

Written evidence submitted by Stella McCartney (FL0027)

The Stella McCartney business (“SMC”) is committed to promoting good labour standards and protecting human rights in all parts of its business. This commitment is outlined throughout our Code of Conduct and Modern Slavery Policy as well as in our annual Modern Slavery Statement which is available to view [here](#). We have comprehensive risk assessments and due diligence processes in place, as outlined in our responses below.

• Do any of your organisation’s value chains link directly or indirectly to the Xinjiang Uyghur Autonomous Region (XUAR) of China, and what steps are you taking to ensure that you have visibility of your entire value chain?

SMC constantly strives to prevent and eliminate any risks of modern slavery in all parts of its business. This commitment is outlined throughout our Code of Conduct and Modern Slavery Policy. Traceability is vital to identifying and protecting the workers in our supply chain. We do not source directly from any organisation in the Xinjiang Uyghur Autonomous Region (XUAR) of China.

Unfortunately, traceability within certain raw material supply chains is extremely difficult to gain, due to the structure of these supply networks. We are committed to building full traceability of our indirect supply chains including that for cotton. Although we do not source directly from any organisations in the Xinjiang Uyghur Autonomous Region (XUAR) of China, through our processes to build traceability we understand that a proportion of our cotton, including organic cotton, is sourced from China and as such we cannot completely rule out the possibility that a portion of it could be coming from the Xinjiang Uyghur Autonomous Region of China – this is something we are actively investigating at this time, and discussing with our suppliers directly.

• Do you identify sourcing geographies for the delivery of services or the manufacturing of goods where there is a high risk of human rights abuse?

Mapping and understanding our supply chains beyond direct relationships is one of our key priorities. We recognise that the greatest risk of human rights abuses is in the lower tiers of SMC’s 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 finished goods, and key material suppliers and fabric mills, as well as indirect suppliers further upstream.

We have also completed risk assessments for our wider business operations and supply chain. In partnership with Ergon Associates, we conducted a modern slavery risk assessment across all of our business activities in 2017 and in 2020 we conducted an additional risk assessment with Kumi Consulting, specific to our product supply chain.

The product supply chain 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. 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. Some countries are designated as high-risk countries, and as a result, we will not work with suppliers in these geographies.

• What actions are you taking to prevent modern slavery and human rights abuses within your organisation and its value chains?

We understand that to prevent modern slavery or human rights abuses within our organisation and value chain, we need to ensure the correct policies are in place communicate these expectations internally and effectively to our supply chain partners.

SMC has a set of human rights related policies and standards which suppliers are required to read and sign at the beginning of their relationship with us, to confirm they understand and comply with the content. These policies include the Ethical Trading Code of Conduct, Modern Slavery Policy and Subcontracting Policy. More information on these policies is outlined within our [Modern Slavery Statement](#).

Following the introduction of the UK Modern Slavery Act 2015, SMC conducted training for internal teams and suppliers to raise awareness of the risks of modern slavery, build understanding of what indicators of modern slavery look like and what to do if you are made aware of those indicators. A total of 58 internal employees have been trained, and our social sustainability team have also received in-depth training from an expert labour rights organisation, as well as the UK Gangmasters and Labour Abuse Authority (GLAA) on worker interviewing skills for potential victims of modern slavery.

In addition to our risk assessment processes outlined above, we implement a range of mapping and monitoring programmes to build visibility of potential modern slavery and human rights risks throughout the supply chain. We aim to identify any modern slavery and human rights risks before they occur and work with our suppliers to put preventative measures and robust systems in place prior to an abuse occurring. More information on our monitoring activities is detailed later in this document.

• What evidence can you supply of compliance with all applicable labour, procurement and anti-slavery laws?

SMC is committed to upholding all applicable labour, procurement and anti-slavery laws. Our internal Legal teams regularly review applicable laws across these areas to ensure the brand meets all the requirements. Annually, SMC outlines our actions to eliminate the risk of modern slavery in our supply chains, in compliance with section 54 of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010 (SB 657), through our Modern Slavery Statement, available to view [here](#).

• What are your human rights due diligence processes in respect of your workers and value chains?

In addition to the risk assessment processes detailed above, we conduct periodic audits, sometimes unannounced, which enable us to understand how our Product Suppliers work, identify potential human rights risk areas and support our Product Suppliers in meeting our standards and legal requirements. Since the beginning of 2019, 149 suppliers have been assessed. All tier 1 suppliers and their subcontractors are required to undergo an audit prior to production beginning and must provide visibility of their suppliers. SMC always conducts a thorough risk assessment before auditing a supplier including engaging with stakeholders such as other brands where we share suppliers and consulting local experts to be aware of common risks in the area.

Where the monitoring activities (including audits and site visits) identify breaches of SMC's policies and standards (such as excessive overtime, late payment of wages or unmonitored use of recruitment agents, which if left unaddressed may lead to cases of modern slavery), SMC requires that remediation steps are taken promptly. Should any severe indicator of modern slavery be identified, this is raised to the company CEO. 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 take steps to terminate our business relationship. Since the beginning of 2019, we have had 8 instances where we have needed to terminate a business relationship, always as a last resort.

• What action does your organisation take - beyond publishing a Modern Slavery Statement and including contractual obligations with suppliers - to ensure modern slavery compliance in your value chain?

Beyond publishing our annual Modern Slavery Statement, SMC conducts human rights including modern slavery due diligence processes as outlined above. In addition, each of our supplier agreements has contractual obligations for the supplier and in turn, their suppliers to adhere to our standards and policies including our Ethical Trading Code of Conduct and Modern Slavery Policy.

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. Suppliers are required to read and sign the 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.

We aim to build transparent, collaborative partnerships with all our suppliers and work to ensure that we have full transparency of our supply chain and build a level of trust with each, so that suppliers report and concerns or seek support when required. We spend time at each of our supplier facilities to identify any risk areas and discuss these with suppliers from the beginning of our partnerships before supporting them to build better systems and resolve any risk areas. We believe that these partnerships and transparent relationships allow us to build a level of openness to ensure that any modern slavery concerns can be resolved in our value chain quickly and effectively.

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