation, the tool integrates disaggregated demographic data, including if migrant workers, homeworkers and other groups of more vulnerable workers are present. Furthermore, we have critical red-lines that automatically designate sites as high-risk. These are 1) SMC have Identified high-risk stakeholder on site 2) Critical non-compliances and 3) Designated high-risk countries.

This risk assessment tool will inform the way we monitor and support our suppliers at tiers 1 and 2 of our supply chain, in the future we hope to adapt it to include further tiers.

Modern Slavery Due Diligence 3/4

SUPPLIER AUDITS

Although we do not rely on ethical audits alone, we find them to be a useful tool in gaining insight into our Suppliers' practices and potential risks in our supply chain. Audits help us collect data and address immediate issues as well as pick up on indicators for which additional investigation is needed. For instance, it can be difficult to identify instances of modern slavery in one audit, but we will be able to identify signs that we should look further and dig deeper.

We conduct different types of audits (including unannounced audits) depending on the circumstances, which help us to understand how our Product Suppliers work, identify potential risk areas and support our Product Suppliers in meeting required standards.

We updated our audit methodology in 2018 to ensure we always conduct a thorough risk assessment before auditing a Supplier, engage with stakeholders such as other brands where we share Suppliers and consult local experts to be aware of common risks in the area. We also aim to conduct audits in a collaborative way with our Suppliers, teaching them how and why we assess their practices, to help them conduct their own audits and develop strong monitoring systems internally and in their own supply chain.

Since the release of our first modern slavery statement (FY 2016), we have found breaches of our social sustainability standard such as excessive overtime, late payment of wages or use of recruitment agents, which if left unaddressed may lead to cases of modern slavery. We investigate all such cases identified during audits and site visits and require that remediation steps are taken where practices do not comply. During any investigation and remediation process, we aim to protect workers and their livelihoods and work with suppliers throughout this process. Should a supplier not engage and strive to meet our standards and resolve any identified issues, we may consider terminating our business relationship.

Since 2018, we have had a member of our social sustainability team based in Italy, our biggest sourcing country, who conducts the majority of our audits in Europe. The rest of our audits are conducted by carefully selected, local and specialist third-party auditors. Both internal and external auditors conducting SMC supplier audits have received detailed training on the indicators and root causes of modern slavery, as well as the SMC Modern Slavery Remediation Procedure. In 2019, we extended our product supply chain assessments to include all our cleaning and security companies in the UK on their labour practices and continue to work with them to ensure they fully meet our standards.

Supply Chain Mapping

	DEFINITION	EXAMPLE	VISIBILITY	MONITORING
TIER 1	Final product manufacturing and assembly	Direct suppliers and their subcontractors carrying out sewing, cutting, printing, embroidery, packing or any other type of final assembly or finishing operations.	We have a complete map of all manufacturing sites.	Our policy requires all sites to be assessed and approved before production can begin and to be monitored on a regular basis.
TIER 2	Material manufacturing	Suppliers of fabrics, trims, components and other materials that go into final manufacturing and assembly of our products.	We have a complete map of fabric, trim and component suppliers for all our mens and womens lines. All key fabric and trim suppliers for kidswear are mapped.	Key sites are assessed and approved before production.
TIER 3	Raw material processing	Cotton ginners and spinners, pulp mills, metal smelting etc.	We have a map of the sites used by our nominated raw material suppliers.	Some sites, such as those working with our nominated raw material suppliers have been visited and assessed. As we achieve more traceability, we will include more of these suppliers in our monitoring program.
TIER 4	Raw material production	Farms (cotton, wool), mines (metals), forests (viscose, wood and paper).	We have a country-level map of our natural raw materials. For some key raw materials we have farm level traceability (such as wool, viscose, and some cotton farms).	All our nominated suppliers have been visited and assessed. As we achieve more raw material traceability, we will include more of these suppliers in our monitoring program.

Table 2: Product supply chain tiers, visibility and monitoring

Modern Slavery Due Diligence 4/4

IMPROVEMENT PROJECTS

In cases where our Product Suppliers find it difficult to complete the remediation work identified through audits, we include them in supplier improvement projects. These types of projects help suppliers to understand and address the root causes of particular issues and to develop systems that prevent such issues from occurring again. To date, 20% of our direct T1 Suppliers participated in improvement projects covering a range of topics, for instance health & safety, wages and working hours, social dialogue and productivity. 8 key suppliers, representing 10% of our direct T1 Product Suppliers have been specifically trained on recruitment and hiring practices as a result of our risk assessment and knowledge that poor practices in these areas may lead to modern slavery.

Over the last year, in Asia, where we identified a risk surrounding the recruitment of migrant workers, we have been working with several other brands also sourcing from the supplier and a non-profit expert labour rights organisation, to identify and remediate any potential modern slavery related issues as well as implement robust systems to manage this recruitment in an ethical manner.

SUPPLIER TRAINING

We conduct regular training on the Stella McCartney social sustainability programme, policies and common ethical trade challenges facing Product Suppliers, including the topic of modern slavery. To date, we have delivered this type of training to suppliers from all our key regions, including Italy, Hungary, India, China, Spain

and Portugal. In June 2019, we conducted our first SMC supplier sustainability summit for Tier 1 and Tier 2 Product Suppliers working with Stella McCartney. The summit marked the roll out of our own sustainability standards and policies as well as providing an opportunity to share best practices on a number of sustainability topics. 25 T1 direct suppliers received training on key social sustainability risks, including the risk of modern slavery in their supply chains.

In December 2019, we piloted a collaborative supplier training in Italy with a number of other brands, focusing on the human rights due diligence including modern slavery. The training was delivered to several of our key suppliers in Italy. The content was developed and delivered by a local human rights consultant.

Although we planned to re-engage suppliers through a sustainability summit in 2020, this has unfortunately been postponed due to the COVID-19 pandemic.

STAFF TRAINING

Our social sustainability team have undergone a number of specialist trainings on modern slavery, learnings from which have been incorporated into our wider social sustainability programme. For instance, our social sustainability team attended a train-the-trainer modern slavery module delivered by the UK ethical trade consultancy Impactt, on this training, building on this, in January 2019, we approached Stronger Together and the UK Gangmasters and Labour Abuse Authority (GLAA) to deliver a specialised training to our social sustainability team on worker interviewing skills for potential victims of modern slavery.

These trainings by expert organisations have allowed our social sustainability team to provide modern slavery training to our suppliers and factories as well as supply chain facing teams within the Stella McCartney business. Internal teams such as sustainability, sourcing, production and facilities have been trained on modern slavery since 2017 and refresher trainings are provided at least annually through regular sustainability meetings. Additionally, an awareness raising session was delivered to staff from other business functions in our head office in 2018, including finance, design, PR & marketing, licensing, visual merchandising and legal. A total of 58 SMC staff received training on modern slavery. Senior management, including board members, continue to receive regular updates about the company's due diligence on modern slavery.

GRIEVANCE MECHANISMS

All Stella McCartney staff have a responsibility to raise issues that may constitute a breach of the SMC Code of Conduct and related policies, including any instance or suspicion of forced labour or modern slavery in Stella McCartney operations or supply chain. Internally, employees can report any concerns or issues directly to the SMC social sustainability team and serious issues are escalated to the top management.

Externally, a grievance channel in the form of an email ID is provided to suppliers and their workers listed in our Code of Conduct. We ask our suppliers to explain the Code to their workers and post it in a visible area in the factories and invite anybody to use it anonymously and in any language.

Identified Risks and Steps Taken

Through our social sustainability programme and modern slavery risk assessment, we have identified four key areas:

MIGRANT AND REFUGEE WORKERS

Workers who are refugees, internal migrants or economic migrants can often have fewer rights in the workplace and less legal protection. All SMC sourcing countries represent a potential risk in this regard.

STEPS TAKEN

Our internal social sustainability team and external audit partners are trained to focus on vulnerable groups during SMC audits, such as migrant and refugee workers. We conduct a number of off-site audits to understand the vulnerability of migrant workers and the hiring practices in communities where our Product Suppliers operate. This helps us verify the accuracy of information obtained through announced assessments and enables us to better advise our Product Suppliers on corrective actions.

Where we identify concerns surrounding the treatment of vulnerable workers, we aim to work with our suppliers and expert organisations to ensure workers are supported. For example, we have supported a supplier in Hungary with following a correct process for hiring migrant workers from Ukraine and in India, we are working with other brands to support internal migrant workers by improving their working conditions and providing them with life skills training. In addition, over the last year, we have been working with a group of brands and shared supplier in Asia to strengthen recruitment and employment management systems for migrant workers.

CHILD LABOUR AND YOUNG WORKERS

Some suppliers may lack effective age-verification systems or may subcontract HR functions to a third party. When introducing our risk assessment tool this year, included was a child labour risk level by country, based on a range of child labour indices and data. We have used this and our modern slavery risk assessment conducted in 2017 to identify the areas of highest risk in our supply chain. Tiers 1 and 2 in China and India pose the highest risk of child labour in our supply chain. The most significant risk for Tiers 3 and 4 was identified as India, China, Turkey, Peru and Egypt. Risk increases as you move further down the tiers of the supply chain, and community-based handicraft supply chains can also present a risk of child labour, as craft techniques are passed down through generations.

STEPS TAKEN

We work with specialist ethical trade partners in China and India who help us to assess, monitor and train Product Suppliers on age verification systems and adequate working conditions for apprentices or young workers. In community based supply chains, we try to work with locally based NGOs where possible to understand the community context and identify any risks or issues.

We noticed an increased risk of young workers and apprentices being employed in factories in China and some European countries in the recent years, as a result of worsening labour shortages in these regions. As a precautionary measure, we train our suppliers on responsible hiring and recruitment practices including how to spot a fake ID, what jobs are safe for young workers and what are the legal requirements that must be met when employing apprentices.

COTTON SUPPLY CHAINS

We are aware that there is a risk of modern slavery in global cotton supply chains, especially in the lower supplier tiers. Cotton is a seasonal crop, which means temporary workers are often used for picking and other processing stages. We are aware of risks of cotton from Uzbekistan, Syria and Turkmenistan being sold in China and Turkey where it is mixed with cotton from other countries. In India, the Sumangali scheme has received a lot of attention because of the risk of young girls being recruited for bonded labour in the cotton mills. Other relevant risk countries for us include Turkey, Egypt and Africa. Turkey in particular poses a risk due to the Syrian refugee crisis.

STEPS TAKEN

Traceability of cotton reduces this risk and allows us to monitor our supply chain. We require our Product Suppliers to disclose the country of origin of all their cotton (i.e. where the farming of the cotton happens) and we do not permit the use of any cotton from Uzbekistan, Syria or Turkmenistan for SMC products or materials. Wherever possible, we like to nominate our cotton sources, for instance through choosing to support projects aimed at more sustainable and ethical cotton production. We support the CottonforLife Initiative in Egypt which promotes the growth of sustainable cotton and supports local farmers, especially women and children.

We have mapped the cotton purchasing practices of our key suppliers in China and India to understand how we can gain visibility through to farms. In 2018, we mapped one key cotton supply chain and visited two cotton farms in Turkey. Building on this, in 2019, we mapped another cotton supply chain in India down to the spinning mills and conducted further visits to farms in Turkey. Gaining access to the farms and cotton processing facilities allows us to better understand risks faced by workers involved in these early stages of production and identify good practice we can promote further.

TEMPORARY WORKERS AND THE USE OF RECRUITMENT AGENCIES

Temporary workers may be hired in an informal way, without contracts or paid through an intermediary. This leaves them more exposed to exploitation than directly employed and permanent workers. Using recruitment agencies or other intermediaries may leave workers vulnerable to unethical recruitment practices. Within our supply chain, China, India and Italy have been identified as high risk.

STEPS TAKEN

We provide training to our Product Suppliers on the risks linked to using temporary labour, relying on recruitment agencies and undertake off-site audits.

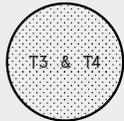
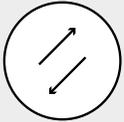
All key Tier 1 Product suppliers in China and India received bespoke training on ethical hiring and recruitment practices, with specific focus on hiring temporary and agency labour and subcontractor management. In addition, we are working with our suppliers in Italy to ensure migrant workers understand their rights and are not treated differently to local workers. In 2019, we assessed all our cleaning and security companies in the UK, due to the industry's typical reliance on temporary workers and recruitment agents, on their labour practices and continue to work with them to ensure they fully meet our standards.

Mapping the use of temporary labour and raising awareness about the risk of modern slavery have become key parts of all supplier audits and internal staff factory visits we conduct.

Progress In Priority Areas (KPIs) And Looking Ahead

In this section, we describe our progress to date across key areas of our social sustainability and modern slavery due diligence strategy. We also outline our planned steps for the next few years to strengthen this work. We recognise that our industry and supply chain is being severely impacted by the effects of the COVID-19

pandemic, and we will do everything we can to keep to our planned next steps, but we also acknowledge that due to the current constraints on the world and travelling in particular, we may have to adjust our plans to more effectively meet the needs of the workers throughout our business and supply chain.

		FOCUS AREA	COMPLETED PRIOR TO 2019	COMPLETED IN 2019	NEXT STEPS
1		Develop a robust system for supply chain mapping. As a priority, we will work to improve the visibility of Tier 3 and 4 in our cotton Product Supply Chain with a focus on identifying opportunities for reducing human rights-related risks (including modern slavery) in these tiers.	<p>In addition to the traceability work we have already done on viscose, wool and cotton, described on page 4 and 12:</p> <ul style="list-style-type: none"> Mapped one key cotton supply chain and visited two cotton farms in Turkey as well as mapped two new T3 suppliers (cotton ginners) in 2018. 	<ul style="list-style-type: none"> In 2019, mapped additional cotton supply chain in India down to the spinning mills. Conducted further visits to cotton farms in Turkey. Introduced SMC Supplier Hub to build transparency of suppliers' supply chains and ensure mapping is up to date. 	<ul style="list-style-type: none"> Visit more cotton farms (T4) and processing facilities such as cotton ginners and spinners (T3) in China, India and Turkey.
2		Strengthen our supplier assessment methodology to ensure that our audits can effectively identify indicators of modern slavery, especially in the lower tiers of the Product Supply Chain. Continue to expand supplier improvement programmes to build management systems. We will seek feedback from relevant stakeholders on how to do this.	<ul style="list-style-type: none"> We rolled out a new audit methodology in 2018, focused on strong risk assessment, collaboration and transparency. We hired an internal auditor based in Italy in 2018. 20% of our direct T1 Suppliers have participated in improvement projects covering a range of topics, including health & safety, recruitment and hiring, wages and working hours, social dialogue and productivity. 	<ul style="list-style-type: none"> All assessments since 2018 have been completed using our new methodology. Assessments in 2019 highlighted 3 instances which required further investigation and remediation efforts to ensure modern slavery was not taking place. These cases related to recruitment fees, the risk of child labour and unclear recruitment channels for migrant workers. In any instance where a risk is identified, we follow the process outlined on page 9. Developed new risk assessment tool for all existing T1 and T2 product suppliers and any new product suppliers. 	<ul style="list-style-type: none"> Audit all product supplier and subcontractors in Tiers 1-2 using updated audit methodology Increase number of assessments across tiers 2-4.

Progress In Priority Areas (KPIs) And Looking Ahead

		FOCUS AREA	COMPLETED PRIOR TO 2019	COMPLETED IN 2019	NEXT STEPS
3		We recognise the need to increase support of workers' voices in our supply chain and are looking into ways to develop this.	<ul style="list-style-type: none"> Worker surveys piloted at 14 sites across Hungary, Italy, Romania, China and India. The survey questions were developed with an ethical trading consultancy Impactt and reviewed by experts including a trade union, Ethical Trading Initiative A grievance mechanism provided to suppliers and their workers in a form of email ID included in our Code of Conduct 	<ul style="list-style-type: none"> In 2019, we initiated a pilot of Direct Worker reporting, a channel for workers to give anonymous feedback in 3 direct and 11 indirect Italian facilities, covering 161 workers. We worked with Wider to ensure suppliers take ownership of the survey tool and listen to anonymous worker feedback in this way. We also work closely with suppliers to identify how we can support them to encourage continuous improvement in their sites. 	<ul style="list-style-type: none"> Expand pilot of feedback channel to an increased number of key supplier facilities. Pilot additional feedback channels for workers across key geographies Strengthen global grievance mechanism for workers in the supply chain
4		Continue to raise awareness of what modern slavery can look like through scaling up training for SMC staff and suppliers. We aim to help our suppliers build capacity to identify, remediate and prevent modern slavery in their supply chains.	<ul style="list-style-type: none"> Suppliers from all key regions, including Italy, Hungary, India, China, Spain and Portugal have received training on modern slavery. 100% of product suppliers received Modern Slavery Due Diligence Guidance as part of our implementation of the Modern Slavery Policy in 2017. Since January 2017, 58 staff in key positions such as design, production, store planning and operations received specific training on modern slavery. 	<ul style="list-style-type: none"> 25 direct suppliers attended our Supplier Summit in June 2019 and received training on key social sustainability risks, including the risk of modern slavery in their supply chains. 	<ul style="list-style-type: none"> Ensure 100% of active tier 1 suppliers complete in-depth labour standards training with a focus on modern slavery.
5		Extend monitoring across the Procurement Supply Chain in regards to modern slavery risks.	<ul style="list-style-type: none"> Key Procurement Suppliers received Modern Slavery Due Diligence Guidance as part of our implementation of the Modern Slavery Policy in 2017. 	<ul style="list-style-type: none"> All UK cleaning and security companies audited in January 2019 Initiated risk assessment of procurement suppliers in Italy. 	<ul style="list-style-type: none"> Increase number of Procurement Suppliers assessed.

Approval of this statement: This statement was approved by the Stella McCartney Ltd Board of Directors and signed on its behalf by Helen Newman.