

STELLA McCARTNEY

Responsible Sourcing Guide

STELLA McCARTNEY

Table of Contents

Executive Summary	6
Overview and Supplier Use	8

Part A: Standards and Policies

Code of Conduct	16
Zero Tolerance Issues	18
Banned Materials, Substances and Practices	20
Transparency and Traceability	22
Remediation	25
Social Responsibility Standards	
Objectives	26
Relevant Policies	28
1. Modern Slavery Policy	28
2. Subcontracting Policy	28
Standards and Requirements	30
1. Forced Labour and Modern Slavery	30
2. Freedom of Association.....	33
3. Health and Safety	36
4. Child Labour	46
5. Compensation	47
6. Hours of Work	53
7. Discrimination	57
8. Employment Relationship	60
9. Harassment and Abuse	67

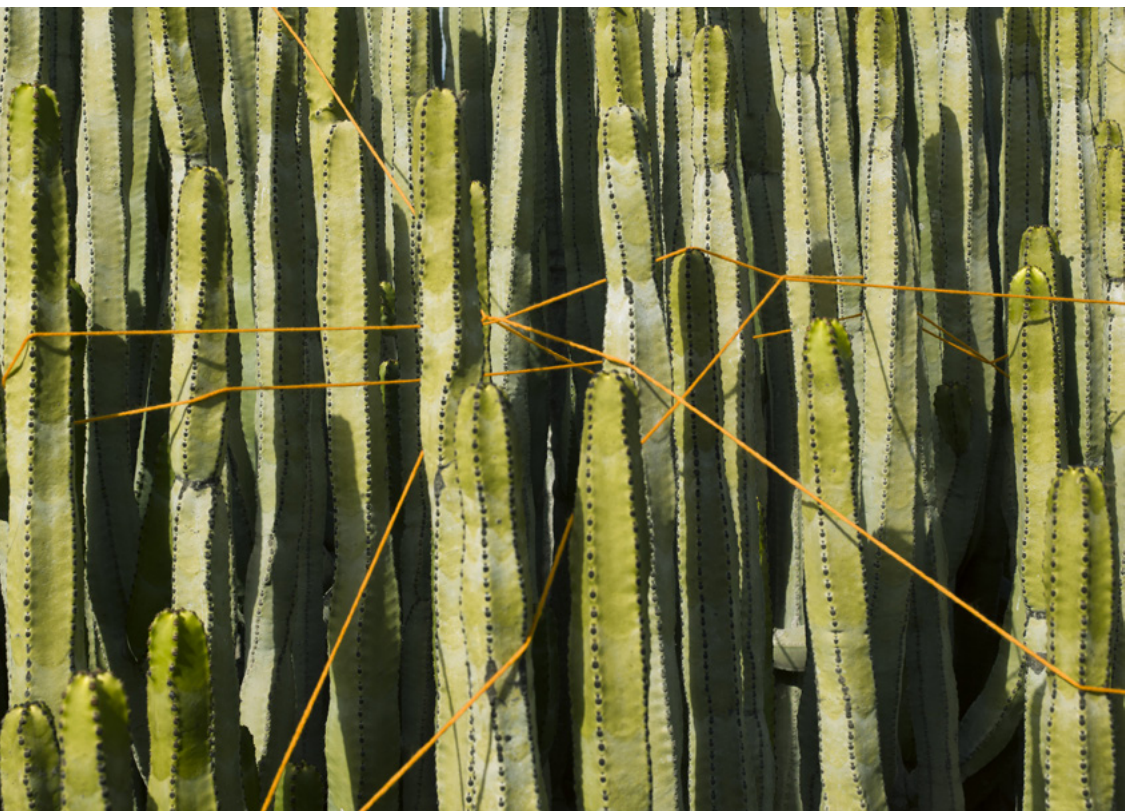
Environmental Sustainability Standards

Objectives	70
Relevant Policies and Guidelines	71
Sourcing Standards and Requirements	74
1. Cotton	74
2. Cashmere	78
3. Wool	80
4. Alpaca	84
5. Viscose, Rayon and Cellulosic Fabrics	86
6. Synthetic Fibres (Polyester and Nylon)	90
7. Denim	92
8. Threads and Trims	94
9. Brass and Metals	96
10. Paper and Wood	98
11. Plastics	100
12. Polyurethane (Shoes and Bags)	102
13. Textile Processing	104
14. Greenhouse Gas Emissions	108
15. Waste	110

Part B: Procedures and Processes

Introduction	114
Supply Chain Mapping	114
Supply Chain Monitoring	116
1. Risk Assessment	116
2. Factory Assessment Methodology and Process	117
3. Remediation and Improvement	123
4. Supplier Onboarding Procedure	125
5. New Manufacturing Site Onboarding Procedure	128
6. Supplier Termination	131

Executive Summary



Stella McCartney is a British luxury vegetarian brand with collections that include women’s and men’s ready-to-wear, accessories, lingerie, eyewear, fragrance and kids.

Stella McCartney is committed to operating a modern and responsible business, which means challenging and pushing our boundaries. We are doing so without compromising our core values. This means ensuring that we create long-term value for our stakeholders, while protecting the environment for the future. Whether it’s for people, animals, or nature, we aim to continuously improve the environmental and social standards in our sourcing and across our entire supply chain.

The purpose of the Stella McCartney Responsible Sourcing Guide is to give clarity and clearly communicate our values and expectations to our suppliers, as well as provide guidance on all relevant procedures we ask our suppliers to follow in order to meet our standards. The Guide is shared with each supplier and suppliers must commit to meeting the standards set out in this document. The Guide is to be used in conjunction with a number of stand-alone documents and policies previously shared with the suppliers and provides further details on specific topics:

- **SMC Code of Conduct**
- **SMC Subcontracting Policy**
- **SMC Modern Slavery Policy**
- **Materials Restricted Substance List (MRSL)**

The Stella McCartney Responsible Sourcing Guide outlines the environmental and social standards that underpin our supplier requirements and is split into two main sections:

- **Part A: Standard and Policies**, which explains the policies, procedures and expectations related to social welfare and environmental stewardship, including raw material sourcing standards.
- **Part B: Procedures and Processes**, which covers supply chain monitoring requirements and supplier partnership procedures.

Stella McCartney recognizes that a collaborative relationship with our suppliers is key to achieving and operationalising our commitment to sustainability. We see our suppliers as valuable partners and experts

in their field and we strive to develop strong long-term relationships with them. At the same time, we are dedicated to ensuring the highest social and environmental standards in our supply chain. However, we understand that every sourcing country has its complexities and that suppliers can face challenges caused by external factors such as economic factors, new legislation or negative impacts related to climate change, among others. We also acknowledge that to be a truly sustainable fashion business there are many challenges to overcome in our industry and it will take multi-stakeholder collaboration, new viable materials and manufacturing innovations, financial investment and capacity-building with suppliers across fashion’s shared supply chains. This will all take time and dedication. To this end, although we know that nobody is perfect, we will only work with suppliers who are able to demonstrate continuous and sustainable improvement. A collaborative mindset to get over our roadblocks is essential and we encourage suppliers to be open about any difficulties they encounter in fulfilling the standards set out in the Stella McCartney Responsible Sourcing Guide. We are committed to providing support for our suppliers through compliance initiatives, training and improvement programmes, as well as sharing our learnings, tools and innovative material discoveries, to help them meet and implement our standards.

We also recognise that the challenges we face can also be inspiring and deliver endless opportunities. Thus, we proudly support innovations that not only follow our own social and environmental standards, but that also apply creative techniques, processes and products which enrich our environment and help communities thrive. We all have a responsibility to help find and implement solutions for common supply chain sustainability challenges. And, at Stella McCartney, we believe that together with our suppliers we can make a significant contribution to creating a more sustainable world.

Overview and Supplier Use

The Guide applies to the total collective of suppliers and all Stella McCartney partners in direct business relationships with the brand, as well as their supply chains, sub-suppliers, sub-subcontractors, homeworkers and any other intermediaries. These include Tier 1 to Tier 4 suppliers: suppliers of finished goods (or manufacturing suppliers); suppliers of materials (such as fabric and yarn mills); and service providers (such as transport and cleaning companies). The policies within the Guide equally applies to suppliers' directly owned operations (such as offices, factories or workshops); and also their service providers (such as their own security or cleaning companies); sub-contractors and any intermediaries used for Stella McCartney contracted work or production along the suppliers' supply chain; and all sub-suppliers and suppliers of raw materials (such as fabric, yarn, trims or packaging).

Supplier Compliance

Stella McCartney recognises that the suppliers it chooses to partner with are integral in helping the brand attain its sustainability ambitions. As part of its overall sourcing strategy, Stella McCartney prioritises working with suppliers who demonstrate leadership in maintaining high levels of social and environmental standards. As such, in order to uphold the company's values of operating as a modern and responsible business, Stella McCartney expects its suppliers to respect and comply with the standards in this Guide by monitoring and taking the necessary steps outlined with the same level of responsibility for the quality and detail of the brands' products. To guarantee continuous compliance with the standards and prevent its violations, suppliers shall have effective management systems in place and agree to collaborate in providing evidence of such compliance if requested by the brand.

Stella McCartney considers the Responsible Sourcing Guide to be the "bible" of its sustainability work. It explains all the standards, policies and procedures related to social and environmental sustainability for the brand.

At a baseline minimum suppliers must meet all legal national laws and regulations in the country which they operate and because Stella McCartney positions itself as a sustainability leader, the standards in this Responsible Sourcing Guide may at times go above these laws and regulations. Where differences of national, international and Stella McCartney standards arise, Stella McCartney always expects its suppliers to apply the highest standard that provides the biggest benefit to workers and to the environment. In cases where it is not immediately possible for suppliers to meet the higher standard with full compliance, it is encouraged for suppliers to be open so that they may work together with Stella McCartney on continuous improvement. This will be done on a case-by-case basis (**See: Zero-Tolerance Issues**).

While all topics in the Responsible Sourcing Guide set clear minimum standards (such as legal compliance, SMC Code of Conduct, industry benchmark standards), some topics in this Guide also set aspirational standards (such as materials that are truly restorative or regenerative in the way they are grown), outlining industry best practices and setting leadership standards to drive transformational change. Furthermore, the Guide does not set any maximum standards. In the spirit of continuous improvement, Stella McCartney encourages its suppliers to go beyond the standards set out in the Guide whenever possible. As such, the aspirational standards will support accelerated sustainable progress and lay out the stepping stones towards Stella McCartney's vision for a sustainable future.

Fundamental Principles for Responsible Sourcing

The Guide outlines the fundamental principles for responsible sourcing and Stella McCartney's efforts to implement responsible sourcing are centred around three fundamental principles:

1. Respect for people: People are at the heart of the brand and Stella McCartney values the contribution of everyone who directly or indirectly helps the company run the business – from its own employees to the suppliers and workers across the value chain. Stella McCartney is committed to ensuring good working conditions in its supply chain, respecting human rights and creating a positive social impact whenever possible.

2. Respect for animals: Stella McCartney is a vegetarian luxury brand. As a moral and ethical choice to be cruelty-free, the brand does not use any leather, fur, feathers or exotic skins in its products, collaborations or licensed goods. The decision to prioritise animal welfare is a driving force behind the brand's business approach, which also promotes the safeguarding of wildlife and biodiversity more broadly for the future.

3. Respect for nature: Stella McCartney believes in working with nature instead of against it. The brand is addressing its responsibility to the environment by helping to lead the industry with sustainable material sourcing and consciously managing the impacts of its business activities. Stella McCartney uses natural capital accounting, which measures, monetises and monitors its environmental footprint within its own operations and across the entire supply chain. This helps the brand fully understand its impacts and assess which solutions to put in place, so that natural resources can be ultimately sustained and restored for the future.

International Regulations and Industry Standards

Stella McCartney’s standards and the Responsible Sourcing Guide support and comply with international regulations and legislation, comparative industry standards and best practices, science-based research and the global commitments that the brand has committed to adhere to.

Table 1: Key legislations, standards, and codes

The United Nations Universal Declaration of Human Rights (UDHR)	The UDHR is an international document that states basic rights and fundamental freedoms to which all human beings are entitled to.
The European Convention on Human Rights (ECHR)	The ECHR is a legally binding, international treaty on human rights.
The Fundamental Conventions of the International Labour Organisation (ILO)	The ILO international labour standards consist of 8 conventions that set out basic principles and rights at work.
Ethical Trading Initiative (ETI) Base Code	The ETI Base Code is an internationally recognised Code of Conduct founded on the conventions of the ILO. Stella McCartney has been a member of the ETI since 2012 and the SMC Code of Conduct is based on and fully aligns with the ETI Base Code.
UK Modern Slavery Act (2015)	The UK Modern Slavery Act is a UK legislation aimed at fighting slavery, servitude, forced or compulsory labour and human trafficking. SMC is committed to eradicating and preventing slavery in all its forms within its operations and supply chain. Stella McCartney’s statement under the reporting obligations set forth by the Modern Slavery Act 2015 and the California Transparency Act of 2010 can be found on its website.
The UN Guiding Principles on Business and Human Rights (The Ruggie Framework)	The UNGPs on Business and Human Rights are a set of guidelines for States and companies to prevent, address and remedy human rights abuses caused by business operations. Stella McCartney uses the guidelines as a framework to identify the correct due diligence and take responsibility for the social impacts of its business.
UN Sustainable Development Goals (SDGs)	The SDGs are a set of 17 universally agreed-upon goals aimed at ending poverty, fighting inequalities and tackling climate change. Stella McCartney’s sustainability goals and targets align with and contribute to the UN SDGs.

OECD Due Diligence Guidance for Responsible Business Conduct	The OECD Due Diligence Guidance provides detailed recommendations to help companies address adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance that may be associated with their operations, supply chains and other business relationships. Stella McCartney is aligned with OECD Due Diligence Guidance for Responsible Business Conduct.
The Five Freedoms for Animals	The Five Freedoms for Animals are internationally accepted standards of care that affirm every living being’s right to humane treatment. They were developed by Britain’s Farm Animal Welfare Council in 1965.
REACH Regulation for the EU Chemicals Industry	Under the REACH regulation, manufacturers and importers are responsible for managing the risks from chemical substances by providing information on the properties of their chemicals and registering the information in a central database in the European Chemicals Agency in Helsinki.
California’s Proposition 65 (Safe Drinking Water and Toxic Enforcement Act 1986)	Proposition 65 requires businesses to inform consumers about exposures to chemicals that are known to cause cancer, birth defects and/or other reproductive harm. Stella McCartney is committed to protecting consumer health and wellbeing by avoiding any chemicals listed in Proposition 65.

Collaborating with multi-stakeholders is essential to drive the uptake of sustainability and to take solutions to scale

Stella McCartney collaborates with leading industry organizations to support the drive towards a new business model where business growth is decoupled from the production of new raw materials and a future that advocates fashion as restorative and renewable. The brand is continuously ensuring its shared responsibility within the fashion community and, as such, has made a series of commitments to various initiatives and is a member of a number of coalitions.



Stella McCartney supports the drive towards a new business model where business growth is decoupled from the production and use of new raw materials and natural resources.

Table 2: Key initiatives and partnerships

<p>The Ellen MacArthur Foundation’s Make Fashion Circular Initiative</p> <p>and</p> <p>The New Plastics Economy Global Commitment</p>	<p>Stella McCartney is a core partner of the Make Fashion Circular initiative. The initiative aims to transition the industry to a circular system where clothes are made from safe and renewable materials, new business models increase their use, and old clothes are turned into new.</p> <p>Stella McCartney is also a signatory to The New Plastics Economy Global Commitment led by the Ellen MacArthur Foundation in collaboration with UN Environment. This initiative mobilises businesses, governments, and organisations to address plastic waste and pollution by building a circular economy for plastic in which it never becomes waste. As a signatory, Stella McCartney has committed to ensuring that all of its plastic packaging is recycled and recyclable by 2025.</p>
<p>Fashion Industry Charter for Climate Action (United Nations Climate Change)</p>	<p>Stella McCartney is a founding signatory to the Fashion Industry Charter for Climate Action which contains a series of principles for stakeholders in the fashion industry to address climate change. The Charter contains the vision to achieve net-zero emissions by 2050.</p>
<p>Ethical Trading Initiative (ETI)</p>	<p>ETI is an alliance of companies, voluntary organisations and trade unions working together to improve labour conditions around the world. Stella McCartney has been a member of the ETI since 2012 and has been reporting to ETI annually about its social sustainability work and progress.</p>
<p>CanopyStyle Leaders for Forest Conservation</p>	<p>Stella McCartney has partnered with Canopy since 2014. The organization is a not-for-profit environmental initiative which collaborates with brands, retailers and viscose (and other cellulose) producers to ensure that their supply chains are free of ancient and endangered forests. Since 2017 all of Stella McCartney’s viscose has been free from ancient and endangered forests and the company aims for this to always be the case.</p>
<p>Textile Exchange</p>	<p>Stella McCartney is a member of Textile Exchange. Textile Exchange is a global non-profit that works to drive industry transformation in preferred fibres, integrity and standards and responsible supply networks. They share best practices regarding farming, materials, processing, traceability and product end-of-life in order to reduce the textile industry’s impact on the world’s water, soil and air and the human population. As a member of Textile Exchange, Stella McCartney contributes annually to their Corporate Fiber & Materials Benchmark.</p>
<p>Fashion For Good</p>	<p>Stella McCartney is an official partner of Fashion For Good, which is a platform for sustainable fashion innovation. The platform connects those working on sustainable innovation with brands, retailers and funders to scale up their disruptive ideas to help transform the fashion industry.</p>
<p>Other Public Commitments</p>	<p>No PVC since 2010</p> <p>No virgin cashmere since 2017</p>

Part A

Standards and Policies

Code of Conduct

The Stella McCartney Code of Conduct summarises all the key requirements that its suppliers, their subcontractors and sub-suppliers must meet in order to work with the brand, regardless of the type or size of operation. The Code upholds the company’s principles for responsible business and is anchored by international labour standards, such as the ILO conventions and similar social standards and codes, as well as other specific brand expectations.

Stella McCartney asks that its suppliers inform their workers and operations network about the Code by:

1. Posting the Code in a visible location on-site that is accessible to all workers.
2. Communicating the Code in languages spoken by the workers, which may differ from the language spoken by management. Please note, Stella McCartney provides the Code in all core languages of its sourcing countries and further translations can be provided upon request.
3. Sharing the Code with all subcontractors and sub-suppliers used for Stella McCartney production, who must also post the Code at their sites and communicate it to all workers.

The full Stella McCartney Code of Conduct is provided on the Stella McCartney Sustainability Hub found [here](#).



Whether it’s for people, animals, or nature, Stella McCartney aims to continuously improve the social and environmental standards across its entire supply chain.



Zero Tolerance Issues

Stella McCartney’s approach to supplier compliance is based on continuous improvement. However, there are certain issues within its Code of Conduct that are deemed as zero-tolerance issues which the company cannot accept in its supply chain. If a zero-tolerance issue is identified with a supplier, the escalation and remediation process will be in effect immediately (**See:** Remediation). This will be handled on a case-by-case basis and immediate suspension may be required.

Stella McCartney’s zero-tolerance issues are defined as below, under its respective categories:

1. Social and labour

1.1 Child labour

- 1.1.1 Child found working or young workers without proof of age or appropriate protection.

1.2 Forced labour/modern slavery

- 1.2.1 Workers paying recruitment fees to employer or recruitment agent.
- 1.2.2 Employer withholding identity documents or wages.
- 1.2.3 Restriction of workers’ movement.
- 1.2.4 Bonded labour through loans or debts with the employer or recruiter.
- 1.2.5 Systematic late payment of wages or illegal deductions.

1.3 Payment of less than minimum wage

- 1.3.1 Workers’ wages falling below legal minimum wage standards.

1.4 Extreme overtime

- 1.4.1 Weekly working hours regularly exceeding 75 hours in a 7-day period.

1.5 Critical health and safety issue

- 1.5.1 Risk of serious injuries or safety hazards to workers in the workplace or accommodation provided by the employer.

1.6 Denied access

- 1.6.1 To part of or all areas of assessed facility, documents or to interview workers.

1.7 Harassment or abuse

- 1.7.1 Any case of physical, sexual or verbal abuse of workers.

1.8 Lack of or invalid business license

- 1.8.1 Including business registered under a different name than on Stella McCartney file.

1.9 Foreign workers without legal standing or work permit

2. Environment and animals

2.1 Serious damage to the environment

- 2.1.1 Release of toxic chemicals or untreated effluent water directly in the environment.

2.2 Use of animal products

- 2.2.1 Use of leather, fur, skins, feathers or any other materials outlined in the list of Banned Materials, Substances and Practices are restricted for production in Stella McCartney products.

3. Business conduct

3.1 Any case or attempt of bribery in relation to business conduct with Stella McCartney

3.2 Unauthorised subcontracting

- 3.2.1 Part or whole of a Stella McCartney order made at a facility not registered or approved by Stella McCartney.

3.3 Continued failure to remediate and make improvements

- 3.3.1 Lack of improvement in three consecutive assessments.

3.4 Counterfeiting

- 3.4.1 Evidence of counterfeiting of Stella McCartney products.



Banned Materials, Substances and Practices

Stella McCartney prohibits the following materials and substances in the production of its products, packaging, components or any other item containing the Stella McCartney name and/or logo:

1. Animal products (leather, animal skins, feathers, fur)

- 1.1 Any part of animals or substances derived from animals that cannot be obtained without killing or injuring an animal.
- 1.2 Banned materials include, but are not limited to: leather, skins, horn, fur, feathers, ivory and glues made from animal products.

2. Mulesing

- 2.1 Mulesing is banned and all wool suppliers must adhere to this.

3. PVC (polyvinyl chloride)

- 3.1 Any materials derived from PVC (polyvinyl chloride), which is a synthetic plastic polymer that contains toxic chemical additives.
- 3.2 PVC is commonly used in soft moulded trims, branding elements and tarpaulin type fabrics.

4. PFC's (perfluorocarbons)

- 4.1 Any textile finishings with PFC's (perfluorocarbons), which are commonly used to improve water, oil and stain/soil repellency. This class of chemicals is referred to as Durable Water Repellent (DWR).
- 4.2 Where needed for performance demands on textiles, Stella McCartney requires the use of a PFC-free DWR or other textile finishes.

5. Uzbek, Syrian and Turkmen cotton

- 5.1 The use of any cotton fibres coming from the following countries due to the continued use of forced and child labour to harvest cotton: Uzbekistan, Syria or Turkmenistan.
- 5.2 Suppliers are required to obtain suitable documentation evidencing the country of origin of all raw cotton and provide this to Stella McCartney upon request.

6. Angora and mohair

- 6.1 Any hair from the angora rabbit and all mohair.

7. Viscose, rayon and cellulose fabrics from ancient and/or endangered forests

- 7.1 Any viscose or other manmade cellulose fabrics (lyocell, cupero, modal, etc.) that are derived from pulp coming from ancient and/or endangered forests.
- 7.2 A list of approved viscose suppliers is available upon request from Stella McCartney at sustainability@stellamccartney.com. The company gives preference to suppliers of pulp that are FSC-certified.

8. Chitosan derived from crustaceans

- 8.1 The use of chitosan derived from the hard outer skeletons of crustaceans (i.e. crab, lobster, shrimp).

9. Animal testing

- 9.1 Testing of any kind of animals at any stage in the process of creation or subsequent manufacturing.
- 9.2 Suppliers shall not use subcontractors or sub-suppliers without having obtained a credible assurance in writing that they do not carry out animal testing.
- 9.3 No ingredients used in fragrances can be tested on animals or come from animal origins, including bees. Stella McCartney does not sell fragrances in China, where government regulation requires animal testing.

10. Sand-blasting

- 10.1 Sand-blasting techniques to artificially wear and abrade textiles for a faded or worn-in appearance are not permitted due to the serious health risks to the workers.

11. Spray flocking

- 11.1 The use of spray flocking techniques is not permitted due to the health-related dangers to workers associated with airborne microfibres released.

12. Use of materials on the PRSL and MRSL

- 12.1 The use of potentially hazardous chemicals as defined by the Stella McCartney Product Restricted Substances List (PRSL) and the Manufacturing Restricted Substances List (MRSL) are not permitted.

Transparency and Traceability

Stella McCartney values honest and transparent relationships with its suppliers above all else. While fashion’s supply chain is complex, mapping and understanding the company’s supply chains beyond direct relationships is one of its key priorities. Stella McCartney recognises that fashion’s most salient risks regarding modern slavery, child labour and other critical social risks, as well as environmental degradation, occur in the lower tiers of fashion’s supply chains. Because of this, Stella McCartney has a target of achieving and monitoring 100% traceability of its supply chain across all tiers, especially down to the farm level, particularly for cotton (**See:** Part B: Procedures and Processes for details on Supply Chain Mapping and Assessments).

By providing Stella McCartney with accurate information about the supply chains, its suppliers can help strengthen the company’s due diligence and avoid potential negative impacts on the people and the environment in the supply chain.

As part of sharing mutual accountability, Stella McCartney requires from its suppliers:

1. **A completed Supply Chain Map:** a clear and concise list of all manufacturing sites to be registered and used for Stella McCartney production (including factories, subcontractors, homeworkers and sub-suppliers), as well as locations and supplier contact information.
2. **To monitor compliance with Stella McCartney’s standards across its supply chain:** evidence of monitoring labour and environmental standards at manufacturing sites listed in the Supply Chain Map and any existing and available documentation, such as social audit reports, shall be made available to Stella McCartney. The company will launch social assessments and auditing where existing monitoring does not meet Stella McCartney standards. Stella McCartney may require verification through a third-party certification or a chain-of-custody programme. As stated in the Code of Conduct, suppliers shall provide Stella McCartney with complete access to social and environmental factory assessments, including but not limited to relevant documentation and worker interviews.

To ensure that the materials used in Stella McCartney’s products come from farms that meet the brands’ requirements, materials traceability is essential. Listed below are guidelines for suppliers to follow:

1. For materials used in Stella McCartney products, suppliers shall be able to trace all natural materials used back to the origins of the raw materials, at the farm-level.
2. As a minimum requirement for all animal, plant and cellulose-based fibres, suppliers must provide the country of origin of the fibres used in Stella McCartney products.
 - 2.1 **For cotton:** the country where the cotton was grown in.
 - 2.2 **For animal fibres:** the country where the animal was raised.
 - 2.3 **For cellulose-based fibres:** the country of the forest or plantation that the wood was sourced from.
3. For materials that claim a social or environmental benefit as part of the source material, the chemistry, finishing or its manufacturing supply chain must be traceable back to the source (this may include the farm or mine) and up until the finished product manufacturing.





Remediation

Stella McCartney strongly supports a culture of transparency and the sharing of information, where the company can together with its suppliers find solutions to common issues and challenges seen in fashion’s supply chains. It is equally important to the company that workers have channels to raise issues themselves. Stella McCartney’s aim is to create an environment in its supply chain where communicating about issues is seen as a positive and proactive behaviour and an opportunity, rather than a risk. Stella McCartney encourages suppliers to be open about any challenges they encounter in fulfilling the standards and the company is committed to supporting those who demonstrate continuous improvement and meet these requirements within an agreed timeline.

In rare cases where full compliance with the mandatory requirements in the Code of Conduct is not immediately possible, particularly with deep-rooted and common industry challenges, a collaborative effort is expected between Stella McCartney and the supplier:

1. Suppliers shall communicate such situations to Stella McCartney immediately, openly and proactively.
2. Stella McCartney will examine the concern raised and discuss findings with the supplier. The company asks suppliers to assist it in providing access to any information that is requested.
3. Stella McCartney will work together with its suppliers on an improvement plan that will define the corrective action, steps for implementation and timeline to resolve the issue.
4. Suppliers shall follow the improvement plan and implement corrective action within the agreed time frame.
5. For suppliers who find it difficult to complete the remediation work but show commitment and continuous improvement towards full compliance, and as long as it is not a zero-tolerance issue, Stella McCartney will support and engage them with training and capacity building where necessary. These training programmes can help suppliers address the root causes of the issue(s) and develop preventative systems against risk ongoing.

If suppliers fail to show any progress or commitment to improvement within the agreed time frame for remediation, or are found continually violating the Code of Conduct, Stella McCartney reserves the right to terminate the business relationship with the supplier, including cancellation of outstanding orders.



TIP: See: Part B: Procedures and Processes and the Stella McCartney Remediation Guide for more detail.

Social Responsibility Standards

Objectives

People are at the heart of Stella McCartney's social responsibility programme and the company is committed to ensuring that the treatment of workers is fair and respectful. This commitment extends beyond the company's direct operations and employees to encompass all workers involved in the production of Stella McCartney collections. Stella McCartney's social responsibility standards reflect the practices and criteria that suppliers must meet in order to comply with the company's principles. Stella McCartney has three core objectives associated with its view of social responsibility:

1. **Good working conditions and respect for human rights:** ensure the highest labour standards and wellbeing of people that make Stella McCartney's products and respect the human rights of everybody who comes into contact with the business. Protect vulnerable workers in its supply chain, such as migrant or marginalised workers, particularly those in the furthest tiers of the supply chain.
2. **Championing women:** support women within Stella McCartney's own company and in its supply chains with skills, career advancement, accessing equal pay and opportunity. Raise awareness about and help eradicate gender-based violence and exploitation in the workplace.
3. **Sustainable supply chain and positive social impact:** build modern, traceable and resilient supply chains that support local communities, preserve skills, offer sustainable livelihoods, and attract the next generations of workers. Create a positive social impact and contribute meaningfully to the Sustainable Development Goals.

Stella McCartney is committed to advocating good working conditions in its supply chain, ensuring fair and respectful treatment of workers and creating a positive social impact whenever possible.



Relevant Policies

1. Modern slavery policy

Stella McCartney falls under the reporting requirements of the UK Modern Slavery Act and creating a specific policy on modern slavery was one of the actions taken to set clear expectations for suppliers on the topic while sharing good practice. The Stella McCartney Modern Slavery Policy is a stand-alone document developed to help its suppliers manage the risk of forced labour and modern slavery in their operations and supply chains. All Stella McCartney suppliers must sign and comply with the policy, which can be found on the Stella McCartney Sustainability Hub [here](#).



TIP: See: SMC Modern Slavery Policy for complete details. The latest Stella McCartney Modern Slavery Statement can be found on the Stella McCartney website [here](#) and more information about the UK Modern Slavery Act 2015 can be found at: http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted_

2. Subcontracting policy and homeworking policy

Fashion’s supply chains are often fragmented and, as such, Stella McCartney recognises that subcontracting can sometimes be necessary. For this reason Stella McCartney requires full transparency on all manufacturing sites of its suppliers. Stella McCartney prefers to work with suppliers who are able to complete all processes in-house, without external help (i.e. the use of sub-subcontractors or homeworkers). If subcontracting is used:

- 1. Suppliers shall always choose subcontractors with high ethical trade and environmental standards for Stella McCartney production.
- 2. Stella McCartney must authorise the subcontractor(s) involved through its onboarding procedure.
- 3. Stella McCartney reserves the right to nominate preferred subcontractors based on their social compliance and environmental performance.
- 4. Subcontracting must be kept to a minimum, managed well and comply with all the provisions outlined within the SMC Subcontracting Policy on the Stella McCartney Sustainability Hub found [here](#).

Stella McCartney is complimenting its current auditing and assessment programmes with conducting its own production checks at subcontractors sites to confirm its Supply Chain Map is accurate. The production checks are always unannounced. In regards to homeworking, Stella McCartney recognises that it offers capability and flexibility of production that factory-based production sometimes cannot. Homeworking can also provide employment to workers who would otherwise not be able to access the job market and can create demand for skills and techniques that are in danger of becoming extinct. Furthermore, homeworking can offer more flexibility for women workers in particular and add to their quality of life. However, homeworkers also tend to be some of the most vulnerable workers in the supply chain. As such, homeworking for Stella McCartney production is only allowed in countries where it is permitted and regulated by law. It must be done in full compliance with the local laws and the company’s social responsibility standards. If homeworkers are used, suppliers must disclose this information to Stella McCartney before any production begins. Suppliers are asked to complete their Supply Chain Map during the onboarding process, or update their map during planning activities. Please note, the Stella McCartney Subcontracting policy covers homeworking. It’s standards and requirements are equally applicable to homeworkers as they are to other types of subcontracting.



TIP: Please reference document SMC Subcontracting Policy on the Stella McCartney Sustainability Hub [here](#) for complete details and for more information on the Supply Chain Map and onboarding process please see Part B: Procedures and Processes.

Standards and Requirements

1. Forced labour and modern slavery

Forced labour and modern slavery can have many forms and can be very subtle. Slavery is banned by law around the world and some countries, such as the UK, have passed new legislation to prohibit specific new forms of slavery. Stella McCartney takes the issue of modern slavery extremely seriously and is determined to do its part in making sure that modern slavery is eradicated (**See:** SMC Modern Slavery Policy). There are clear standards and requirements in order to ensure this critical issue is addressed and all suppliers must guarantee and adhere to the following:

1.1 Freedom of movement

- 1.1.1 A worker's freedom of movement must not be restricted in any way. Workers shall be free to leave the workplace during breaks and at the end of a standard working day.
- 1.1.2 Workers shall have permission to leave work during working hours under reasonable circumstances, such as injury or personal/family emergency.
- 1.1.3 If workplace entrances are locked or guarded to prevent non-employee access to the premises for security reasons, workers must be able to exit the workplace freely.
- 1.1.4 Security guards shall not intimidate or restrict the movement of workers. If security is inside the factory, they should not be armed.

1.2 Identity documents

- 1.2.1 Workers must always be in possession or in full control of their passports, identity papers, work permits, travel documents, and other personal legal (identification) documents.
- 1.2.2 Suppliers may request to check and obtain copies of original documents for record-keeping purposes only and these must be returned immediately.
- 1.2.3 If workers are unable to keep their identity documentation safe themselves, workers shall be provided with a secure storage at work that is freely accessible to them at all times.
- 1.2.4 Suppliers must not withhold a worker's identity documents or restrict their access to these documents for any reason, particularly on grounds of threat (i.e. withholding documents to ensure that workers remain in their current employment).
- 1.2.5 Suppliers must not deny or hamper the process of renewing identity documents, with or without the intention to stop the workers from leaving employment.

1.3 Payment, debt and bonded labour

- 1.3.1 Workers shall not be required to pay fees or monetary deposits to the supplier and/or the recruiter as a condition of employment.

- 1.3.2 "Fees" related to this include, but are not limited to: recruitment fees, health checks, visas, employment registration or work permits. Such fees must be covered by the employer and/or the recruitment agency in full and not charged to the worker.
- 1.3.3 Workers' wages cannot be deducted by the supplier to cover fees or costs associated with employment eligibility (by way of garnishments, levies, deposits, guarantee monies or otherwise). These include required visas, health checks, employment registration, work permit or recruitment agency/placement firm fees. Suppliers are responsible for paying such expenses directly.
- 1.3.4 Suppliers must not hold any portion of workers' salaries, indemnities or property as a means to force workers to continue an employment relationship.

1.4 Piece rates and overtime

- 1.4.1 All work, including overtime work, must be performed by workers voluntarily. Suppliers shall not penalise workers who choose not to perform overtime.
- 1.4.2 Production targets or piece rates shall not be set at such a level that workers need to work overtime in order to meet the legal minimum wage or the prevailing industry wage.

1.5 Employer-managed accommodations

- 1.5.1 Workers shall not be required to live in employer-owned or employer-managed residences as a condition of recruitment, continued employment, or to receive the same employment terms and working conditions as other workers in the same position.
- 1.5.2 Workers who live in employer-owned or controlled residences must have freedom of movement.
- 1.5.3 If workplace entrances are locked or guarded to prevent non-employee access to the premises for security reasons, workers must be able to enter and exit the accommodation freely at any time.

1.6 Workers' ability to terminate the employment

- 1.6.1 Workers shall be free to terminate their employment at any time, giving the employer a reasonable notice.
- 1.6.2 Procedure and timeframe for giving notice should be reasonable depending on the worker's position and responsibility.
- 1.6.3 Employment termination policies and procedures should be clearly communicated to the worker at the beginning of employment, in the contract as well as verbally.

1.7 Intimidation, coercion, deception and abuse of vulnerability

- 1.7.1 Suppliers shall not utilise any of the following practices to force workers: threats, isolation, physical or mental coercion, intimidation, blackmail, any other form of harassment or abuse.
- 1.7.2 Suppliers shall not abuse workers' vulnerability (i.e. not speaking the local language, lack of other employment options) to provide them with less favourable working conditions or force them into any of the above points within Modern Slavery.



2. Freedom of association and right to collective bargaining (FOA)

Freedom of association and collective bargaining underpins all other labour rights and enables workers to raise and resolve issues for themselves. It also helps employers build stronger businesses by preventing disputes, lowering worker turnover and addressing absenteeism. While each country has its own history of trade unionism and collective bargaining, workplaces that encourage freedom of association see workers effectively benefit from higher satisfaction and productivity. Stella McCartney requires all suppliers to support collective bargaining by workers and freedom of association and adhere to the following:

2.1 Open attitude and right to freely associate

- 2.1.1 Suppliers shall respect the freedom of association and right to collective bargaining by adopting an open attitude towards trade unions and their activities. This means no banning or restricting such activities and collaborating as required.
- 2.1.2 Suppliers shall respect all laws, rules and procedures protecting the rights of workers to organise, bargain collectively, and participate in strikes consistent with ILO principles and jurisprudence.
- 2.1.3 When the right to freedom of association and collective bargaining is restricted under law, suppliers must not obstruct legal alternative means of workers association.
- 2.1.4 All workers have the right to establish and join organisations of their own choosing without previous authorisation from their employer, subject only to the rules of the organisation concerned.
- 2.1.5 The right to freedom of association begins the moment a worker seeks employment. This continues throughout the course of employment until termination.

2.2 Right to collective bargaining/good faith

- 2.2.1 Suppliers shall respect the rights of workers to free and voluntary collective bargaining, with an aim to regulate the terms and conditions of employment through collective agreements.
- 2.2.2 Suppliers and worker representatives shall bargain in good faith (i.e. engage in genuine and constructive negotiations, and make every effort to reach an agreement).
- 2.2.3 Collective bargaining agreements that have not been negotiated freely, voluntarily and in good faith shall be considered not applicable.
- 2.2.4 Suppliers, unions and workers shall honour the terms of any collective bargaining agreement they have agreed to and signed, for its stated duration.
- 2.2.5 Suppliers shall bargain with any union that has been recognised by law, or by agreement between the supplier and that union, provided such agreement does not contravene national law.
- 2.2.6 Suppliers can only engage in collective bargaining with representatives of unorganised workers when no workers’ organisation exists.

2.3 Supplier anti-union behaviour

- 2.3.1 Suppliers shall not engage in any acts of anti-union discrimination or retaliation.
- 2.3.2 Suppliers shall not use any form of physical or psychological violence, threats, intimidation, retaliation, harassment or abuse against workers' organizations, union representatives, or workers participating and/or intending to participate in union activities, including strikes.
- 2.3.3 Suppliers shall not make any employment decisions, which negatively affect workers, based wholly or in part on a workers' union membership or participation in union activity. This includes the formation of a union, previous employment in a unionized facility, participation in collective bargaining efforts or participation in a legal strike. Employment decisions include: hiring; termination; job security; job assignment; compensation; promotion; downgrading; transfer; (vocational) training; discipline; and assignment of work and conditions of work including hours of work, rest periods, and occupational safety and health measures.
- 2.3.4 Suppliers may not use blacklists to contravene the exercise of the right to freedom of association (i.e. blacklists based on union membership or participation in union activity constitutes anti-union discrimination).
- 2.3.5 Suppliers shall not attempt and/or threaten to shift production or close a workplace site in any of the following conditions: to prevent the formation of a union, in reaction to the formation of a union, in reaction to any other legitimate exercise of the right to freedom of association and collective bargaining. This includes the right to strike, or in an effort to break up a union.
- 2.3.6 If a workplace is closing and there is a dispute that the closure was done to prevent/hamper the legitimate exercise of the right to freedom of association, suppliers shall provide proof that can be assessed by a third party to determine the validity of the reasons given for closure.
- 2.3.7 Suppliers shall not offer or use severance pay in any form or under any other name as a means of contravening the right to freedom of association, including attempts to prevent or restrict union formation or union activity such as strikes.
- 2.3.8 Suppliers shall not use or threaten the use of police or military presence, in order to prevent, disrupt or break up any activities that constitute a peaceful exercise of the right to freedom of association, including union meetings, assemblies and strikes.

2.4 Restoration of workers' rights/reinstatement

- 2.4.1 Workers who have been unjustly dismissed, demoted or who have suffered a loss of rights and privileges at work due to an act of union discrimination, shall be entitled to restoration of all rights and privileges lost, including reinstatement, if they so desire (subject to national laws).

2.5 Protection of union representatives

- 2.5.1 All relevant national law provisions that provide special protection to workers and/or worker representatives engaged in any union activity (i.e. union formation) shall be complied with. This also includes worker representatives with a particular status (i.e. founding union members, current union office holders).

2.6 Facilities for worker representatives and employer interference

- 2.6.1 Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces.
- 2.6.2 Suppliers shall refrain from any acts of interference with the formation or operation of workers' organisations, including acts which are designed to establish or promote the domination, financing or control of workers' organisations by suppliers.
- 2.6.3 Suppliers shall not interfere with the right of workers to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities, and to formulate their programmes.
- 2.6.4 Suppliers shall not interfere with the right to freedom of association by favouring one workers' organisation over another.
- 2.6.5 In cases where a single union represents workers, suppliers shall not attempt to influence or interfere with a workers' ability to form other organisations that represent workers.

2.7 Rights of minority unions and their members

- 2.7.1 Unions not recognised as a bargaining agent of some or all workers in a site shall still have the means for defending the occupational interests of their members. This includes making representations on their behalf and representing them in cases of individual grievances, within limits established by applicable law.

2.8 Right to strike

- 2.8.1 Suppliers shall not impose any sanction on workers organising or having participated in a legal strike.
- 2.8.2 Suppliers shall not hire replacement workers in order to prevent or break up a legal strike, or to avoid negotiating in good faith.

2.9 Deduction of union dues and other fees

- 2.9.1 Suppliers cannot deduct union membership fees or any other union fees from workers' wages without legal agreement.

2.10 Raising issues

- 2.10.1 Worker representatives and workers shall be able to raise issues regarding compliance with a collective bargaining agreement by suppliers, without retaliation or any negative effect on their employment status.

2.11 Validity of collective bargaining agreement

- 2.11.1 Provisions in collective bargaining agreements that contradict national laws, rules and procedures or offer less protection to workers than those stated in the Stella McCartney Responsible Sourcing Guide are considered not applicable.

3. Health and safety

Health and safety in the workplace encompasses a range of provisions, from a clean and hygienic environment to providing specialist training on how to use chemicals or machinery safely. No workplace is exempt from the need to assess and manage health and safety. Whether it is an office or a heavy machinery factory, every employer is obliged to understand and prevent risk of injury to its employees while at work. The following explains the provisions that Stella McCartney suppliers are expected to comply with.

3.1 Document maintenance/workers accessibility and awareness

3.1.1 All documents required to be available to workers and management by applicable laws (i.e. health and safety policies, MSDS, environmental emergency plans) shall be made accessible in the local language and/or language spoken by the workers, if different from the local language.

3.2 Notification and record maintenance

3.2.1 Suppliers shall notify the relevant national and/or local authorities of all illnesses, accidents and environmental emergencies as required by applicable laws.

3.2.2 All illness, safety, accident, and emergency reports shall be maintained on site for at least one year, or longer if required by law.

3.3 Permits and certificates

3.3.1 Suppliers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues (i.e. those related to the purchase and storage of chemicals, fire safety inspections, inspection of machinery, and (chemical) waste disposal).

3.4 Evacuation requirements and procedure

3.4.1 All applicable provisions shall be complied with (i.e. posting of evacuation plans, installation and maintenance of an alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures).

3.4.2 Workers shall be trained in evacuation procedures.

3.4.3 Alarm systems shall be tested monthly and evacuation drills shall be undertaken at least annually.

3.4.4 The emergency evacuation plan (EEP) shall include procedures for notifying local community authorities in case of accidental discharge, release of chemical/waste products or any other environmental emergency.

3.5 Safety equipment and first aid training

3.5.1 All safety and medical equipment (i.e. fire-fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed by regulation, and easily accessible to workers.

3.5.2 A sufficient number of workers shall be trained in first aid and fire fighting techniques.

3.5.3 There are at least two first aiders per every 50 workers trained by an authorised company (ideally one male and one female, depending on the workforce).

3.5.4 There is at least one first aid box on each floor and per every 50 workers. Supplies are within date and checked regularly.

3.5.5 The first aid boxes should contain at least the below:

- Bandage
- Cotton Balls
- Alcohol
- Plasters
- Eye Wash
- Antiseptic Wipes

- Burn Cream
- Scissors
- Adhesive Tape
- Tweezers
- Disposable Gloves

3.5.6 An accidents book is maintained and all incidents are logged (date, injury, name of injured person and treatment).

3.6 Personal protective equipment

3.6.1 Workers shall be provided at no cost with all appropriate and necessary personal protective equipment (i.e. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (i.e. inhalation or contact with solvent vapours, noise, dust) to health and safety hazards, including medical waste.

3.6.2 Workers shall be provided with training on the use and maintenance of personal protective equipment.

3.6.3 Impact-resistant goggles or other eyewear must be provided to workers subject to flying objects, metal tailings, persistent glare, toxic/hazardous liquids, or a high level of dust.

3.6.4 Machine operators applying glue and solvents must have a suitable mask or respirator. In cases where workers are exposed to chemicals often and/or for long periods of time, or the smell is too strong, respirators must be provided to workers. The filters on the respirators must be changed regularly and records of the filter changes must be tracked.

3.6.5 When noise is more than 80 decibels, earplugs must be provided.

3.6.6 Workers using sharp objects and/or who are subjected to toxic substances must be provided with protective gloves.

3.6.7 Workers in washing plants, dye houses, warehouses or similar operations must be provided with protective footwear.

3.6.8 Workers shall be trained on how to use personal protective equipment and on the importance of using it.

3.7 Chemical management and training

3.7.1 All chemicals and hazardous substances shall be properly labelled and stored in secure and ventilated areas, and disposed of in a safe and legal manner, in accordance with applicable laws.

- 3.7.2 Labels and notices of hazardous substances shall be accessible and placed visibly to workers in the local language and/or the language spoken if different from the local language.
- 3.7.3 Workers shall receive training concerning the hazards, risks and the safe use and management of chemicals and other hazardous substances (as appropriate to their job responsibilities).
- 3.7.4 Chemicals must be stored in secondary containers in a separate, well-ventilated room, and must be clearly labelled. Monthly checks shall be conducted to ensure proper storage and handling of hazardous chemicals.
- 3.7.5 Duration of exposure to hazardous chemicals for workers must be monitored and limited.

3.8 Material safety data sheets/workers access and awareness

- 3.8.1 Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available and accessible at their usage and storage sites, in the local language and the language spoken by workers, if different from the local language.
- 3.8.2 Workers shall have free access to MSDS.

3.9 Chemical management for pregnant women, young workers, and reproductive health

- 3.9.1 To prevent unsafe exposure to hazardous chemicals and substances, appropriate accommodations shall be made for pregnant women and workers under the age of 18, as required by applicable laws, in a manner that does not unreasonably disadvantage workers.
- 3.9.2 Accommodation provided by suppliers must prevent unsafe exposure to hazardous chemicals and hazardous substances for pregnant women and workers under age 18.
- 3.9.3 Suppliers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health.
- 3.9.4 Suppliers must provide protection to female workers who are engaged in work that constitutes a substantial risk to their overall health.

3.10 Ventilation/electrical/facility installation and maintenance

- 3.10.1 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimise hazardous conditions to workers in the facility.
- 3.10.2 Electrical cords must be in good condition, continuous in length, without splices, or taped repairs.
- 3.10.3 Power cords to production equipment must be grounded (i.e. containing a third prong).

- 3.10.4 All premises must have adequate ventilation/cooling/heating system depending on the local environment.
- 3.10.5 Exhaust fans must be kept clean and operational at all times.
- 3.10.6 Any hazardous fumes are neutralised and workers must not be exposed to them for an excessive amount of time.



3.11 Machinery safety, maintenance and workers training

- 3.11.1 All production machinery, equipment and tools shall be properly guarded and regularly maintained.
- 3.11.2 Workers shall receive training in the safety and operation of machinery, equipment and tools used.
- 3.11.3 Suppliers shall ensure safety instructions are either displayed near all machinery or are readily accessible to the workers in the language(s) spoken by workers.
- 3.11.4 Inspection logs and service records must be maintained for production machinery and factory equipment, such as compressors, boilers, and embroidery machines.
- 3.11.5 Needle detection devices must be in place and broken needles must be disposed of properly.

3.12 Workers’ rights related to machinery use

- 3.12.1 Suppliers shall not use negative incentives, such as monetary penalty schemes, to ensure workers use machinery, equipment and tools safely and properly. Rather, training on risk awareness, proper machine use, as well as positive incentives like bonuses should be used.
- 3.12.2 Workers shall not suffer any negative consequences to employment for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.

3.13 Ergonomics

- 3.13.1 Workstations shall be designed and set-up in such a manner as to minimise bodily strains (i.e. seating and standing arrangements, reach required to obtain tools).
- 3.13.2 Suppliers shall train workers in proper lifting techniques, and tools such as lifting belts shall be provided.

3.14 Medical facilities

- 3.14.1 Medical facilities shall be established and maintained in factories as required by applicable laws.
- 3.14.2 Medical staff shall be fully licensed and recognised under applicable national rules and regulations.
- 3.14.3 An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under national law.
- 3.14.4 An appropriate stock of medical supplies shall be maintained at all times. Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner.

3.15 Sanitation in workplace facilities

- 3.15.1 All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.

3.16 Toilets

- 3.16.1 Suppliers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. In addition, the following must also be provided: number of toilets based on number of workers, privacy for each individual and gender, accessibility and hygiene.
- 3.16.2 Suppliers shall not place any undue restrictions on toilets use by workers, in terms of time and frequency.
- 3.16.3 Toilets must have running water and sufficient supplies (soap, towel, toilet paper).
- 3.16.4 As a guideline it is recommended to follow the below table.

Table 3: Toilet facilities

Workers	Toilets	Workers	Toilets
1-15	1	56-80	4
16-35	2	81-110	5
36-55	3	111-150	6

3.17 Food preparation

- 3.17.1 All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws.
- 3.17.2 All workers handling food must be trained and/or certified to work in the facility preparing or serving food.

3.18 Drinking water

- 3.18.1 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace.
- 3.18.2 Drinking water shall be of a reasonable temperature.
- 3.18.3 The means to drink water (i.e. cups) must be safe and sanitary and available in an appropriate number.
- 3.18.4 Suppliers shall not place any undue restrictions on workers for drinking water, in terms of time and frequency.

3.19 Dormitory facilities

- 3.19.1 Dormitory facilities should meet all applicable local laws and regulations related to health, safety, and environment, including fire safety, sanitation, risk protection and electrical, mechanical, and structural safety.



- 3.19.2 All dormitories shall be kept secure, clean, and have safety provisions (i.e. fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting).
- 3.19.3 Emergency evacuation drills shall also be conducted at least annually.
- 3.19.4 All dormitory facilities separate from production facilities must be structurally sound, in good repair, and located away from production, warehouse and hazardous chemical storage areas.

3.20 Childcare facilities/children on premises

- 3.20.1 Childcare facilities shall not physically overlap with production areas and children shall not have access to production areas.
- 3.20.2 Children under the minimum working age shall not be allowed in workplace areas at any time, unless they are part of a guided school tour or other such unusual event.
- 3.20.3 Children must not visit parents in workplace areas.

3.21 Waste

- 3.21.1 Rubbish is taken out daily and disposed of responsibly (not directly into the environment).
- 3.21.2 Hazardous waste is collected by an authorised company and dealt with responsibly (not directly released into the environment).
- 3.21.3 Contracts with waste management companies must be available for review.
- 3.21.4 It is strongly recommended that Stella McCartney suppliers recycle waste as much as possible.

3.22 Fire safety and fire emergency procedures

- 3.22.1 All workers must be trained on what to do in case of fire emergency.
- 3.22.2 All facilities/premises must have a valid Fire Risk Assessment by a certified body.
- 3.22.3 Fire exit routes must be signposted, adequately lit and unobstructed at all times.
- 3.22.4 There must be a sufficient number of fire emergency exit doors and they must open outwards, must be appropriately signposted, unobstructed and unlocked at all times.
- 3.22.5 Fire emergency lights must be installed, functional and connected to a separate electrical circuit.



TIP: See: Environmental Sustainability Standards: Waste

- 3.22.6 Fire alarms must be installed, functional and audible everywhere in the factory. Fire alarms must be tested regularly and records of this should be kept. In exceptional cases of very small units, fire alarms are not required but this must be confirmed in writing by a certified fire company.
- 3.22.7 There must be a sufficient number of fire-fighting equipment (such as fire extinguishers and water hoses) which must be checked monthly and serviced annually by an authorised fire company.
- 3.22.8 Fire extinguishers must be accessible to all workers, attached to the wall, signposted, and labelled with use instructions in the language(s) spoken by the workers.
- 3.22.9 Fire hoses shall be signposted and have correct water pressure.
- 3.22.10 Building and evacuation plans indicating emergency escape routes and exits must be publicly posted on the wall on each floor.
- 3.22.11 Emergency assembly points shall be signposted and workers trained to know how to get to them.
- 3.22.12 Fire drills must be conducted at least twice a year and records of this kept (names of everybody who was present, date and time, how long it took for all personnel to evacuate all premises).
- 3.22.13 Where required by law, work floors shall be lined with yellow emergency lines leading to the emergency exits.
- 3.22.14 All premises must be kept tidy and clean and aisles kept unobstructed at all times.



4. Child labour

Anyone under the age of 15 or under the age for completion of compulsory education in the source country of origin, whichever is higher, is considered a child. Child labour is defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. In its most extreme forms, child labour involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities¹. While the definition of child labour varies from country to country, suppliers must comply with Stella McCartney’s standards and requirements outlined below, in addition to international or national regulations and laws.

4.1 No child labour

4.1.1 Suppliers shall not employ child labour under any circumstance.

4.2 Employment of young workers

- 4.2.1 Young workers are defined as those above the age of 15 (or the minimum working age in the given country) and below the age of 18. Suppliers may employ young workers only in circumstances where this is permitted by law and all relevant rules and regulations are respected. Relevant laws that apply to employment of young workers may include: permits and regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.
- 4.2.2 Suppliers shall abide by all relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment. Documentation shall be kept on-site for inspection at all times.
- 4.2.3 Suppliers must have an effective age-verification procedure in place for all workers to ensure children and/or young workers are not employed unintentionally.
- 4.2.4 Workers responsible for recruitment shall be trained on effective age verification methods and acceptable documentation and shall be able to identify fake documentation for young workers. Identity documents (i.e. passport, birth certificate, national ID card) of all workers shall be checked at the start of the employment relationship and only a copy shall be kept for each worker in their personnel file.
- 4.2.5 No person under the age of 18 shall undertake hazardous work (i.e. work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or development of young workers).
- 4.2.6 Suppliers shall have a system for identifying work stations and operations that are inappropriate for young workers according to applicable laws.

1 As defined by International Labour Organisation <https://www.ilo.org/ipecc/facts/lang--en/index.htm>

4.3 Apprenticeships and vocational training

- 4.3.1 Apprentices or vocational students shall not be under the age of 15, or under the age for completion of compulsory education in the given country, whichever is higher.
- 4.3.2 Suppliers shall comply with all regulations and requirements of apprentice or vocational education programmes. These programmes must be legally recognised, and suppliers must be able to document and monitor them. Informal arrangements of any kind are not acceptable.
- 4.3.3 Suppliers shall not use the employment of apprentices or vocational students as a way to avoid payment of full wages, benefits and/or social contributions.



TIP: See: Part B: Procedures and Processes or reference the document SMC Remediation Guide for full details on Child Labour Remediation Policy and Procedures.

5. Compensation

Stella McCartney believes that fair compensation for workers is a right and that it is a corporate responsibility. Fair compensation is not only a form of social protection for workers but it also reflects the business integrity of current or potential supplier partners. By definition, compensation includes the base wage and employee benefits arising out of the workers’ employment. Compensation is made directly by the suppliers to the workers. Alternatively, employee benefits include wage differentials or increments based on seniority or marital status, cost of living allowances, housing or residential allowances, family allowances, nonwage compensation (i.e. allowance for cleaning of work clothes or safety equipment) and social security benefits. Compensation is a key component of Stella McCartney’s assessment process, and the company requires that its suppliers follow the standards outlined below.

5.1 Payment of minimum wage

- 5.1.1 Suppliers must pay workers at least the national minimum wage per every worked hour, or the wage set by relevant collective bargaining agreements (CBAs) in the given country, for the regular working hours (excluding overtime).
- 5.1.2 Minimum wage must be met and guaranteed within the base wage before any bonuses or overtime are added. This wage must be enough to meet workers’ basic needs as well as provide some discretionary income.
- 5.1.3 Where different levels of minimum wage are defined by the national law, those must be respected and correctly applied.
- 5.1.4 Suppliers must ensure workers’ education, experience and skills are regularly and accurately assessed and that workers receive the correct wage for the level they meet.
- 5.1.5 Suppliers shall adopt and implement a policy on guaranteeing minimum wage to all workers. The policy must be included in worker contracts and communicated to workers at the beginning of the employment relationship.

5.2 Lack of national legislation or industry guidance on compensation

- 5.2.1 In countries or situations where minimum wage is not set by the government, or minimum wage is not negotiated by trade unions and agreed in collective bargaining agreements, or specific artisanal industries are not formally recognised by the national government and therefore not covered by either of the above, suppliers shall compensate workers with a wage that is above the industry prevailing wage, covers the basic needs of workers (i.e. housing, food, travel, healthcare, childcare, etc.) while also providing some discretionary income.

5.3 Wage recording and calculation

- 5.3.1 All payments to workers, including hourly wages, piece work, employee benefits and other incentives shall be calculated, recorded, and paid accurately.
- 5.3.2 Where national law or CBAs allow for different ways to calculate minimum wage, the calculation that provides the biggest benefit to workers shall be used.
- 5.3.3 Workers shall be compensated for overtime hours at the premium rate that is legally required in the producing country.
- 5.3.4 In countries where there is no legally established overtime premium, workers shall be compensated for overtime hours at the prevailing industry standard, whichever is higher. The premium rate should be at least 125% of the regular rate of pay.

5.4 Piece rate

- 5.4.1 Piece rate systems must be set to guarantee at least minimum wage, regardless of workers performance.
- 5.4.2 Piece rates shall be systematically established by suppliers based on time and motion study, conducted in the same site where workers get paid.
- 5.4.3 Piece rate calculations and production targets should be reviewed annually (at minimum), and monitored daily.
- 5.4.4 Where production significantly changes, piece rate calculations and production targets should be reviewed as often as needed to ensure that rates are fair and that targets are achievable.
- 5.4.5 Suppliers shall not set production targets, piece work, or any other incentive or production system at such a level that workers need to work overtime in order to earn minimum wage.
- 5.4.6 Suppliers that use a piece rate system must cross check workers' monthly wages to ensure they meet minimum wage.

5.5 Timely payment of wages

- 5.5.1 All wages, including payment for overtime, shall be paid within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.



5.6 Employee benefits

- 5.6.1 Suppliers shall provide workers with all legally mandated benefits including but not limited to: paid sick leave, paid national holiday, paid annual leave, maternity leave, paternity leave in full.
- 5.6.2 Suppliers shall not avoid their responsibility to provide workers with legally mandated benefits by unjust use of part-time or short-term contracts.
- 5.6.3 All workers shall be credited with the total time worked for a supplier, for purposes of calculating length of service and determining the employee benefits to which workers are entitled.
- 5.6.4 Workers have a right to use or not use optional benefits provided by suppliers, that are in addition to legally mandated benefits (i.e. housing or meals).
- 5.6.5 Deductions for optional benefits/services to workers shall not exceed the actual cost of these services paid by suppliers.

5.7 Wage deductions

- 5.7.1 All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited or transmitted each pay period into the legally defined account or agency. This includes any lawful garnishments for back taxes, etc.
- 5.7.2 All voluntary deductions shall be credited to proper accounts and suppliers shall not hold funds illegally or inappropriately. These funds shall not be held over from one pay period to the other, unless the law specifies that deposits are to be made less frequently than pay periods (i.e. monthly deposits, weekly pay).
- 5.7.3 Voluntary wage deductions (i.e. for savings clubs, loan payments, etc.) must follow the conditions specified by law and have the written consent of workers. Written consent shall be documented in employee files.
- 5.7.4 Workers shall have access to regular and full information concerning the status of relevant accounts and the status and level of their payments.
- 5.7.5 Deductions from wages as a disciplinary measure are not allowed.

5.8 Pay statement

- 5.8.1 Suppliers shall provide a pay statement (payslip) to workers for each pay period at least once a month, which shall show: total gross and net earned wage during pay period; wage calculations including base wage (if piece rate is used); total number of hours worked during pay period; regular and overtime pay (separated); paid sick leave, paid holidays, unpaid leave (separated); bonuses; all deductions (including tax); and final take home total wage.

5.9 Payment method

- 5.9.1 Where several payment options are allowed by law and offered by the employer (i.e. bank transfer, cheque, cash payment), workers shall be free to choose their preferred payment method.

5.10 Record maintenance

- 5.10.1 Suppliers shall maintain complete and accurate compensation records of each payment for workers, regardless of whether the payment is made via bank transfer, cheque or paid in cash.
- 5.10.2 Copies of all worker compensation records shall be maintained by suppliers, including records for workers employed by a third party (i.e. agency workers), even if the payment itself is done by the third party.
- 5.10.3 Receipt and accuracy of payslips shall be confirmed by the relevant worker in writing (i.e. signature, thumbprint, bank statements).
- 5.10.4 Suppliers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to-date and available for Stella McCartney to review upon request.
- 5.10.5 Payroll records maintained shall be authentic, accurate, and reflect the Pay Statements issued to workers. Suppliers shall not use multiple payroll, false compensation records and/or hide documents in order to demonstrate compliance with Stella McCartney standards or local laws.

5.11 Workers' awareness and understanding of compensation

- 5.11.1 Suppliers shall provide training to workers about compensation rules and regulations, and ensure the workers are clear about: their daily/weekly/monthly/annual wage as relevant; the calculation of their wages; incentives systems; employee benefits; and bonuses they are entitled to at the workplace and under applicable laws.
- 5.11.2 All relevant information shall be communicated verbally and in writing, in the local language or language spoken by the workers (if different from the local language).
- 5.11.3 Prior to undertaking overtime, workers shall be informed about overtime wage rates, verbally and in writing, in language(s) spoken by workers. Workers should be informed about the legal minimum wage and about any changes to the rates.
- 5.11.4 Suppliers shall clearly explain to workers what benefits are legally required in the given country and which are voluntary benefits provided by the supplier at the beginning of the employment relationship.

5.12 Inaccurate compensation

- 5.12.1 Suppliers must establish a system through which workers can dispute inaccurate compensation and receive clarifications in a timely manner.
- 5.12.2 Any mistakes made by suppliers in payment to workers must be rectified immediately, or where acceptable within 5 working days. Suppliers shall not wait until the next payment cycle to adjust workers' pay.

5.13 Employee termination pay-outs

- 5.13.1 Suppliers shall have a procedure for determining termination pay-outs, including methods for correct assessment of pay-outs for all modes of termination/retrenchment, taking into account national legal requirements.
- 5.13.2 Suppliers shall establish channels for workers to confidentially express any concerns or problems they may be experiencing around legally-owed payment during a retrenchment process.

- 5.13.3 Suppliers shall not demand that workers sign any declaration of good health, waivers or releases of other rights as a condition of receiving severance pay or other legal employee benefits from the company, and shall not threaten to withhold employee benefits if workers do not sign.

5.14 Wage advances

- 5.14.1 Wage advances shall not exceed three months’ pay or legal limits, whichever is less.
- 5.14.2 Advances shall only be made following clearly established rules which have been communicated to workers.
- 5.14.3 Advances must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (i.e. signature, thumbprint).

5.15 Free disposal of wages

- 5.15.1 Suppliers may not limit in any manner the freedom of workers to dispose of their wages.
- 5.15.2 Wages must be paid on regular working days and in principle at or near the workplace. Workers must be free from any coercion to make use of enterprise or work’s stores.

5.16 Employee benefits (holidays, leave, legal social benefits and bonuses)

- 5.16.1 Suppliers shall provide all legally mandated employee benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
- 5.16.2 All employee benefits shall be calculated correctly.

Living Wage

There is no one universally agreed definition of living wage. However, in short, a living wage is a wage that covers a worker’s basic needs such as housing, food, healthcare, and childcare as well as providing some discretionary income. In most countries, living wage is higher than the national minimum wage. However, a living wage figure can change depending on the country as well as the individual worker’s family situation (a single earner looking after three family members will need a higher living wage than a couple of earners in a household without any dependants to look after). Because of its complexity, Stella McCartney does not use the term living wage as a standard, however, Stella McCartney agrees with the living wage agenda and fully supports its implementation. The concept of living wage is incorporated into Stella McCartney’s definition of fair wage. In addition, Stella McCartney conducts its own living wage studies when necessary (usually as a part of an improvement programme) and supports suppliers in participating in living wage initiatives.

6. Hours of work

Stella McCartney believes in decent working hours and a healthy work-life balance for everybody involved in its supply chain. However, the company recognises that overtime work is sometimes an unavoidable part of fashion supply chains and there can be both positive and negative aspects associated with this (i.e. ability for increased financial gain vs. excessive work hours). It is essential for Stella McCartney that suppliers understand their production capacity well and communicate with the company honestly about realistic timelines and what they can deliver, while complying with the standards set out in this Guide. Suppliers shall have a system of practices in place that addresses and improves internal systems to progressively reduce excessive hours of work within an agreed upon timeline. This includes a capacity analysis, production planning and the communication of such measures to Stella McCartney. The required standards around hours of work are outlined below.

6.1 Maintenance of reasonable levels of staff

- 6.1.1 Suppliers shall maintain a level of staffing that is reasonable in view of business volumes and predictable or continuing fluctuations in business demand.
- 6.1.2 Suppliers shall not include overtime in their capacity planning. Capacity shall be based on standard working hours only and calculated based on realistic assessment of number of staff, working machinery and other factors that may affect the factory’s capacity.

6.2 Standard working hours

- 6.2.1 Standard working hours shall be clearly communicated to all workers at the beginning of their employment relationship.

6.3 Overtime hours

- 6.3.1 Suppliers shall ensure that the regular working week does not exceed 48 hours or the maximum allowed by law.
- 6.3.2 Except under exceptional business circumstances, the total of regular and over-time hours in a week shall not exceed 60 hours, or the maximum allowed by law, whichever is lower. Suppliers must be able to provide explanation for all periods when the exceptional circumstances has been used.
- 6.3.3 In exceptional circumstances, suppliers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances sufficiently in advance to allow workers to make alternative plans.
- 6.3.4 Overtime over 60 hours per week is considered excessive. Suppliers must not exceed the 60-hour working week limit on a regular basis, and must demonstrate that they take effective steps to systematically limit and reduce excessive overtime.
- 6.3.5 Workers shall be entitled to at least 24 consecutive hours of rest in every seven-day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.
- 6.3.6 Suppliers shall have a system that demonstrates a commitment to reducing overtime.
- 6.3.7 Involuntary overtime where workers are unable to leave the work premises constitutes forced labour. (See: Forced Labour and Modern Slavery on the Stella McCartney Sustainability Hub [here](#)).



6.4 Meal and rest breaks

- 6.4.1 Suppliers shall provide reasonable meal and rest breaks, which at a minimum shall be equal to one hour per every eight hour work period, or comply with national laws, whichever is greater.
- 6.4.2 Suppliers shall not restrict the number and duration of toilet breaks. Workers shall be free to use toilets as frequently as they need to.

6.5 Young workers

- 6.5.1 Suppliers shall maintain necessary records identifying all young workers under the age of 18 who are entitled to legal protection concerning work hours.

6.6 Overtime calculation

- 6.6.1 Suppliers are allowed to calculate regular hours of work as an average over a period longer than one week, where national laws and regulations provide.
- 6.6.2 The basis for such calculation shall not exceed 48 hours per week.
- 6.6.3 Overtime hours shall always be compensated at a premium rate, dictated by the law or the prevailing industry standard, whichever is higher. The premium rate should be at least 125% of the regular rate of pay.

6.7 Production and incentive schemes

- 6.7.1 Suppliers shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond regular working hours (excluding overtime) as set under the Responsible Sourcing Guide in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.

6.8 Public holidays

- 6.8.1 Suppliers shall provide workers with all official public holidays as required under national laws, regulations and procedures.

6.9 Annual leave

- 6.9.1 Suppliers shall provide workers with paid annual leave, as required under national laws, regulations and procedures.
- 6.9.2 Suppliers shall not impose any undue restrictions on workers’ use of annual leave.
- 6.9.3 Suppliers shall consult with workers to determine the time taken for annual leave, in consideration with work requirements and the opportunities for rest and relaxation available to workers.
- 6.9.4 Any workplace restrictions or procedures applicable to taking annual leave (i.e. a minimum period of service required before being allowed to use annual leave, submitting written requests a certain time before the annual leave) must be in line with national laws, regulations and procedures. This must be communicated in full to all workers.
- 6.9.5 Workers taking annual leave shall be provided their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws and regulations.

- 6.9.6 Suppliers shall not impose any sanction on workers for requesting or taking any type of leave, such as annual, sick, or maternity, in line with all applicable rules and procedures.

6.10 Sick leave

- 6.10.1 Suppliers shall provide workers with sick leave as legally required.
- 6.10.2 Suppliers shall not impose any undue restrictions on sick leave. Any workplace restrictions or procedures regarding sick leave (i.e. informing the employer as soon as possible, the provision of medical certificates, the use of designated doctors or hospitals) must be in line with national laws, regulations and procedures and must be communicated in full to all workers.
- 6.10.3 Absences from work for reasons beyond the control of workers, such as sick leave or periods during which workplace operations are suspended, shall not be counted as annual leave nor shall they be deducted from calculations concerning length of service, unless specified differently under national laws, regulations and procedures.

6.11 Suspension of work

- 6.11.1 Suppliers can only suspend work in accordance with national laws, regulations and procedures.
- 6.11.2 Workers shall be paid in full during periods of suspension. Exceptions to this include: national laws stipulating otherwise; workers and their representative organizations agree otherwise; or the relevant national authorities authorise the alternative arrangement.

6.12 Time record keeping

- 6.12.1 Suppliers must keep a complete and accurate set of hours records for all workers, including but not limited to: part time, seasonal, migrant, agency workers, apprentices or homeworkers.
- 6.12.2 Time records shall include all worked hours, overtime, breaks, and leave.
- 6.12.3 Time records maintained shall be authentic and accurate and reflect the Pay Statements issued to workers.
- 6.12.4 Suppliers shall have in place policies for managing all time records in normal and exceptional circumstances, and ensure these policies are followed through.
- 6.12.5 Suppliers shall not maintain multiple time-keeping systems and/or records.
- 6.12.6 Compensation records must be kept on site at all times and shall be available for review at the request of Stella McCartney or third party representatives.
- 6.12.7 Time worked by all workers, regardless of wage system, shall be fully documented by time cards or other mechanical or electronic recording systems. Electronic time-keeping is not required but highly recommended. If record-keeping is maintained manually (i.e. using paper), Stella McCartney must review and approve this system prior to engagement.

7. Discrimination

Stella McCartney is committed to addressing any inequalities inside its own operations and in the supply chain and ensuring the tenets of equal opportunity protects the rights and freedoms of all workers. As a key component of Stella McCartney’s Code of Conduct, the standards for anti-discrimination are based on the Universal Declaration of Human Rights (UDHR) and the ILO Conventions with the aim to empower and promote social, economic and political inclusion, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. All suppliers must adhere to the following standards and requirements.

7.1 Employee awareness of anti-discrimination compliance

- 7.1.1 At minimum, suppliers shall have a written anti-discrimination policy based on the policies set forth in the Stella McCartney standards, or the national laws, regulations and procedures concerning anti-discrimination, whichever is more comprehensive.
- 7.1.2 Suppliers shall fully disclose anti-discrimination policies to workers and ensure workers that their rights and protections under anti-discrimination provisions are protected at the time of hire or orientation.
- 7.1.3 Suppliers shall post the policy publicly on site, where it can be easily read and accessed by workers.

7.2 Recruitment, employment practices and evaluation policies

- 7.2.1 Recruitment and employment policies and practices, including job advertisements, job descriptions, and job performance/evaluation policies and practices, shall be free from any type of discriminatory bias.
- 7.2.2 Suppliers must provide protection to workers who allege discrimination in recruitment and employment practices.

7.3 Compensation discrimination

- 7.3.1 There shall be no differences in compensation between workers for work of equal value, that is on the basis of: gender, race, religion, age, physical or mental disability, sexual orientation, nationality, political opinion, social status or group, ethnic origin, place of birth, marital status, pregnancy and childbirth.
- 7.3.2 Migrant/contract/contingent/temporary/homeworkers shall be compensated directly and in full, without deduction for recruitment fees or any other agency charge for services, such as obtaining residency permits or work visas on behalf of workers.
- 7.3.3 Suppliers must provide protection to workers who allege discrimination in compensation.

7.4 Marital discrimination

- 7.4.1 Suppliers shall not discriminate on the basis of marital status.
- 7.4.2 Suppliers must provide protection to workers who allege discrimination based on marital status.

7.5 Pregnancy testing

- 7.5.1 Suppliers shall not use pregnancy tests or contraception as a condition of hiring or continued employment.

- 7.5.2 Suppliers shall not require pregnancy testing of female workers, unless as regulated by national law. In such rare cases, suppliers shall not use (the results of) these tests as a condition of hiring or continued employment.
- 7.5.3 Suppliers must ensure the protection of workers who allege discrimination as a condition in hiring or continued employment based on pregnancy tests or the use of contraception.

7.6 Marriage or pregnancy discrimination

- 7.6.1 Suppliers shall not threaten female workers with dismissal or any other employment decision that negatively affects their employment status in order to prevent them from getting married or becoming pregnant.
- 7.6.2 Suppliers must provide protection to workers who allege discrimination in the form of threat of dismissal or any other employment decision that negatively affects their employment status based on their intention to get married or become pregnant.

7.7 Pregnancy and employment status

- 7.7.1 Suppliers shall not, on the basis of a woman’s pregnancy, make any employment decisions that negatively affect a pregnant woman’s employment status, including decisions concerning dismissal, loss of seniority, or deduction of wages.
- 7.7.2 Suppliers must provide protection to workers who allege discrimination in the form of employment decisions that negatively affect their employment status based on pregnancy.

7.8 Protection and accommodation of pregnant workers and new mothers

- 7.8.1 Suppliers shall comply with all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including: provisions concerning maternity leave and other benefits, prohibitions regarding night work, temporary reassignments away from work stations and environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.
- 7.8.2 Suppliers shall take reasonable measures to ensure the safety and health of pregnant women and their unborn children.
- 7.8.3 Such measures shall be taken in a manner that shall not unreasonably affect the employment status, including compensation of pregnant women.
- 7.8.4 Suppliers must provide protection to workers who allege discrimination with regard to implementation of provisions protecting and accommodating pregnant workers and new mothers.

7.9 Health-related discrimination

- 7.9.1 Suppliers shall not make decisions that negatively affect a worker’s employment status based on the worker’s health. This includes decisions concerning hire, termination, promotion, or assignment of work (unless such decision is dictated

by the inherent job requirements or a medical necessity to protect the worker and/or other workers).

- 7.9.2 Suppliers are allowed to require routine medical examination to assess general fitness as a condition for hire or continued employment, but shall not include testing for any disease or illness (i.e. HIV/AIDS) that does not have an immediate effect on a person’s fitness and is not contagious.
- 7.9.3 Suppliers shall respect the confidentiality of a worker’s health status and not undertake any actions that could lead to a breach of confidentiality, including screening, direct or indirect testing (i.e. by making an assessment of risk behaviour), or asking questions about previously taken tests or medications.
- 7.9.4 Suppliers shall take measures to reasonably accommodate workers with (chronic) illnesses, including HIV/AIDS-related illnesses. This can include rearrangement of working time, the provision of special equipment, opportunities for rest breaks, time-off for medical appointments, flexible sick leave, part-time work and return-to-work arrangements.

7.10 Grievance procedures

- 7.10.1 Suppliers shall work with Stella McCartney to establish a grievance system whereby workers are able to fully and openly communicate with management about discriminatory practices experienced directly or observed in the workplace. A formal, confidential and unbiased system that allows for open communication and reporting shall be administered by an unbiased third party.

8. Employment relationship

Stella McCartney believes that long-lasting and healthy working relationships are integral to the success of a business, and thus, essential to invest in. Accordingly, the company is committed to ensuring positive employment relationships within its own business and across its supply chain. The employment relationship between the supplier and worker is the main link through which workers gain access to the rights and benefits associated with employment in the areas of labour law and social security². In order to address the protection of workers, suppliers shall ensure that the scope and framework of their direct relationship with workers complies with Stella McCartney’s standards, national legislation and international labour standards as outlined below.

8.1 Decision-making for equal opportunity

- 8.1.1 All employment decisions shall be made solely on the basis of a person’s qualifications (i.e. education, training, experience, demonstrated skills and/or abilities) as they relate to the requirements of a particular job.
- 8.1.2 Employment decisions shall not be made on the basis of gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy. (TIP: See: Discrimination).

8.2 Employment agencies and practices

- 8.2.1 Suppliers shall not use employment agencies that rely on practices such as: using false information to recruit workers; restricting workers’ freedom of movement; requiring workers to pay recruitment and/or employment fees; inadequate housing; restricting transit of workers; providing employment that puts workers at hazardous danger or at high risk; withholding from workers a copy of their employment contract in their native language that sets forth the general terms and conditions of engagement and employment. For migrant workers, a copy should be provided prior to departure from their home town and employment

agencies shall not retain possession or control of workers identification and other documents like passports, identity papers, work permits, and other personal legal documents; or impose financial penalties; or punish workers for terminating employment.

8.2.2 In standard contracts with employment agencies, the language used shall clearly state that suppliers are responsible for directly paying wages to migrant/contract/contingent/temporary workers. Contracts shall ensure equality of compensation and workplace standards, as set under the Responsible Sourcing Guide and national laws and regulations.

8.2.3 Fees associated with the employment of workers are the sole responsibility of suppliers.

8.3 Employment terms and conditions

8.3.1 Employment terms shall be those to which the worker has voluntarily agreed, in as far as those terms do not fall below provisions of national laws; freely negotiated and valid collective bargaining agreements; or Stella McCartney's standards within this Guide.

8.3.2 There can be no employment terms which allow suppliers to hold wages already earned; or use earned back wages as penalties; and in any way punish workers for terminating employment.

8.4 Hiring of contract, contingent or temporary workers

8.4.1 Suppliers may hire contract or temporary workers only if such employment is allowed by the national law and reasons for hire are based on one of the following conditions: the permanent workforce of the enterprise is not sufficient to meet unexpected or unusually large volume of orders; exceptional circumstances may result in great financial loss to the supplier if delivery of goods cannot be met on time; or work that needs to be done is outside the professional expertise of the permanent workforce.

8.4.2 Suppliers shall have written policies and procedures regulating the recruitment and hiring of contract/contingent/temporary workers.

8.4.3 Suppliers shall not use contract/contingent/temporary workers on a regular basis for the long-term or multiple short-terms as a means to support normal business needs or as regular employment practice.

8.4.4 Suppliers shall not limit the use of fixed-term contracts or schemes where there is no real intent to impart skills or provide regular employment.

8.4.5 The following minimum terms and conditions shall be met in the employment of contract/contingent/temporary workers:

² http://ilo.org/ifpdial/areas-of-work/labour-law/WCMS_CON_TXT_IFPDIAL_EMPREL_EN/lang--en/index.htm



- 8.4.5.1 The supplier defines the job functions or tasks that contract/contingent/temporary workers are hired to perform and keeps records of information on the use of such workers in relation to production needs;
- 8.4.5.2 The contract/contingent/temporary workers receive at least the minimum wage or prevailing industry wage, whichever is higher, and all legally mandated employee benefits;
- 8.4.5.3 The contract/contingent/temporary workers receive at least the same compensation as regular workers performing the same job functions or tasks with similar levels of experience or seniority;
- 8.4.5.4 The national laws governing contract/contingent/temporary workers are observed;
- 8.4.5.5 An agreement shall be provided to contract/contingent/temporary workers that sets out the employment terms and conditions;
- 8.4.5.6 Workplace rules and regulations that apply to contract/contingent/temporary workers are the same as for permanent workers;
- 8.4.5.7 Personnel files and relevant employment information for contract/contingent/temporary workers are maintained and accessible at the workplace site, at all times;
- 8.4.5.8 Contract/contingent/temporary workers who are hired on more than one occasion for seasonal production and specialisation shall sign a separate contract for each new hire event and the workplace retains the same identification number and all relevant information in each worker’s personnel file;
- 8.4.5.9 And contract/contingent/temporary workers are given priority when the enterprise is seeking ‘new’ permanent workers.

8.5 Other special categories of workers

- 8.5.1 All legally mandated requirements for the protection or management of special categories of workers shall be implemented. Special categories include migrant, juvenile, contract/contingent/temporary, homeworkers, pregnant or disabled workers.

8.6 New employee orientation

- 8.6.1 Suppliers shall provide an orientation to new workers at the time of hiring, which includes explanations of the suppliers’ rules, compensation package and policies for human resources and industrial relations (including respect of the right to freedom of association, and health and safety).
- 8.6.2 Training shall be updated on a regular basis, and in particular, when any policies and procedures are revised.
- 8.6.3 Workers shall be provided with written documentation that substantiates all the issues covered in orientation briefings.

8.7 Industrial relations and communications

- 8.7.1 Suppliers have the responsibility to inform workers about workplace rules, health and safety information, laws regarding workers’ rights with respect to freedom of association, compensation, working hours, any legally required information, and Stella McCartney’s Code of Conduct.
- 8.7.2 Suppliers shall post notices throughout the workplace’s common areas, in local language(s) or language spoken by workers if different from the local language.
- 8.7.3 Suppliers shall inform workers that any form of harassment or abuse in the workplace are subject to disciplinary measures.
- 8.7.4 Where a union exists in the workplace, suppliers shall make available a copy of the collective bargaining agreement to all workers and other interested parties.
- 8.7.5 Suppliers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, workers committees, designated spaces for worker meetings, and meetings between management and workers’ representatives.
- 8.7.6 There shall be a mechanism that allows workers to report harassment and grievances confidentially, including any concerns or problems they may be experiencing around legally-owed payments during a retrenchment process.
- 8.7.7 Suppliers shall have written procedures that allow for a direct settlement of the grievance by the worker and the immediate supervisor. Where this is inappropriate or has failed, there should be additional options for senior management review and consideration, depending on the nature of the grievance and the structure and size of the enterprise.
- 8.7.8 Suppliers shall ensure that the grievance procedures and applicable rules are known to workers.

8.8 Supervisor training

- 8.8.1 Suppliers shall ensure that all supervisors are trained in the appropriate practices complying with national laws, regulations, and Stella McCartney’s Responsible Sourcing Guide.
- 8.8.2 Suppliers shall inform supervisors that they should not use any form of harassment or abuse to maintain labour discipline.
- 8.8.3 Suppliers shall update trainings on a regular basis.

8.9 Work rules and discipline

- 8.9.1 Suppliers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (i.e. the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
- 8.9.2 Suppliers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
- 8.9.3 The disciplinary system shall be applied in a fair and non-discriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.

- 8.9.4 Suppliers shall maintain written records of all disciplinary actions taken.
- 8.9.5 Disciplinary rules, procedures and practices shall be clearly communicated to all workers. Any exceptions to this system (i.e. immediate termination for gross misconduct, such as theft or assault) shall also be in writing and clearly communicated to workers.
- 8.9.6 Workers must be informed when a disciplinary procedure has been initiated against them.
- 8.9.7 Workers have the right to participate and be heard in any disciplinary procedure against them.
- 8.9.8 Workers must sign all written records of disciplinary action against them.
- 8.9.9 Records of disciplinary action must be maintained in the worker’s personnel file.
- 8.9.10 The disciplinary system shall include a third party witness during imposition, and an appeal process.

8.10 Training

- 8.10.1 Suppliers shall have written policies and procedures to implement practices that encourage ongoing training of all categories of workers. Suppliers should have the internal goal of raising or broadening employee skills, in order to advance their careers within the factory or beyond.
- 8.10.2 The policies and procedures should include: how workers will be informed of training opportunities; eligibility requirements for participation; if the training will be compulsory or voluntary; if training will take place during or after working hours; and if the training time will be compensated.
- 8.10.3 Policies and procedures must encompass local legal requirements.
- 8.10.4 Trainings shall be documented and workers shall clearly understand what is required of them in order to advance to the next level within the factory.

8.11 Management of performance reviews

- 8.11.1 Suppliers shall have written policies and procedures with regards to performance reviews that: outline the review steps and process; demonstrate linkages to job grading; prohibit discrimination; are provided in writing and seek feedback and agreement/disagreement from workers in writing; and that follow all local legal requirements.
- 8.11.2 The performance review process should be communicated to workers and reviewed regularly.

8.12 Promotion, demotion and job reassignment

- 8.12.1 Suppliers shall have written policies and procedures with regards to promotion, demotion, and job reassignment. Implementation of such policies shall be transparent and fair.

- 8.12.2 Policies and procedures should: outline the criteria for promotion, demotion, and job reassignment scheme; demonstrate linkages to job grading; prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment; and follow all local legal requirements.
- 8.12.3 Outcomes should be provided to workers in writing, and suppliers should seek feedback (i.e. agreement/disagreement) from workers in writing.
- 7.12.4 Policies and procedures should be communicated to the workforce and reviewed regularly.

9. Harassment or abuse

Stella McCartney takes a firm stance against workplace harassment and abuse in all forms. The most recent ILO Convention on Violence and Harassment in the World of Work shows that this topic is a problem high on the international agenda. As a baseline, suppliers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse. If protection against any of the aforementioned is not provided under law, suppliers must provide their own policies and procedures that protect workers who allege harassment or abuse violations and share these with the company. The below outlines Stella McCartney’s standards and requirements for suppliers to follow.

9.1 Discipline and abuse

- 9.1.1 Suppliers shall not use monetary fines and penalties as a means to maintain labour discipline, including for poor performance or for violating company rules, regulations, and policies.
- 9.1.2 Access to food, water, toilets, medical care/health clinics or other basic necessities shall not be used as either reward or as a means to maintain labour discipline.
- 9.1.3 Suppliers shall not use any form and/or threat of physical violence, including slaps, pushes or other types of physical contact as a means to maintain labour discipline.
- 9.1.4 Suppliers shall not use any form of verbal violence, including shouting, or the use of threatening, demeaning, or insulting language, as a means to maintain labour discipline.
- 9.1.5 Suppliers shall not use any form and/or threat of psychological abuse, such as forcing workers to sign letters of self-criticism or posting names of workers subject to disciplinary measures as a means to maintain labour discipline.
- 9.1.6 Suppliers shall not unreasonably restrain the freedom of movement of workers, including movement in canteens, during breaks, using toilets, accessing water, or accessing necessary medical attention, as a means to maintain labour discipline.

9.2 Violence

- 9.2.1 Suppliers shall ensure that the workplace is free from any type of violence, harassment or abuse, be it physical, sexual, psychological, verbal, or otherwise.
- 9.2.2 Suppliers shall refrain from any action, and shall take all appropriate action to ensure that all workers refrain from any action, that would result in an intimidating, hostile or offensive work environment for workers.



9.3 Sexual harassment

- 9.3.1 Suppliers shall refrain from: any act of sexual harassment, including inappropriate remarks, insults, jokes, insinuation, and/or comment on a person’s dress, physique, age, family situation, etc.; a condescending or paternalistic attitude with sexual implications undermining dignity; any unwelcome invitation or request, implicit or explicit, whether or not accompanied by threats; any lascivious look or other gesture associated with sexuality; and any unnecessary physical contact such as touching, caresses, pinching or assault.
- 9.3.2 Suppliers shall not offer, or take any action that may suggest an offer of, recruitment, continued employment, promotion, improved working conditions, preferential work assignments or other preferential treatment in exchange for a sexual relationship.
- 9.3.3 Suppliers shall not subject workers to prejudicial treatment of any kind in retaliation for refused sexual advances or corrected inappropriate behaviour.
- 9.3.4 Suppliers shall refrain from any action, and shall take all appropriate action to ensure that all workers refrain from any action, that would result in a sexually intimidating, hostile or offensive work environment for workers.

9.4 Security practices/body searches

- 9.4.1 All security practices shall be gender appropriate and nonintrusive, so that the dignities of workers concerned are protected when a search is undertaken.
- 9.4.2 Searching of bags and other personal items to prevent theft is acceptable.
- 9.4.3 Body searches and physical pat downs shall only be undertaken when there is a legitimate reason to do so and upon consent of workers, unless a state official with the power to do so (i.e. police officer) has ordered the search.
- 9.4.4 Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.

9.5 Punishment of abusive workers/supervisors/managers/workers

- 9.5.1 Suppliers shall have a system to discipline supervisors, managers or workers who engage in any physical, sexual, psychological or verbal violence, harassment or abuse. Disciplinary measures can include compulsory counselling, warnings, demotions, and terminations or a combination thereof, regardless of whether such action was intended as a means to maintain labour discipline.

Environmental Sustainability Standards

Objectives

Stella McCartney is fully committed to sustainability and is focused on sustainable raw material sourcing and consciously managing and reducing the impacts of its activities on the environment in its own operations and across the entire supply chain. Stella McCartney’s use of energy, water, land and chemicals, and the resulting environmental impacts, depends on several factors particularly within textile production: from the way fibres are grown, to their production and processing methods. Key steps in this process include how they are transported, dyed, printed and made into clothing. Stella McCartney’s business decisions aim to address these impacts by putting into place sustainable approaches long before the design and production phase. Furthermore, as a sustainability leader in luxury and fashion, the company takes a responsibility in finding and innovating new solutions around these processes and materials to support a sustainable transformation in fashion. The suppliers and partners Stella McCartney collaborates with are essential to this mandate and the company is committed to providing support for its suppliers through sharing its learnings, tools and innovative material discoveries, to help them meet and implement the company’s standards.

The Responsible Sourcing Guides’ environmental standards reflect best practices and supplier criteria with an aim to meet the following objectives:

1. Ensure the highest environmental standards in the supply chain by supporting the sourcing of raw materials and processes that lower Stella McCartney’s environmental impacts and also innovate regenerative, circular materials;
2. Ensure supply chain transparency down to the raw material source (for natural materials this means the farm, forest, etc.), and that all materials are fully verified and traceable;
3. Ensure that no leather, skins, feathers, furs or by-products (such as glue) are used in any of its products, collaborations or licensed products;
4. Prioritise greenhouse gas emissions reduction and efforts to combat climate change, including renewable energy and regenerative agriculture;
5. Protect biodiversity across all supply chain operations by using traceable materials and developing raw material initiatives (farm and forest level);
6. Track, measure and report all environmental impacts for Stella McCartney’s annual Environmental Profit & Loss (EP&L) account, which measures and monetizes the environmental footprint of its direct operations and entire supply chain;
7. Collaborate and engage with all relevant stakeholders such as workers, trade unions, non-governmental organisations, governments, and partner brands.

Snapshot: Environmental Profit and Loss (EP&L) account

Stella McCartney uses a ground-breaking tool, the Environmental Profit and Loss (EP&L) account, to measure the full environmental impact of the company each year. The EP&L measures and monetizes the environmental impacts in Stella McCartney’s business activities, from raw material extraction all the way through to garment manufacturing and direct company operations. Since using the tool, Stella McCartney has learned where the risks and opportunities are in its supply chain, and identified key hotspots to focus its efforts to reduce impacts. For example, Stella McCartney has learned that the majority (around 60%) of its footprint is driven by the production and processing of raw materials, and which materials drive the biggest impacts. As a result, the EP&L has directly informed Stella McCartney’s sustainability standards and strategy, where the company prioritized responsible sourcing of materials and supporting innovation to create the next generation of lowest impact materials. Additionally, Stella McCartney has looked to implement manufacturing efficiencies in the supply chain and promoted the adoption of the Clean by Design programme to support its mill partners to reduce the environmental impact of textile production in factories.

In order to continue developing the EP&L as a tool, and to have the most accurate picture of the company’s impact on the environment, Stella McCartney requires all suppliers to provide traceability of raw materials when requested, as outlined in this Guide. As facilities continue to improve through environmental programmes or efficiency improvements, Stella McCartney may request updated facility data in order to reflect these improvements in the annual EP&L.

For more information, please refer to Stella McCartney’s first EP&L report in 2015 or the 2017 report for the company’s latest results:
<https://www.stellamccartney.com/experience/en/sustainability/measuring-our-impact/>

Relevant Policies and Guidelines

1. Minimum baseline requirements

Any raw materials sourced and processed for Stella McCartney must adhere to all of the following minimum requirements:

1. Compliance with all national and international laws, conventions and regulations;
2. Avoidance of any banned materials and restricted processes outlined in Part A: Standards and Policies: Banned Materials, Substances and Practices;
3. Chemical management and compliance;
4. Robust and verifiable traceability;

- 5. High standards of animal welfare in all aspects of handling, raising, and trans- portation of animals;
- 6. Avoidance of the degradation and destruction of natural ecosystems and promotion of environmentally-friendly production methods;
- 7. Commitment to reducing impacts on the environment, which contribute to climate change;
- 8. Application of precautionary principles, where a technique shall not be used until there is scientific consensus that it is safe for society and the environment;
- 9. Guarantee ethical and fair treatment of people working in the supply chain as outlined in the Code of Conduct and the Social Responsibility Standards in this Responsible Sourcing Guide.

2. Tiered standards

Stella McCartney’s compliance for its environmental standards are tiered to reflect baseline requirements, which are considered industry best practice, as well as aspirational goals. The company desires to do its due diligence in protecting the environment by helping to lead the industry with sustainable material sourcing, which is why Stella McCartney’s minimum requirements for materials are ambitious and will be continuously updated. Beyond these minimum requirements, Stella McCartney hopes its suppliers will join the company in its journey for sustainable progress and expects ongoing sustainable improvement to address material efficiency issues and their impacts on nature. Stella McCartney understands that some technologies are not yet refined or market ready, and further, that visibility of Tier 4 suppliers at the farm level can be ambiguous due to deep-rooted industry challenges. However, Stella McCartney is committed to collaborating with and supporting its suppliers to develop and implement initiatives that reach its aspirational standards. Stella McCartney further encourages its suppliers to go beyond the standards set out in this Guide whenever possible and push the boundaries of innovation for resource use. More and more the urgency of resource scarcity, coupled with increasing consumer demand, will create opportunities for suppliers who are first movers in sustainable solutions.

Baseline: Suppliers shall adopt responsible measures to mitigate negative environmental impacts and at a minimum shall comply with all national laws, regulations and procedures concerning the environment and ensure industry best practices.

Aspirational: Suppliers shall promote environmental sustainability and adopt the highest standards in environmental management and sourcing practices, as well as develop and implement innovations in materials and manufacturing processes.

3. Animal welfare policy

As a vegetarian luxury brand, Stella McCartney does not use leather, skins, feathers or fur, or animal-based glues, in any of its products, collaborations or licensed products. This is a decision that Stella McCartney stands behind both ethically and environmentally. For wool or other fibres coming from animals such as alpaca, yak and camel, all suppliers (and their subcontractors, sub-suppliers and suppliers of raw materials) must ensure that the Five Freedoms are respected for all animals:

- 1. Freedom from hunger and thirst, by ready access to fresh water and a diet for full health and vigour;
- 2. Freedom from discomfort, by providing an appropriate environment including shelter and a comfortable resting area;
- 3. Freedom from pain, injury or disease, by prevention or rapid diagnosis and treatment;
- 4. Freedom to express normal behaviour, by providing sufficient space, proper facilities and company of the animal’s own kind;
- 5. Freedom from fear and distress, by providing conditions and treatment that avoid mental suffering.

The maintaining, breeding, raising, transportation and handling of live animals used for fibre production shall be carried out with the highest standards of animal welfare and with minimal impact on the environment and on biodiversity.



TIP: In addition, Stella McCartney has comprehensive Animal Welfare Standards for all animal-based fibres used in its collections.

4. Chemical management policy

Stella McCartney has committed to the phasing out of hazardous chemicals across its supply chain by 2020. Accordingly, all suppliers must ensure compliance with Stella McCartney’s PRSL and by 2020, suppliers must make sure that the chemicals listed in the MRSL are not used in the different process steps of the production, should this process step be taking place at the supplier’s location or upstream in the supply chain.

As a sustainability leader in luxury and fashion, Stella McCartney is finding and innovating new solutions around materials and manufacturing processes to support a sustainable transformation in fashion.

Cotton

Cotton supply chains represent significant sustainability challenges to the people involved in cultivation, as well as to the environment. As such, various risks and negative impacts can be associated with cotton supply chains. Conventional cotton that is sourced unsustainably can enable forced labour and child labour in the supply chain. And on the environmental side, industrial cotton farming requires water-intensive processes and is one of the most polluting crops in the world – conventional cotton occupies only 2.4% of the world’s cropland, but consumes 10% of all agricultural chemicals and 25% of insecticides. Furthermore, unsafe use of agricultural chemicals can have serious health impacts on workers in the field and on ecosystems. A very small proportion of cotton production (less than 1%) is considered sustainable. An example of this is organic and/or Fairtrade certified production, where the cultivation is done without the use of toxic and persistent pesticides, synthetic fertilizers, or genetic engineering; water conservation is increased; and social/labour conditions are well-managed. All of these contribute to a better outcome for the environment and for farmers and their communities.

Stella McCartney is strongly committed to using only cotton grown using organic or regenerative farming practices in its supply chains. The company has been increasing the amount of certified organic cotton used in its collections over the years and more than 70% is organic cotton currently, with the goal as 100%. According to the EP&L analysis, organic cotton has up to 80% less environmental impact than conventional cotton. There is an increasing demand for organic cotton across fashion and a huge opportunity for raw materials suppliers and cotton farmers to tap into.

The key principles underpinning the Stella McCartney standard for cotton at the farm/cultivation level are:

1. Compliance with all applicable laws, conventions and regulations;
2. Ensuring high standards of labour and working conditions for farm workers;
3. Mitigating the environmental and health impacts of synthetic chemicals;
4. Using water efficiently and responsibly;
5. Restoring soil health, biodiversity and ensuring no detriment to natural ecosystems around farms.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Do not source cotton from high-risk countries
 - 2.1 No cotton shall be sourced from Uzbekistan, Syria and Turkmenistan, or from other countries which are considered “high risk” for child labour or forced labour systems of cotton production. Stella McCartney will update suppliers as necessary on sourcing from countries that are considered “high risk”.
 - 2.2 Suppliers shall be prepared to show evidence of their own compliance to cotton production and regions of sourcing as well as the compliance of their sub-suppliers (i.e. documentation of traceability to country or countries of origin).
3. GOTS-certified organic cotton
 - 3.1 Stella McCartney has a strong preference for Global Organic Textile Standard (GOTS)-certified organic cotton (**See:** Snapshot: Sustainable Cotton Standards and Preferences). When it is not possible to source GOTS-certified organic cotton, a combination of GOTS-certified and Organic Content Standard (OCS)-certified organic cotton is acceptable (i.e. products can have GOTS certification through to yarn or fabric and OCS certification for all other processes such as dyeing, finishing, etc. through to final product).
 - 3.2 Stella McCartney does not support genetically modified (GM) cotton. The GOTS standard prohibits the use of GM cotton seeds and therefore guarantees no genetically modified cotton.
 - 3.3 When using recycled cotton, Stella McCartney requires evidence of the Global Recycling Standard (GRS) certification, and clear traceability and verification of compliance with its chemical standards.
 - 3.4 Stella McCartney does not consider Better Cotton Initiative (BCI) or Cotton Made in Africa (CMiA) certified cotton as sustainable options. BCI allows GMO seeds as well as pesticide use. CMiA also allows pesticide use, though it is non-GMO.

Snapshot: Sustainable cotton standards and preferences

What is the difference between the Global Organic Textile Standard (GOTS) and Textile Exchange’s Organic Content Standard (OCS) certification systems?

GOTS is a comprehensive standard for a “full product claim”, setting detailed environmental and social criteria throughout the entire textile supply chain for textiles using a minimum of 70% organic fibres.

OCS traces the organic fibre flow throughout the entire textile supply chain to allow a corresponding organic “fibre claim” in the final textile product without adding environmental or social criteria in the processing.

Stella McCartney prefers and aims for all its organic cotton to be certified as GOTS.

Suppliers may use OCS as a stepping stone to GOTS. For example, they might use the OCS certification standard to cover tracking and handling while supply chains organise themselves to comply with GOTS. There may be cases where a specific product cannot meet all demanding processing requirements of GOTS (i.e. because not all dyestuffs and auxiliaries used can comply with GOTS processing criteria or the minimum percentage of 70% organic fibres is not met yet). In this case the product could still be certified to OCS, which still allows verification and a labelling possibility for the organic fibre content. GOTS and OCS may therefore be seen as complementary rather than competing certification systems. Many companies in the supply chain even choose to be certified to both standards so that they can better meet the needs of their clients.

For more information, see GOTS website and Textile Exchange website for OCS.

What is Fairtrade?

Fairtrade is about better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. By requiring companies to pay economically sustainable prices, which must never fall lower than the market price, Fairtrade addresses potential injustices of conventional trade, which traditionally discriminates against the poorest and most vulnerable producers. The initiative enables workers to improve their position and have more control over their financial lives.

Fairtrade standards require sustainable farming techniques and fairer prices to be paid for organic products. The Fairtrade system’s environmental standards and guidelines currently forbid the use of GM seeds by farmers and encourage active monitoring in nearby fields.

For more information, see the Fairtrade UK website.

What is the Global Recycled Standard (GRS)?

The GRS was developed with the textile industry in mind but it may also be applied to products from any industry. The GRS applies to any product made from recycled materials, including natural fibres (i.e. recycled cotton or recycled wool), synthetic materials (i.e. recycled polyester, recycled polyamide/other recycled polymer) and other products (i.e. recycled paper, recycled glass, etc.).

The standard applies to the full supply chain and addresses criteria related to four key elements: traceability, environmental principles, social requirements, chemical inputs and labelling.

For more information, see the Global Recycled Standard on the Textile Exchange website.

4. Traceability

- 4.1 On request, suppliers must provide the country of origin documentation (the country where the cotton was grown and cultivated) for all organic cotton utilised in Stella McCartney’s products, as well as all appropriate documentation to support certification claims. Suppliers should be prepared to provide all transaction certificates down to the ginner, to verify the utmost transparency of the supply chain.
- 4.2 If suppliers have close relationships with particular farms, or ongoing farm projects, Stella McCartney is interested in having full visibility down to the farms.

Aspirational Standards

1. Regenerative agriculture

- 1.1 Stella McCartney aims to significantly increase its use of cotton through suppliers using regenerative agriculture techniques that simultaneously restores soil health, draws carbon out of the atmosphere (climate change mitigation), and improves yields/profitability for the growers (**See:** Snapshot: Regenerative agriculture and grazing).

Cashmere

Cashmere goats are mostly found in Central Asia, particularly in Mongolia and Inner Mongolia, although some cashmere is also produced in India, Afghanistan and Iran. Virgin cashmere has an environmental impact that is roughly 100 times that of wool. It takes four goats to produce enough fibre to make a single cashmere sweater, whereas one sheep produces enough fibre to make five wool sweaters. Over the past 20-30 years, rising global demand for cashmere has led to a rapid increase in the number of goats in these regions. China alone is home to more than 60 million cashmere goats, and Mongolia’s livestock population almost doubled between 1993-2009 from 23 million to 44 million cashmere goats. This has led to overgrazing and extensive degradation of the fragile grasslands. Additionally, soil erosion has been linked to far-reaching dust storms that have had negative health and air quality impacts. According to the United Nations Development Programme, 90% of Mongolia is at risk of permanent desertification. We are also seeing the impacts of climate change becoming a reality and worsening the situation. In 2010, the combined impact of a drought the preceding summer and an extremely severe winter saw more than nine million livestock perish in the country, of which were mainly cashmere goats. Cashmere is one of the most valuable natural materials in fashion and Stella McCartney is helping to protect the future of this incredible material as well as minimising its associated environmental degradation by using only regenerated cashmere.

The key principles underpinning the Stella McCartney standard for cashmere and its sustainable sourcing are:

- 1. Complying with all applicable laws, conventions and regulations;
- 2. Protecting natural ecosystems by using pre-consumer waste and prohibiting the sourcing of virgin cashmere;
- 3. Ensuring high standards of labour and working conditions for workers.

Standards and Requirements

- 1. Suppliers must comply with the Stella McCartney PRSL and MRSL
- 2. Regenerated cashmere
 - 2.1 Stella McCartney does not wish to add to the already excessive demand for cashmere, and the associated negative environmental and social impacts from accessing new raw materials as such. In 2016, the company made the decision to eliminate the use of virgin cashmere in its products.
 - 2.2 Stella McCartney favours GRS-certified regenerated cashmere, made from high-grade, pre-consumer cashmere offcuts.

3. Stella McCartney preferred supplier

- 3.1 Re.Verso is the Stella McCartney preferred supplier for regenerated cashmere. Based in Italy, Re.Verso collects cashmere and wool knitwear production off-cuts and transforms the scraps into secondary raw material for yarn or fabric, all of which are GRS-certified. The Re.Verso system was created to promote zero waste production and support the transition to a circular economy.



Wool

Wool is produced in extensive farming systems in over 100 countries around the world but the highest quality and quantity of wool fibres come from Australia, New Zealand, South America and South Africa. Wool has an impact on land use, water, feed and chemicals and farming systems management is key to minimising these impacts.

As a vegetarian company Stella McCartney places animal welfare at the core of all its sourcing decisions. The implementation of the highest animal welfare standards in the production of Stella McCartney’s collections is one of its top priorities, and this cannot be assured without traceability to farm level.

The company believes that wool is a very sustainable natural raw material if the animals are treated humanely and without mulesing practices (i.e. the removal of skin from the breech and/or tail of a sheep using mulesing shears), chemical inputs are limited, the scouring process is well managed, and sustainable or regenerative grazing practices are put in place. Stella McCartney is taking a very proactive approach to managing its wool supply chain, by visiting the farms themselves, ensuring that its local partners follow their production closely, including animal welfare, and undertaking yearly audits. In addition to the company’s work with farms, Stella McCartney is promoting sustainable manufacturing and chemical improvements in its supply chain. As an example, Stella McCartney was the first in fashion to achieve, along with one of its key wool yarn suppliers, Gold level Cradle-to-Cradle certification.

Standards and Requirements

The key principles underpinning the Stella McCartney standard for wool and its sustainable sourcing are:

1. Ensuring the highest standards of animal welfare and a ban on mulesing;

2. Maximising ecological sustainability and supporting wool production that does not degrade natural ecosystems but rather restores and protects soil, plants and wildlife;

3. Reducing chemical inputs and supporting wool production with limited use of toxic chemicals;

4. Ensuring the highest standards of labour and working conditions for farm and scouring mills’ workers;

5. Using water efficiently and responsibly at farm level and at scouring level;

6. Scouring of wool must be free from the use of chlorine chemicals;

7. Wool suppliers must meet at minimum the Responsible Wool Standard;

8. Stella McCartney’s preferred standard is its comprehensive standard for wool whereby the company will work with its suppliers to achieve it;

9. All wool must be traceable back to farm to ensure the wool has come from approved farms that meet Stella McCartney’s requirements.



1. Suppliers must comply with the Stella McCartney PRSL and MRSL

2. Animal welfare standards

- 2.1 Suppliers to ensure that the Five Freedoms are respected for all sheep.
- 2.2 Suppliers are responsible for ensuring their suppliers and sub-suppliers understand and adhere to Stella McCartney’s animal welfare requirements.
- 2.3 Suppliers guarantee that the wool supplied from Australia has not been produced using mulesing techniques and provide the AWTA certification guaranteeing this.
- 2.4 Suppliers shall ensure that the handling and movement of sheep is calm and that sheep avoid any harm, pain and distress. There should be no live shipment of sheep.

3. Stella McCartney approved suppliers

- 3.1 Stella McCartney prioritises sourcing wool that comes from farms maintaining the highest levels of animal welfare. The company performs extensive research and farm visits to find the right partners who share the company’s values.
- 3.2 Suppliers are expected to work with Stella McCartney to source merino wool from pre-approved suppliers and farms that meet the company’s animal welfare standards and are committed to more sustainable practices. As such, Stella McCartney suppliers for merino wool are ZQ Merino’s pre-approved New Zealand farms and Chargeur’s Organica pre-approved farms. If it is not possible to source from these farms, wool from RWS-certified farms should be sourced.

- 3.3 If suppliers have any issues in sourcing wool from Stella McCartney's approved farms or from RWS-certified farms, this must be escalated to Stella McCartney in a timely manner. If suppliers wish to use alternative raw (greasy) wool suppliers that they believe meet Stella McCartney's animal welfare standards, the company may require additional verification and auditing on these farms and this will be evaluated on a case-by-case basis.
- 3.4 As a British brand, Stella McCartney aims to source more animal fibres from the UK and support British farmers. As such, the company encourages its suppliers to inform it if they are working with UK or European wool farms.

Aspirational Standards

1. Regenerative agriculture

- 1.1 Stella McCartney aims to significantly increase its use of wool through suppliers using regenerative grazing practices to restore soil health and reverse environmental degradation.

Snapshot: Regenerative agriculture and grazing

The world's soils hold around twice the amount of carbon that is found in the atmosphere and vegetation, but it has been severely degraded as a result of bad agricultural practices, intensive production, and overuse of chemical fertilisers and pesticides. Nature-based solutions, such as regenerative agriculture that regenerates the soil, can provide up to 37% of the emission reductions needed by 2030 to keep global temperature increases under 2°C.

Regenerative agriculture refers to farming principles and practices that regenerates topsoil, increases biodiversity, enriches soil, improves watersheds, enhances ecosystem services, and sequesters carbon in soil and above ground biomass which has the potential to reverse current global trends while increasing yields. Examples of regenerative agriculture practices include compost, no-till, holistic planned grazing, and agroforestry.

Stella McCartney believes that fibres grown using regenerative farming principles can contribute to the reversal of climate change, desertification and loss of biodiversity and the company supports a shift to regenerative agriculture and grazing practices in the fashion industry.





Alpaca

The alpaca has been a domesticated animal for thousands of years and they are native to Peru with approximately half of the populations worldwide located there. Alpacas are one of the kindest animals to the environment. They have cushioned paws, which do not damage the grounds they walk on, they do not need as much water in comparison to sheep, and moreover, they do not pull the roots of plants when eating. Alpaca fibres also contain very little lanolin in comparison to sheep, which means less chemicals needed to be applied when cleaning the fibre. However, as with any animal fibre, if the fibre is not traceable back to the farm there is no guarantee that Stella McCartney’s high animal welfare standards will be met and, further, the fibre could also originate from farms where there is uncontrolled grazing. In order to address this, Stella McCartney has identified a key supply chain partner, and its farm network, for alpacas that have the highest standards of animal welfare and environmental stewardship.

The key principles underpinning the Stella McCartney standard for alpaca fibres and its sustainable sourcing are:

1. Ensuring the highest standards of animal welfare;
2. Maximising ecological sustainability and supporting alpaca fibre production that does not degrade natural ecosystems but rather restores and protects soil, plants and wildlife;
3. Reducing chemical inputs and supporting alpaca fibre production with limited use of toxic chemicals;
4. Ensuring highest standards of labour and working conditions for farm and scouring mills’ workers;
5. Using water efficiently and responsibly at farm level and at scouring level;
6. Scouring of alpaca fibre must be free from the use of chlorine chemicals;
7. All alpaca fibres must be traceable back to farm to ensure it has come from approved farms that meet Stella McCartney’s requirements.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Animal welfare standards

2.1 Suppliers to ensure that the Five Freedoms are respected for all alpacas.

2.2 Suppliers are responsible for ensuring their sub-suppliers understand and adhere to Stella McCartney’s animal welfare requirements.

- 2.3 Suppliers shall ensure that the handling and movement of alpacas is calm and that alpacas avoid any harm, pain and distress. There should be no live shipment of alpacas.

3. Stella McCartney approved supplier

- 3.1 Stella McCartney prioritises sourcing alpaca fibre that comes from farms maintaining the highest levels of animal welfare. After extensive research and farm visits the company has chosen to work with a key partner, and its farm network, who shares Stella McCartney’s values and commitments.
- 3.2 Stella McCartney expects suppliers to work with the company to source alpaca fibres from its preferred supplier and network of farms, who meet Stella McCartney’s animal welfare standards and are committed to more sustainable practices.
- 3.3 If the key supplier wishes to use alternative alpaca fibre suppliers in their farm network that they believe meet Stella McCartney’s animal welfare standards, the company may require additional verification and auditing on these farms and this will be evaluated on a case-by-case basis.
- 3.4 For woven fibres, the preferred process is:

3.4.1 Calculate associated alpaca fibre volume required to meet Stella McCartney’s production targets.

3.4.2 Contact Stella McCartney’s Sustainability department to discuss fibre requirements, specifications and timing.

3.4.3 Stella McCartney’s partner for alpaca fibre will confirm availability and pricing.

3.4.4 Supplier confirms acceptance of Stella McCartney’s alpaca partner’s terms and enters a purchase contract with them.





Viscose, Rayon and Cellulosic Fibres

Viscose, also known as rayon, starts its life as a tree and every year approximately 150 million trees are cut down to create the fabric³. Their destruction (i.e. deforestation) is one of the key drivers of climate change, accounting for nearly 20% of global greenhouse gas emissions⁴. Furthermore, deforestation is also the cause of habitat loss for millions of species.

As it is one of Stella McCartney’s key raw materials, the company is committed to making sure that the forests that viscose is sourced from are protected and enriched. Not least because healthy forests play a critical role in reversing climate change by absorbing carbon dioxide. To ensure full supply chain transparency as such, Stella McCartney must be able to trace all of its viscose right back to its forest of origin, ensuring that it comes from sustainably-managed forests. To support this approach, Stella McCartney collaborates with the non-profit organization Canopy, innovative companies and suppliers to explore and encourage the development of fibre sources that reduce any associated environmental and social impacts. Where appropriate, Stella McCartney plays an active role in the research and development and eventual adoption of commercial scale production of pulp and cellulosic fibre made from alternative fibre sources, such as agricultural residues and recycled fibres. Furthermore, in 2014, Stella McCartney made a commitment to eliminate the sourcing of wood pulp from ancient and/or endangered forests across its viscose and cellulosics supply chains.

This standard covers all cellulose-based fibres from forestry sources, including viscose/rayon, lyocell, modal and acetate. For cellulosic fibres coming from non-forest based feedstocks such as crops, agricultural residues, waste streams and sources like bamboo, Stella McCartney requests that suppliers get approval on a case-by-case basis. The environmental impact of these feedstocks is not as well understood and can vary significantly from source to source.

The key principles underpinning the Stella McCartney standard for cellulosic fibres and its sustainable sourcing are:

1. Complying with all applicable laws, conventions and regulations;
2. Ensuring there are no controversial supply chains that may negatively impact forest resources, ancient or endangered forests or endangered species habitats;
3. Maximising ecological sustainability and ensuring production does not degrade natural ecosystems but rather restores and protects soil, plants and wildlife;
4. Reducing chemical inputs in cellulosic fibre production and mitigating and managing the use of toxic chemicals;
5. Ensuring there is no forced labour and that the highest standards of labour and working conditions are met in its cellulosic fibres supply chains;
6. Exploring alternative feedstocks (i.e. recycled content, agricultural residues).

³ <http://canopyplanet.org/campaigns/canopystyle/>
⁴ <https://redd-monitor.org/2014/02/15/redd-myth-no-1-deforestation-accounts-for-25-of-greenhouse-gas-emissions/>

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Wood pulp sourcing requirements
 - 2.1 Fabric made from dissolving pulp cannot be sourced from companies that are logging forests illegally; from tree plantations established after 1994 through the conversion or simplification of natural forests; from areas being logged in contravention of indigenous peoples’ rights; or from other controversial suppliers.
 - 2.2 Stella McCartney requests that its suppliers acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. The company requests that suppliers resolve complaints and conflicts, and remediate any human rights violations through a transparent, accountable, and agreeable dispute resolution process prior to on-boarding.
 - 2.3 Fabric from dissolved wood pulp cannot be sourced from endangered species habitats, or from ancient and/or endangered forests areas such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests and the tropical forests and peatlands of Indonesia, the Amazon and West Africa.
 - 2.4 Stella McCartney requires certified wood pulp sourced from sustainably-managed forests. The company requires the appropriate documentation for both certified wood pulp and full supply chain transparency.
3. Stella McCartney approved suppliers
 - 3.1 Stella McCartney expects suppliers using cellulosics from wood pulp to only source from producers as outlined below who meet CanopyStyle audit expectations, which verifies a low risk of sourcing from ancient and endangered forests. Currently, viscose producers with endangered forest sourcing policies represent approximately 70% of the global market.
 - 3.2 Stella McCartney has two approved viscose producers to date: ENKA (most preferred) and Lenzing Group.
 - 3.3 On request, Stella McCartney suppliers shall be prepared to provide the appropriate documentation showing that they are purchasing viscose from these producers (i.e. purchase orders).
 - 3.4 If a supplier does not source from these viscose producers, Stella McCartney will require the highest level of traceability back to the raw material source. Suppliers shall provide the company with information about the origin of their fabrics so Stella McCartney may evaluate the associated sourcing risk. This includes the name and address of the viscose/cellulosics producer(s), and the name, address and sourcing country of the dissolving pulp producer(s). If the company concludes that there is a sourcing risk, suppliers must be willing to change the viscose or pulp producer to one agreed together with Stella McCartney.

4. Fibres from Forest Stewardship Council certified forests

- 4.1 Forest Stewardship Council (FSC)’s forest management certification is in line with Stella McCartney’s commitment to sustainable management and the avoidance of destructive forestry practices, such as illegal logging, natural forest conversion to other land uses, liquidation of high conservation value forests, civil rights violations, and genetic modification of forest species.
- 4.2 Suppliers should request fabrics sourced from forests that are certified to FSC standards when sourcing virgin cellulosic fabrics. Please note that this recommended standard is different from the FSC chain of custody certification, which applies to businesses that manufacture or sell forest products and confirms that FSC-certified material is handled and tracked correctly throughout the entire supply chain.
- 4.3 To ensure compliance, products from supplier ENKA (ENKA viscose) are FSC-certified and products from Lenzing (TENCEL™ Lyocell and ECOVERO™) are either FSC or PE-FC-certified.

5. Chemicals

- 5.1 The production of cellulose-based fabrics involves chemicals to turn the feedstock into fibres. Stella McCartney’s standard for textile processing focuses on eliminating hazardous chemicals in production and wastewater by requiring suppliers to conform to the company’s PRSL and also meet the ZDHC wastewater guidelines (**See:** the standard for textile processing).
- 5.2 Stella McCartney also encourages suppliers to familiarise themselves with the Changing Markets reports on the chemical risks and concerns surrounding viscose production: <https://changingmarkets.org/portfolio/dirty-fashion/>

Aspirational Standards

1. Alternative forest-free feedstocks

- 1.1 For cellulose fibres, Stella McCartney encourages suppliers to use alternative (forest-free) feedstocks such as waste cotton, waste garments or agricultural residues. Stella McCartney is collaborating with Canopy, innovative companies and suppliers to explore and encourage the development of fibre sources that reduce environmental and social impacts. Stella McCartney is playing an active role in the research and development and eventual adoption of commercial scale production of pulp and cellulosic fibre made from alternative fibre sources such as agricultural residues and recycled fibres.



Snapshot: CanopyStyle improving cellulosic supply chains

Founded in 1999, Canopy is a non-profit organization dedicated to protecting forests, species and the climate. Since 2013, Canopy has been working with brands and suppliers to improve viscose (and other cellulose) supply chains and halt their impact on ancient and endangered forests through the collaborative initiative CanopyStyle. To further this goal, CanopyStyle has developed a methodology to assess viscose/cellulose producers and has policies in place with nine of the top ten largest producers, representing approximately 70% of the global market share of these fibre types. Since launching the initiative, CanopyStyle has gathered momentum with over 160 brands and designers having committed to eliminating endangered forests from their fabrics’ viscose producers.

Stella McCartney is supporting raw material sourcing and production that does not degrade natural ecosystems but rather restores and protects soil, plants and wildlife.



Synthetic Fibres (polyester and nylon)

Synthetic fibres made from plastics, such as polyester and nylon, are derived from petroleum, which is a non-renewable, finite resource. Synthetic fibres have a different set of issues and impacts on land, water, animals, feed and chemicals than natural fibres do. They also require energy-intensive production processes, emit high levels of greenhouse gases and use a great deal of chemicals during production.

In order to help protect natural resources and limit the associated environmental impacts, Stella McCartney prefers to use recycled synthetic fibres. The company has a strong preference for well-managed chemically recycled synthetic fibres that recycle unused textiles and offcuts into virgin quality fibres. This ensures a perpetual cycle of synthetic fibre resources and avoids further degradation of the environment. This does not mean that Stella McCartney will not accept recycled synthetics coming from other waste streams, such as plastic water bottles, but when available the brand will choose recycled fibres from textiles. However, it is also recognised that there are not many commercialised options for textile-to-textile recycling and that globally only around 1% of textiles are recycled back into textiles. Stella McCartney is actively working to help bring innovative recycling solutions to market.

The key principles underpinning the Stella McCartney standard for synthetic fibres and their sustainable sourcing are:

1. Complying with all applicable laws, conventions and regulations;
2. Supporting the transition to a circular economy through the use of recycled and recyclable synthetic fibres;
3. Ensuring high standards of labour and working conditions for workers;
4. Complying with Stella McCartney chemical management policies to mitigate the use of hazardous substances.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Recycled synthetic fibres
 - 2.1 All recycled materials must be GRS-certified (Global Recycled Standard).
 - 2.2 When requested, suppliers are expected to disclose their sub-supplier names.

3. Stella McCartney approved suppliers

- 3.1 For nylon, Stella McCartney has partnered with Aquafil. The company produces ECONYL® (See: <https://www.econyl.com>), a regenerated (recycled) nylon that is made from fishing nets as well as textile waste. ECONYL® is considered to be the most sustainable option on the market for recycled nylon. For each ton of ECONYL®, 7 barrels of crude oil are saved and 4.2 tons of carbon emissions are avoided. ECONYL® is created in a patented Regeneration System that turns waste into first grade quality nylon.

Aspirational Standards

1. Chemically recycled, textile-to-textile recycled polyester
 - 1.1 Stella McCartney prefers chemically recycled, textile-to-textile recycled polyester rather than mechanically recycled polyester or the recycling of PET bottles into yarn. This ensures that polyester is kept at its highest quality value and stays in the system for longer.
2. Closed loop
 - 2.1 Stella McCartney’s aim is for all its synthetic materials to be manufactured in a closed loop where they are perpetually recycled with no deterioration in quality.





Denim

Denim is made from cotton, which, if cultivated using conventional farming practices, has a number of negative environmental impacts. As with any product made from cotton Stella McCartney requests that all denim is made using organically grown and certified cotton or GRS-certified recycled cotton. Furthermore, traditional denim production is recognised as having a high environmental impact. One of the most intensive processes is the indigo dyeing process as it consumes large amounts of water with chemical use. Textile finishing for denim can also present possible health risks to workers if done unsustainably (i.e. the release of chemicals and pollutants to air and water), and the wash/fade process often consumes large quantities of energy and water.

Stella McCartney requests that its suppliers ensure their denim material sourcing complies with the relevant Stella McCartney standards and implements these guidelines where possible. Furthermore, denim production must not use any of the banned processes listed in Banned Materials, Substances and Practices as well as adhere to the guidelines below.

The key principles underpinning the Stella McCartney guidelines for denim and its sustainable sourcing are:

1. Complying with all applicable laws, conventions and regulations;
2. Complying with Stella McCartney material standards;
3. Adopting energy and water-saving technologies to minimise the environmental impact of denim production;
4. Supporting the transition to a circular economy through the use of recycled and recyclable synthetic fibres, and promoting the recycling of waste;
5. Properly treating waste and wastewater;
6. Ensuring high standards of labour and working conditions for workers;
7. Complying with Stella McCartney’s chemical management policies to mitigate the use of hazardous substances.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Raw materials

2.1 Denim must be made from GOTS-certified organic cotton or GRS-certified recycled cotton (for main fabric and pocketing), GRS-recycled polyester or elastane.
3. Dyeing

3.1 For indigo dyeing, suppliers shall use water and energy-saving techniques wherever available, such as foam dyeing or vegetal kitotex (however they must not use chitosan derived from crustaceans as this is strictly against Stella McCartney’s policy).

- 3.2 Suppliers shall not use potassium permanganate or sodium hypochlorite for any dyeing processes as it produces toxic gases and irritating fumes that can put workers and the environment at risk. Replacing these chemicals avoids the need for neutralising chemical agents, reducing the total amount of chemicals, water, and energy used and preventing water pollution.

4. Wet processing, finishing and treatments

- 4.1 Suppliers shall provide wash recipes of denim treatments when requested by Stella McCartney so that the company can monitor the environmental impact of each type of wash. The company will not share the recipes with anyone and it is for internal impact measurement purposes only. The resulting environmental impacts will be shared publicly in an aggregated form via the EP&L account with all other impacts associated with Stella McCartney’s business activities.
- 4.2 For fading effects, Stella McCartney encourages suppliers to use alternative treatments to bleaching denim, such as the use of ozone and laser finishing.
- 4.3 Stella McCartney also accepts avol oxy white, a Green Screen certified bleaching agent alternative to potassium permanganate, or organIQ, a bleaching agent that is based on organic acids and is free from heavy metals and chlorides.
- 4.4 Suppliers shall replace stone washing with enzyme washing like Geopower NPS Technology by Garmon. Pumice stones decrease fabric quality, damage the washing machine in the long-term and build-up in the sludge. Another option is to invest in an abrasive drum by Tonello.
- 4.5 Suppliers shall avoid the use of hand-scraping for treatment, and instead use laser treatments.
- 4.6 Stella McCartney encourages suppliers to use water-saving and energy-saving machines wherever possible.

5. Chemicals

- 5.1 The guidelines require suppliers to comply with at least Level 1 ZDHC MRSL and to use chemicals that adhere to the GreenScreen for Safer Chemicals assessment programme at minimum.
- 5.2 Suppliers shall cooperate with Stella McCartney to implement the Clean by Design programme in regards to chemicals and auxiliaries. The company adheres to the Clean by Design programme, which follows 10 best practices for optimising auxiliary systems (**See:** Snapshot: Clean by Design).

6. Metal Hardware

- 6.1 Stella McCartney has a preference for recycled metals.
- 6.2 When possible suppliers shall avoid conventional electroplating.

7. Recyclability

- 7.1 Refer to the standard for waste for the requirements.

8. Traceability

- 8.1 Refer to the standard for cotton for the requirements.

Thread and Trims

Stella McCartney is committed to lowering its use of virgin synthetic materials across its sourcing, including smaller elements such as threads and trims. Most threads and trims are composed of synthetic materials, presenting issues around energy production, finite resource use of oil and carbon emissions. Threads also require an oil-based coating to make it suitable for industrial sewing. In addition, the choice of fibre composition for threads and trims can present issues in the post-life of a garment, particularly when it comes to the recycling and separation of garments, and the biodegradability of the garments. As such, Stella McCartney encourages its suppliers to use alternatives to conventional polyester to reduce the associated impacts.

The key principles underpinning the Stella McCartney standard for thread and trims and their sustainable sourcing are:

1. Complying with all applicable laws, conventions and regulations;
2. Complying with Stella McCartney material standards, wherever possible;
3. Managing waste, water, energy and chemicals in the manufacturing of components;
4. Ensuring high standards of labour and working conditions for workers.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL.
2. Stella McCartney prefers threads and trims made of recycled elastane (i.e. ROICA™ EF).
3. For sewing and embroidery Stella McCartney prefers organic cotton, recycled polyester threads, or threads that have been Cradle-to-Cradle certified.
4. Stella McCartney prefers GRS-certified recycled polyester threads.
5. Stella McCartney prefers GOTS-certified organic cotton threads.
6. For plastic buttons and trims Stella McCartney prefers that recycled and recyclable plastics be used.
7. For buttons or trims made from mother of pearl suppliers must get pre-approval from the Stella McCartney Sustainability team for the sourcing location and methods.
8. For buttons made from natural materials, such as corozo, suppliers shall work with the Stella McCartney Sustainability team to ensure that the harvesting of materials is done responsibly.

9. The use of horn and ivory is strictly forbidden by Stella McCartney and must never be used for any buttons or trims.
10. For zippers suppliers shall use organic cotton, recycled polyester or recycled nylon tapes whenever possible and shall use recycled plastic or recycled metal for zipper teeth if possible.
11. For metal trims Stella McCartney prefers recycled metals and when possible suppliers shall avoid conventional electroplating.
12. All other materials used in trims should aim to comply with the relevant Stella McCartney material standards in this Guide.



ZnCu

Brass and Metals

Hardware used in fashion accessories is often made from brass and/or metals. The environmental impacts associated with these raw materials can be significant as they come from extractive industries. As such, one of the biggest environmental impacts associated with brass comes from the mining of copper. Copper does not break down in the environment, and high levels of it can sometimes be found in the ground and water sources surrounding mines. The biggest impact of metal extraction is water pollution and the levels of copper within local water sources leads to acidification, which can kill plant and animal life and can cause health issues for workers in the mining industry.

Stella McCartney is working to reduce the environmental impacts of its metal consumption by investing in low-impact, recycled or recyclable metals. Furthermore, Stella McCartney has developed a stainless-steel and an aluminium alternative that the brand uses for some of its chains. These chains have a lower environmental footprint as there is no copper mining involved and, additionally, they use more sustainable coating processes.

The key principles underpinning the Stella McCartney standard for brass and metals and their sustainable sourcing are:

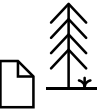
1. Complying with all applicable laws, conventions and regulations;
2. Purchasing recycled metal from refiners to avoid the impacts of extraction of new virgin materials and to conserve these finite resources;
3. Promoting recycling of waste and residues;
4. Ensuring high standards of labour and working conditions for workers;
5. Complying with Stella McCartney’s chemical management policies to manage and mitigate any dangerous substances.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL.
2. Stella McCartney has a preference for recycled content in metals when possible.
3. For metal finishings, Stella McCartney prefers the use of PVD coatings, and polishing instead of galvanization.



Stella McCartney is actively working to bring innovative recycling solutions to market to help avoid using new natural resources.



Paper and Wood

Fashion uses paper and wood in many of its products, however, the unsustainable extraction of wood for paper and pulp production can be a driver of deforestation, which, in turn, leads to biodiversity loss and contributes to climate change. Stella McCartney is committed to ensuring that its sourcing does not support the degradation or destruction of forest ecosystems, and that all of the wood and paper used in its packaging, shoes, bags, jewellery or any other products comes from sustainably certified sources. Certification is also key in providing traceability of these raw materials. Furthermore, Stella McCartney’s partnership with Canopy has helped the company verify that its supply chains are free from ancient and endangered forests. Overall, Stella McCartney aims to maximise the opportunities for sustainably-managed forests and recycled materials.

The key principles underpinning the Stella McCartney standard for paper and wood and their sustainable sourcing are:

1. Complying with all applicable laws, conventions and regulations;
2. Reducing pressure on forest ecosystems by choosing recycled options first where possible;
3. If using virgin wood products it must be FSC or FSC mix certified;
4. Ensuring no forced labour in making forestry products;
5. Complying with Stella McCartney’s chemical management policies to manage and mitigate any dangerous substances.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Use of materials with at least 50% recycled content

2.1 Stella McCartney is committed to reducing its dependency on virgin raw materials. Recycled content of at least 50% is required, and greater than 50% and up to 100% is recommended, especially for products such as office paper, B2B packaging, hangtags and labels.

2.2 For recycled paper and wood-based products, FSC-recycled and Blue Angel are the preferred certifications (**See:** Snapshot: FSC labels).

3. Use of paper and wood-based products that are certified from sustainably-managed sources

- 3.1 If recycled paper or cardboard is not available, Stella McCartney suppliers must choose paper and wood-based products that are certified from sustainably managed forests.
- 3.2 The certification that Stella McCartney recommends is Forest Stewardship Council (FSC).
- 3.3 FSC 100% is preferred to FSC Mix.
- 3.4 FSC 100% is in line with Stella McCartney’s commitment to sustainability and avoiding destructive forestry practices like: illegal logging, natural forest conversion to other land use, liquidation of high conservation value forests, civil rights violations and genetic modification of forest species.

Snapshot: FSC labels

FSC 100%: Containing nothing but fibre from FSC-certified forests. FSC certified forests have been independently audited to meet FSC’s 10 Principles and Criteria for Forest Management.

FSC Mix: The timber or fibre in the product is a mixture of some/all of the following:

- Timber or fibre from an FSC-certified forest
- Reclaimed timber or fibre
- Timber or fibre from other controlled sources

FSC Recycled: All the timber or fibre in the product is reclaimed material. This represents both pre and post-consumer recycled material.

Stella McCartney is addressing its impacts on the environment by putting into place sustainable approaches long before the design and production phase.



Plastics

Plastic is made from non-renewable fossil fuel resources, whose extraction has significant environmental impacts. The chemical structure of most plastics renders them resistant to many natural processes of degradation and as a result they are slow to degrade. Both factors have led to high levels of plastic pollution in the environment, which is afflicting land, waterways and our oceans. As an example, around 10% of plastic ends up in the ocean where it creates devastating impacts on marine life, and also eventually ends up in the human food chain. Furthermore, due to the release of toxic chemicals during manufacturing, plastic can also cause air pollution and health impacts. As such, Stella McCartney is on a mission to reduce the amount of plastics used within its own operations and across its supply chain, and is moving to more sustainable materials. While Stella McCartney has a preference for recycled or compostable materials, certain bio-based materials are acceptable as long as the feedstocks do not compete with human food sources and are not made from genetically modified organisms (GMO).

To bolster its plastics mandate, in 2018 Stella McCartney made a public commitment to the Ellen MacArthur Foundation’s Global Plastics Commitment to:

- 1. Take action to eliminate problematic or unnecessary plastic packaging by 2025;
- 2. Move from single-use plastic towards reuse models;
- 3. Have 100% of plastic packaging as recycled and recyclable;
- 4. Increase recycled content across all plastic packaging used.

The key principles underpinning the Stella McCartney standard for plastics and its sustainable sourcing are:

- 1. Complying with all national and international laws and regulations;
- 2. No PVC (banned since 2010);
- 3. Avoiding hazardous substances in product use and manufacturing through the PRSL and the MRSL;
- 4. Encouraging the use of recycled content plastics that are also recyclable;
- 5. Addressing the end of life of plastics.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL

- 1.1 In particular for plastics, chemical categories of concern include: aromatic and aliphatic VOCs, azo dyes, ortho-phthalates, PAH, formaldehyde, heavy metals, flame retardants, alkylphenols and organotins.

2. No PVC in products or packaging

- 2.1 PVC poses potential environmental and health threats because of the chlorine containing by-products (i.e. dioxins) that are produced during the manufacturing of PVC and the burning of products that contain PVC. Chlorine by-products are carcinogenic and extremely dangerous to human health and the environment. Because of these risks, Stella McCartney has had a public target since 2010 for eliminating PVC from its collections and products.

3. End-of-life of plastics

- 3.1 In general, suppliers must not use nano-plastics (plastic micro particles) due to their negative effect on the environment and especially on oceans.
- 3.2 Oxo-degradable plastics (oxo-fragmentable plastics) are to be avoided. Oxo-degradable plastics fragment but do not biodegrade. The fragments could increase the level of microplastics in the oceans and hence their environmental impacts are problematic.

4. Plastics with recycled content

- 4.1 Plastics with a high recycled content, and are recyclable after use, are Stella McCartney’s preferred choice.

5. Biodegradable or compostable plastics

- 5.1 Biodegradable or compostable plastics must use an official test method to assess biodegradability such as EN14995 (products) EN13432 (packaging) or ISO 14855-1-2012 (products).

6. Bioplastics

- 6.1 Plastics with bio-content in today’s market are composed of a mix of fossil content and bio-content. When sourcing this type of plastic, suppliers should prefer plastics with a higher percentage of non-fossil content and inquire about the feedstock that goes into producing the biological component of the plastic (i.e. crops, organic wastes, proteins, etc.).
- 6.2 Stella McCartney prefers second-generation plastics using feedstock that is not a human food source but is rather from non-edible parts of the plant, resources from forestry, proteins from discarded sources, etc.
- 6.3 Suppliers should use an official test method to assess the percentage of bio-content (i.e. method ASTM D8666) and should be able to provide test results that assess the percentage of bio-content.
- 6.4 Bioplastics must be able to be recycled at the end of their life or be biodegradable. Stella McCartney has a preference for plastics that can easily be recycled.

Aspirational Standards

1. Recycled and recyclable content

- 1.1 Stella McCartney’s preference is for plastic that is both made from recycled content and recyclable.



Polyurethane (shoes and bags)

Stella McCartney is constantly sourcing material alternatives to animal skins to ensure the brand remains true to its principles as a vegetarian company. As most available options in the market are plastic or oil-based, Stella McCartney has set out preferred standards for material suppliers regarding the use of polyurethane.

The key principles underpinning the Stella McCartney standard for polyurethane and its sustainable sourcing are:

1. Complying with all applicable laws, conventions and regulations;
2. Mitigating the use of harmful chemicals through good chemical management and a preference for solvent-free, water-borne polyurethane;
3. Supporting the development of innovative and circular leather alternative materials to reduce the use of petroleum-based materials;
4. Ensuring high standards of labour and working conditions for workers.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Water-based polyurethane
 - 2.1 Stella McCartney requires its suppliers for shoes and bags to move away from solvent-based polyurethane for its toxicity dangers of DMF solvents. The company has a preference for water-based polyurethane, a more environmentally-friendly option.
 - 2.2 Solvent-free polyurethane is safer for the worker producing faux leathers and consumes less water and energy.

Aspirational Standards

1. Circularity
 - 1.1 Stella McCartney’s goal is to use leather alternatives that are circular. This means they are either made from recycled materials and recyclable at end of life, or made from natural materials and biodegradable at end of life.



Textile Processing

Textile processing (spinning, weaving, dyeing, printing, finishing) consumes vast amounts of water, energy and chemicals. In addition, there can be numerous safety and health issues (i.e. exposure to chemicals, noise, pollution, dangerous machinery) and, as such, there must be ongoing monitoring and management of each of the processing stages to ensure that these impacts are mitigated. Suppliers are expected to implement best practices to do so and to ensure compliance to Stella McCartney’s standard for textile processing. Additionally, Stella McCartney measures and monitors its environmental impact across the entire supply chain for internal decision-making and for reporting purposes. Therefore, when requested, suppliers are expected to provide environmental data on their textile processing and the associated environmental performance including energy, water consumption, water quality and waste production. To support this tracking, Stella McCartney recommends that its suppliers measure energy and water consumption through the use of smart meters. For Chinese suppliers who engage in textile processing, Stella McCartney requires those facilities and subcontractors to report on the IPE pollution database <http://www.ipe.org.cn/about/about.aspx>.

The key principles underpinning the Stella McCartney standard for textile processing and its sustainable systems are:

1. Complying with all applicable laws, conventions and regulations particularly with regards to environmental issues as well as the health, safety and welfare of workers;
2. Improving energy and water efficiency levels, and measuring them throughout the process;
3. Properly treating waste and wastewater;
4. Promoting recycling and upcycling of waste and residues;
5. Adopting occupational health and safety best practices for workers;
6. Adopting environmental and social certification schemes. Suppliers are encouraged to obtain certification of management systems (i.e. ISO 14001). Suppliers are also encouraged to gain certification at material (i.e. GOTS or Fairtrade) or process level (i.e. Bluesign or OEKO TEX STeP).

Textile processing is an important part of ensuring Stella McCartney attains its sustainability goals. Shifting to renewable energy and minimising water use, chemical input and waste production is key.

Standards and Requirements

1. Suppliers must comply with the Stella McCartney PRSL and MRSL
2. Implement best available techniques of textile processing and auxiliary systems
 - 2.1 Environmental performance is key to a more sustainable textile industry. At the European level, the Best Available Techniques (BAT) Reference Document for the Textile Industry provides a benchmark for the textile industry’s environmental performance. This is currently being reviewed at the governmental level and Stella McCartney expects suppliers to adhere to the BAT.
 - 2.2 To optimise their environmental performance, textile mills shall:
 - 2.2.1 Measure and monitor environmental indicators through e-PKIs;
 - 2.2.2 Evaluate environmental performance against the BAT framework and take corrective actions if performance levels are low compared to BAT standards (**See:** Snapshot: Best Available Techniques);
 - 2.2.3 Ensure that new installations for all new equipment comply with BAT standards;
 - 2.2.4 Stella McCartney promotes the development of innovative, disruptive techniques allowing large reductions in the use of energy, water and chemicals and encourages supplier adoption;
 - 2.2.5 Stella McCartney encourages mills to enter the Clean by Design programme to identify opportunities for energy, water and cost-savings (**See:** Snapshot: Clean by Design).
3. Minimise wastewater and align with the highest wastewater quality standards
 - 3.1 Suppliers shall be able to provide Stella McCartney with information on the quality of their wastewater.
 - 3.2 In all cases, wastewater quality shall align with local regulation and with the standard set by Zero Discharge of Hazardous Chemicals (ZDHC) in their ZDHC Wastewater Guidelines.
 - 3.3 Stella McCartney encourages suppliers to improve wastewater management in these three directions:
 - 3.3.1 Reducing the amount of water and chemicals used through the process and integrating measures indicated above;
 - 3.3.2 Improving the effectiveness of wastewater treatment in cleaning water from the pollutant load;
 - 3.3.3 Improving the reuse and recycling of water, towards a fully circular loop of industrial water and, where possible, also of additives.

Snapshot: Best Available Techniques (BAT)

Stella McCartney encourages suppliers to continue optimising the technologies and techniques they use in textile mills in order to improve textile processes both from an environmental and financial point of view, as indicated in the BAT standards. In particular the key areas of improvements are:

- Management, knowledge and training of personnel.
- Quality and purity of process water, chemicals used and incoming textile fibres.
- Automatic dosing selection and substitution, reduction of the number of products used related to chemicals.
- Phase out overflow washing.
- Selection of water efficient washing equipment.
- Reduce flow rate of cooling water in the dyeing batches in order to reduce water use and increase its final temperature for a more convenient reuse.



Snapshot: Clean by Design

The Clean by Design programme is a green supply chain efficiency programme that is managed by the Apparel Impact Institute with guidance from the US-based NGO National Resources Defense Council (NRDC). The programme aims to optimise the auxiliary systems at the textile mills and has demonstrated excellent environmental and financial return on investment. Results of the programme in Italian textile mills showed average savings in the mills involved in terms of CO2 emissions as 12%, with some of them saving up to 25%.

Clean by Design is based on easy implementation, and zero or low cost interventions with short payback times. The programme is based on the following 10 best practices and valid worldwide:

1. Measuring energy and water consumption and finding leaks;
2. Recovering and reusing steam condensates;
3. Reusing cooling water;
4. Reusing process and grey water streams;
5. Recovering heat from hot wastewater;
6. Improving boilers' efficiency;
7. Maintaining steam traps and the steam system;
8. Improving thermal insulation;
9. Recovering heat from stacks and thermal oil;
10. Optimizing the compressed air system.

Stella McCartney will continue to follow the Clean by Design programme.

Note: In the previous work done by Kering and Stella McCartney with Italian suppliers, some further measures were found to be implementable such as direct production heat where it is used, improvement of lighting efficiency, electric motors and HVAC systems optimisation and self-production of energy.

Greenhouse gas emissions

Every year the production of textiles creates over 1.2 billion tonnes of greenhouse gas emissions and the fashion industry contributes around 10% of global greenhouse gas emissions due to its long supply chains and energy-intensive production. To support the drive towards a low-carbon economy, Stella McCartney is a founding member and signed the UN Fashion Charter for Climate Action, which draws on methodologies from the Science-Based Targets Initiative. In addition to being a signatory of the Charter, Stella McCartney is also actively committed to the principles of COP21, and has therefore set forth this standard to decarbonise its supply chain. Stella McCartney will continue to report its global greenhouse gas emissions through its annual Environmental Profit and Loss (EP&L) account, including Scope 3 emissions attributed to the supply chain, and will work together with its suppliers to help achieve these goals and help reverse the trajectory of climate change.

The key principles underpinning the Stella McCartney goal to reduce greenhouse gas emissions are:

1. Supporting the goals of the Paris Agreement on climate change to reduce carbon emissions, which is key to limiting warming to as close to 1.5°C above pre-Industrial Revolution levels;
2. Quantifying and tracking energy use and, wherever possible, calculate own greenhouse gas emissions;
3. Decarbonising supply chains through the phase out of coal and increased use of renewable energy.

Standards and Requirements

1. As part of Stella McCartney’s target to fully phase out coal from its supply chain by 2022, the company asks suppliers to commit to not installing new coal-fired boilers or other sources of coal-fired heat and power generation. If a supplier is thinking of doing so, the supplier must raise this immediately with the Stella McCartney Sustainability team. Furthermore, the company is committed to the principles of COP21.
2. Stella McCartney is promoting renewable energy and suppliers are encouraged to switch to renewable energy sources such as solar and wind power.
3. Stella McCartney will update transportation requirements to align with UN guidelines for logistics and transportation when the guidelines are finalised.

Snapshot: UNFCCC Fashion Industry Charter for Climate Action

Stella McCartney is a founding signatory of the UN’s Fashion Industry Charter for Climate Action. The Charter was developed in 2018 under the umbrella of UN Climate Change and it identifies ways in which the broader textile, clothing and fashion industry can collectively take action to address climate change. The Charter goes beyond previous industry-wide commitments and includes a 30% greenhouse gas emissions reduction target by 2030 and a commitment to analyse and set a decarbonisation pathway for the fashion industry, drawing on methodologies from the Science-Based Targets Initiative. Alongside one of many goals enshrined in the Charter, this target is a clear demonstration that the fashion industry is serious about urgently acting on climate change and keen to set an example to other sectors around the level of commitment required to meet the scale of the climate challenge.

Stella McCartney encourages all suppliers and partners to sign the Fashion Industry Charter for Climate Action. For more information about the Charter and the commitments outlined within it please see: <https://unfccc.int/climate-action/sectoral-engagement/global-climate-action-in-fashion/about-the-fashion-industry-charter-for-climate-action>





Waste

Millions of tonnes of textile waste are discarded in the design and production phase before a garment even reaches the consumer. Furthermore, one garbage truck full of textiles is landfilled or incinerated every second. Clothing sales around the world are on track to expand by five times by 2050 and, thus, the fashion industry’s footprint will only increase if serious changes are not made. Certain fibres, such as synthetics, take hundreds of years to decompose, but can also be re-entered and recycled into the system for longer lifetime value. Stella McCartney is committed to becoming a more circular business and designing waste out of the fashion system. In order to achieve this, Stella McCartney is working with multi-stakeholder groups, such as the Ellen MacArthur Foundation, Fashion Positive Plus and Fashion for Good, on closed loop innovation and second generation solutions. Stella McCartney is also working with its suppliers to become part of the transition to a zero-waste circular textile industry, where all waste generated during manufacturing is recycled. Many fibres can be recycled instead of going to landfill, but requires collaboration and cooperation in the fibre sorting process during production.

The key principles underpinning the Stella McCartney standard for waste are:

1.

Supporting the transition to a circular economy by ensuring that no waste ends up in landfills or incineration;

2.

Supporting suppliers to track, quantify and manage their waste streams.

Standards and Requirements

1. Textile and industrial waste

- 1.1

Suppliers must commit to preventing industrial waste from being sent to landfill or incineration.
- 1.2

Suppliers shall minimise waste as much as possible during production.
- 1.3

Suppliers shall work towards reusing waste as raw materials for textile products or other product categories such as fluff, thermal insulating materials, etc.
- 1.4

For the handling of textile and industrial waste, Stella McCartney prefers to work directly with suppliers to collect textile waste from its products and ensure they are going to the correct wastestreams.
- 1.5

Otherwise, suppliers should use a private recycling company where possible that is able to track where the waste goes. Suppliers should enquire about what is done with the textile waste (i.e. is it recycled, is it downcycled, is it being sent to landfill or incineration) and have this information available upon request by Stella McCartney.
- 1.6

Suppliers shall downcycle or dispose safely of materials that are not currently recyclable (i.e. polyurethane, blended fibres).

2. General waste

- 2.1

Suppliers shall ensure that all paper, plastic, glass, aluminium (all metals) and cardboard waste are recycled appropriately.
- 2.2

Waste shall be segregated by using separate bins as collection companies often do not sort waste types.
- 2.3

Suppliers shall inform workers on how to dispose of different types of waste.

Aspirational Standards

1. Closed loop

- 1.1

As part of Stella McCartney’s aim to create a circular resource model, the company supports suppliers who are developing innovative techniques to enable the recapturing of post-consumer textiles/recycled content, by turning them into yarn again to be spun into new fabric.



Part B

Procedures and Processes

Introduction

As part of Stella McCartney’s approach to transparency and traceability, the company requires a clear and accurate picture of its supply chain at all times. Full awareness of the supply chain and potential supply chain risks allows for better preparation and proactive prevention of any issues that may arise. As such, Stella McCartney regularly assesses environmental and human rights risks within its supply chain, taking into account external factors such as local politics and climate change. However, Stella McCartney believes that achieving a sustainable future goes beyond taking preventative measures and managing risk.

Stella McCartney’s supplier procedures have been designed to embed sustainability across all areas of the value chain. These procedures are essential to meeting the Stella McCartney standards outlined in Part A: Standards and Policies.

Supply Chain Mapping

Having a reliable supply chain map and visibility of all physical locations where Stella McCartney products are made, from factories, through subcontractors, sub-suppliers and homeworkers, is crucial. Only with clear visibility and traceability of the supply chain can Stella McCartney ensure its commitments as a responsible business can be met and its products are made in conditions aligned with the company’s environmental and social standards. As such, Stella McCartney relies on its direct suppliers to provide the company with transparent and accurate information about all manufacturing sites involved in Stella McCartney production. Stella McCartney values its supplier relationships and when the company requests supply chain information this will always be treated confidentially and with respect.

Stella McCartney understands that supply chains are complicated and mapping all stages of a product from raw materials to the end product result is no easy task. The company therefore divides the supply chain into 4 Tiers and has set mapping and monitoring requirements for each of them.

Stella McCartney aims to have a positive social impact on workers and the people within and around its supply chain.

Table 4: Stella McCartney definition of supply chain tiers

	Definition	Example	Mapping	Monitoring
Tier 1	Final product manufacturing and assembly	Direct suppliers and their sub-contractors carrying out sewing, cutting, printing, embroidery, packing or any other type of final assembly or finishing operations.	Stella McCartney requires full transparency from its direct suppliers on all sites involved in Stella McCartney production at this level.	Stella McCartney’s 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 Stella McCartney products.	Stella McCartney requires full transparency from its direct and finished goods suppliers on all sites involved in Stella McCartney production at this level.	Key and high-risk sites are assessed before production and monitored.
Tier 3	Raw material processing	Cotton ginnerers, pulp mills, metal smelting, etc.	<p>Stella McCartney requires full transparency from its direct and nominated suppliers on all sites involved in Stella McCartney production at this level.</p> <p>Stella McCartney expects its Tier 1 and 2 suppliers to help map their sub-suppliers at this level involved in Stella McCartney production.</p>	<p>Some sites, such as those working with Stella McCartney’s nominated raw material suppliers are visited and assessed against the company’s standards.</p> <p>Any sites mapped at this level and deemed high-risk will be visited and assessed.</p>
Tier 4	Raw material production	Farms (cotton, wool), mines (metals), forests (viscose, wood and paper).	<p>Stella McCartney has a country-level map of its natural raw materials through the company’s Environmental Profit and Loss (EP&L) methodology and data collection.</p> <p>Stella McCartney expects its Tier 1,2 and 3 suppliers to help map their sub-suppliers at this level involved in Stella McCartney production.</p>	<p>All Stella McCartney’s nominated suppliers and farms have been visited and assessed.</p> <p>Any sites mapped at this level and deemed high-risk will be visited and assessed.</p>

Suppliers are required to provide their supply chain information via the Stella McCartney Sustainability Hub, to which they obtain access to at the start of their relationship. Stella McCartney suppliers are asked to:

1. Fill in the supply chain map at the start of their relationship with Stella McCartney, creating a record for every factory, subcontractor, sub-subcontractor and homemaker used in Stella McCartney production;
2. Update supply chain map in the Stella McCartney Sustainability Hub every season, ensuring any new sites are correctly onboarded following the Stella McCartney Manufacturing Site Onboarding Procedure.



TIP: Refer to the SMC Subcontracting Policy for standards related to engaging subcontractors, new manufacturing site on-boarding procedures for adding new subcontractors and the Stella Sustainability Hub guide for information about how to navigate the Hub.

Supply chain monitoring

1. Risk assessment

Risk assessment is a key element of the Stella McCartney sustainability programme and it builds on the information collected from the supply chain mapping process. Once the supply chain map is completed, the risk assessment consists of using available supply chain data and industry knowledge to be able to predict and prevent potential risks to workers, animals and/or the environment within or around the Stella McCartney supply chain or associated with the Stella McCartney brand, as well as determine the type of assessment, monitoring and timeframe needed to address those risks.

Stella McCartney regularly assesses environmental and human rights risks within its product supply chain to the best of its ability and incorporates legal requirements, local regulations and industry guidance, while also taking into account a supplier's:

- Ownership structure and business license;
- Type of product(s) made and processes involved;
- Type of raw materials used and their sources of origin;
- Average yearly capacity and seasonality;
- Structure of the particular supply chain (vertical vs. fragmented);
- Geographical location of all manufacturing sites involved;
- Number of employees and their nationalities in each site;
- Presence of temporary, agency or young workers/apprentices;
- Other clients;
- Existing social and environmental sustainability measures in place (regular assessments, improvement and monitoring of standards);
- Publicly available reports from industry experts about common sustainability issues in the sourcing regions.

During the new supplier or new manufacturing site onboarding process, the risk assessment results determine how quickly and in what depth new factories need to be assessed and how they need to be monitored going forward. The risk assessment is re-calibrated and all active factories are reassessed once a year, taking into account the information collected from the supply chain in the last 12 months. The results of the yearly re-calibration can change the frequency of assessment for some factories even when their last assessment result was positive.

2. Factory assessment methodology and process

2.1 Approach to social and labour assessments

Stella McCartney expects the highest social and labour practices from its suppliers throughout all Tiers of its supply chain. However, the company acknowledges that every sourcing country has its challenges and that no two factories are the same. As such, Stella McCartney uses a tailored and collaborative approach to conducting social and labour assessments as this is the best way to build strong supplier relationships and ensure factories and all suppliers are able to meet the highest social criteria.

2.2 Transparency

The first objective of Stella McCartney's assessments is to obtain real and accurate information about the situation in the factories and other supplier sites. Some factories and suppliers may feel the pressure to under-report certain issues or practices but Stella McCartney requires its assessors to use their skills and expertise to identify such cases and expects complete transparency and honesty from Stella McCartney's factory and supplier partners. Stella McCartney will not accept falsified records or conduct business with factories and suppliers that seek to manipulate the assessment process in anyway. Factories and suppliers that provide the complete and authentic information and records to Stella McCartney's representatives will be provided with time and assistance to improve in a realistic and sustainable manner.

2.3 Context and root causes

Stella McCartney places an emphasis on understanding the social, cultural, economic and political context of its sourcing countries and always endeavours to understand the root causes of any issues in the supply chain. Stella McCartney acknowledges that every country, region and industry is different and that the company's purchasing practices play an important role in suppliers' ability to meet good labour standards. Stella McCartney believes in knowing its factories personally and using training and capacity building as a way to address any shortfalls against the company's Code of Conduct.

2.4 Continuous improvement

Stella McCartney aims to ensure that its social sustainability programme has a positive social impact on workers and the people within and around its supply chain and the company is committed to supporting its suppliers and factories in ensuring continuous improvement. Stella McCartney understands that real change takes time and must include building strong systems, raising awareness and often changing mind-sets and traditional ways of working. Stella McCartney wants to avoid setting unrealistic timelines or pass/fail policies, which tend to only contribute to poor transparency. Instead, Stella McCartney expects its suppliers to work towards reasonable targets and agreed timelines in a systematic way.

2.5 Reducing negative impact of social audits

Conducting social and labour assessments is still a very important part of Stella McCartney's social sustainability programme but the company recognises its limits and that repetitive assessments can have a negative impact on suppliers. Stella McCartney aims to reduce assessment duplication and help eliminate poor practices, especially



those related to lack of transparency such as double books, by turning assessments into a collaborative exercise. Stella McCartney wants to help its suppliers make use of the company’s social assessments, and to see them as an opportunity to learn and improve instead of considering them as a client’s requirement or, at worst, a burden. Stella McCartney only works with carefully selected local third party companies who share this approach.

Note: Stella McCartney does not have a pass-or-fail policy in order to incentivise honesty and continuous improvement. However, potential new suppliers and their factories must meet the minimum requirements threshold (not have any zero-tolerance issues) in order to get approved for Stella McCartney production.

2.6 Assessment company

Stella McCartney factory and supplier assessments and audits are either conducted by the Stella McCartney Sustainability team or by carefully selected external partners. In both cases the same level of quality and consistency with the Stella McCartney assessment methodology is expected. Stella McCartney chooses its external assessment companies based on their values, experience, expertise and flexibility. The company’s assessment partners are not just a service provider to the company, they are experts in their field and important stakeholders in Stella McCartney’s social sustainability work.

2.7 Assessment standard and scope

2.7.1 Standard

All Stella McCartney’s assessments are intended to verify existing factory and supplier practices against the standards outlined in the SMC Code of Conduct, the related policies, and the SMC Responsible Sourcing Guide. The Code of Conduct is based on the core ILO conventions, similar to other common social standards, such as the ETI Base Code, SA 8000 or Fair Labour Association Code of Conduct, but has some additional provisions specific to Stella McCartney. The Responsible Sourcing Guide provides further details and guidance on provisions in the Code of Conduct.

2.7.2 Scope

Stella McCartney assessments must cover all premises (buildings and grounds) registered under the factory and supplier names. This includes but is not limited to: offices, sampling rooms, all production areas, warehouses, canteen and worker dormitories. Any premises registered under the same business name but located at a different address, even if it is in near proximity to the main location, should also be included in the audit scope. Premises requiring a separate assessment due to distance or separate record keeping (time demand) must be flagged to Stella McCartney so that additional assessments can be organised. If parts of the same business in the same location are registered under different names for legal purposes only, but with the same management and operating as one company, the assessment will cover all of them.

2.8 Types of Assessments

The type of assessment used is dependant on the results of the risk assessment and the last factory or supplier assessment conducted by Stella McCartney. The following table outlines all types of assessments carried out by the company.

Table 5: Supplier assessments

Assessment type	Who it applies to	Description
Full assessment	To screen strategic suppliers or factories in high-risk countries.	To collect full sets of data against Stella McCartney standards. All areas of the Stella McCartney Code of Conduct are assessed in full scope.
Short assessment	To screen non-strategic suppliers, lower tier suppliers or subcontractors.	A more gradual and priority-oriented approach for these suppliers. At the very minimum, short assessments always check for existence of zero-tolerance issues.
Artisan workshop assessment	For sites which are not traditional factories and are less formal.	A tailored assessment approach and improvement plan that focuses on understanding the risks of artisan workshops in the local context as they operate in a more simple and informal manner than regular factories and suppliers. The same level of labour standards still applies.
Homeworker assessment	For suppliers employing the homeworkers as well as homeworkers themselves.	To ensure compliance with applicable national laws, regulations and Stella McCartney’s Subcontracting Policy.
Follow-up assessment	Applicable to all suppliers and only if initial assessment highlights a reason to follow-up.	To follow-up on improvement after previous assessment. Priority areas are defined by previous assessment findings. All follow-up assessments will check for zero-tolerance issues.

2.9 Factory and supplier notification

Depending on the situation, Stella McCartney will inform factories and suppliers about assessments in one of the following ways:

2.9.1 Announced

- 2.9.1.1 Supplier is contacted in advance either by Stella McCartney, or a third party representing Stella McCartney, to agree on a mutually convenient date. Agenda and expectations are to be clearly communicated in order for the relevant staff and records to be available on the day.
- 2.9.1.2 All first time Stella McCartney assessments are announced to introduce the factory or supplier into the Stella McCartney social sustainability programme and to establish a good relationship. Also suitable for long-term suppliers with a track record of transparency, where collaboration is a priority.

2.9.2 Semi-announced

- 2.9.2.1 An unannounced assessment within an announced assessment window (typically 4 weeks), but the supplier or factory is not informed about the exact date of the visit. Assessment takes place on a day that the factory management is not specifically prepared, but it is not a total surprise.
- 2.9.2.2 This is used to get a more realistic picture of the factory or supplier performance in cases where fully unannounced assessments would make a supplier or the factory uncomfortable. This allows assessors to see a more realistic picture of factories or suppliers while eliminating the risk of required documents or staff not being available (such as in cases when external accountants maintain the payroll).

2.9.3 Unannounced

- 2.9.3.1 All Stella McCartney suppliers are informed that from time to time, the company may organise an unannounced visit to any of its factories or suppliers. However, with unannounced assessments, suppliers are not notified about the intention to assess the factory nor the date. In the case of an unannounced assessment, the purpose is explained to the factory management upon arrival at the site. The site is required to cooperate as per Stella McCartney’s terms and conditions with its suppliers. Any refused access to the site, to staff members, or to documents is considered a zero-tolerance issue.
- 2.9.3.2 Unannounced visits are also used in cases where there is a suspicion of zero-tolerance issues and/or lack of transparency and collaboration on the supplier’s/factory’s side. In addition, a certain number of random unannounced visits are conducted every year by Stella McCartney to verify accuracy of data.

2.10 Factory and supplier collaboration

Factories and suppliers are required to collaborate with the Stella McCartney assessment process by:

1. Providing genuine information to the Stella McCartney Sustainability team, or the third party company representing Stella McCartney, and not hindering the process in any way;
2. Proving access to all company premises, including worker accommodation if provided by the factory or supplier;
3. Arranging access to all documentation such as worker contracts and payroll;
4. Providing access to confidential worker interviews.

2.11 Frequency of assessments

Factory and supplier assessments are part of supplier and manufacturing site onboarding, which means that every new direct supplier and their Tier 1 subcontractors are assessed before production. Assessments are repeated at least every two years (while a new risk assessment is conducted every year). The exact frequency is determined by the supplier’s overall risk profile, based on country/region, type of production and previous assessment results.

2.12 Assessment results

Stella McCartney rates non-compliances identified against its standards according to the below guide.

Table 6: Supplier assessment results

Criticality	Description	Timeline for remediation*
Observation	Issue that is not in breach of the Code of Conduct/local law but is recommended as a good labour standard practice or, if not addressed, could lead to a non-compliance issue in the future.	1 year
Minor non-compliance	Issue that does not represent immediate risk to workers but is in breach of the Code of Conduct/local law and needs to be corrected within an agreed timeframe.	6 months
Major non-compliance	Issue that represents risk to workers over a period of time and must be addressed as a priority within an agreed timeframe.	3 months
Critical non-compliance	Issue that represents an immediate or serious risk to workers and must be addressed immediately.	1 month
Zero-tolerance	Most critical issues, which violate the basic Stella McCartney principles and will result in escalation to the company's top management and immediate review of the business relationship. Requires immediate attention and corrective action and also may result in immediate suspension.	**Immediate

***Note:** The timeframe required for remediation of issues will depend on the scale of the issue found, root causes as well as required remediation action. This is a general guide only and the exact timeline will be determined on a case-by-case basis.

****Note:** Often critical or zero-tolerance issues will require months of continuous work to complete the corrective action fully. However, it is necessary for suppliers to respect the timeline in regards to stopping any immediate risks and putting in place a detailed improvement plan with clear targets and deadlines. This will be handled on a case-by-case basis and in critical zero-tolerance issues immediate suspension is possible.

Based on the factory and supplier assessment results, overall factory and supplier social sustainability performance is categorised using the following rating system below.

Table 7: Supplier social sustainability performance rating system

Good	No issues found/observations only
Minor improvement needed	At least one minor issue
Major improvement needed	At least one major issue
Critical improvement needed	At least one critical issue
Zero-tolerance case	At least one zero-tolerance

Assessment results are communicated and explained to the factory or supplier on the day of the assessment. As part of the closing meeting, an improvement plan is issued detailing any non-compliances with the Stella McCartney standards, necessary corrective action and the timeline for remediation.

3. Remediation and improvement

Stella McCartney is selective of its suppliers and chooses to only work with partners that also uphold Stella McCartney’s commitments and principles for sustainable and responsible business. In cases where non-compliances with the Stella McCartney Code of Conduct are identified, the company will examine the concerns raised immediately and provide support to its suppliers through a remediation plan. Suppliers are expected to complete the remediation plan in full and on time and provide evidence of remediation to the Stella McCartney Sustainability team proactively.

For suppliers who find it difficult to complete the remediation work but show commitment and continuous improvement towards full compliance (and are not dealing with any zero-tolerance issues), Stella McCartney will support and engage them with training and capacity building where necessary. These training programmes can help suppliers address the root causes of the issue(s) and develop preventative systems against risk.

3.1 Child labour remediation procedure

Stella McCartney strictly condemns any form of forced labour, slavery or child labour, and takes these issues very seriously. If any of these violations are identified, separate remediation plans will be in effect immediately and will require full compliance by suppliers. The Child Labour Remediation Policy requires that any child found at work by the supplier, Stella McCartney, or a third-party, is removed from work and offered financial support to complete their education of their own choosing, while still being paid a full wage until the child reaches the age of 18. Stella McCartney’s approach is adopted from the Impactt Child Labour Remediation Procedure for Industrial Contexts and complies with international standards.

In the case where a child is found at work by the supplier, Stella McCartney, or a third-party, the below procedure shall be followed in full:

1. Stop the child from doing the work and make contact with his/her parents or legal guardians immediately;
2. Explain the remediation policy and procedure details to both the child and the

parents/guardians. Reassure all that the child’s salary will continue to be paid and they won’t lose the income;

- 3. Explain that the aim of the remediation procedure is to help the child complete their education so that he/she is better prepared to find a job that will give them the best opportunity in life;
- 4. Help the child find and consider available options and choose the type of education and school the child wants to complete. This may be compulsory education or vocational training;
- 5. Stay in regular contact with the child, school and family to support the remediation process and to help avoid the child from re-starting work elsewhere.

It is essential to maintain the child’s best interest in mind but also understand the family situation throughout the remediation process. Suppliers shall help explain the options and support the child and the family with making the decision, but the child and his/her family shall have ultimate say over what the remediation should look like. Stella McCartney offers support to its suppliers with child labour remediation in terms of guidance, facilitation and monitoring. Suppliers are encouraged to contact Stella McCartney’s Sustainability department in any instance where they feel child labour may be or is clearly present in their workplace or supply chain.

3.2 Modern slavery/forced labour remediation procedure

Stella McCartney is committed to doing its due diligence in assessing, monitoring and preventing any risk of modern slavery in its supply chain, in compliance with the Modern Slavery Act. To ensure that no instances of modern slavery or forced labour are associated with the production of Stella McCartney products, all of the company’s suppliers and partners are regularly monitored and assessed through Stella McCartney’s social sustainability programme and against its Code of Conduct. In addition to this, all Stella McCartney employees are required to follow the Modern Slavery Policy and Guidance for Internal Staff and raise any concerns about potential labour standards or human rights violations, including modern slavery, with the Stella McCartney Sustainability team via available channels.

Stella McCartney will act upon each identified risk or raised concern by taking the following steps:

- 1. Verify the case by collecting evidence and cross check it with Stella McCartney internal staff and external stakeholders, such as local partners. If necessary, arrange a visit to the suppliers’ site and/or undertake interviews with workers to collect more information;
- 2. Once verified, inform Stella McCartney senior management of the instance of modern slavery, in terms of its nature and scale;
- 3. Ensure the practice causing modern slavery is stopped immediately and that the victims are removed from the situation of exploitation. Keep the safety and wellbeing of the individuals at risk in mind as a priority at all times and determine the course of action based on this and the particular situation. This may include the following:
 - 3.1 Engaging with modern slavery experts and local stakeholders such as the Ethical Trading Initiative, NGOs, trade unions, government bodies or other businesses to get advise on the best course of action.

3.2 Discuss the Stella McCartney due diligence process and expectations with the supplier and all other relevant stakeholders. Understand the concerns and preferences of the individual(s) being exploited and design the remediation plan with their needs and wishes in mind.

3.3 Where appropriate, contact and hand over the case to relevant authorities and dedicated modern slavery agencies who may be better suited to protect the victim and to deal with the remediation.

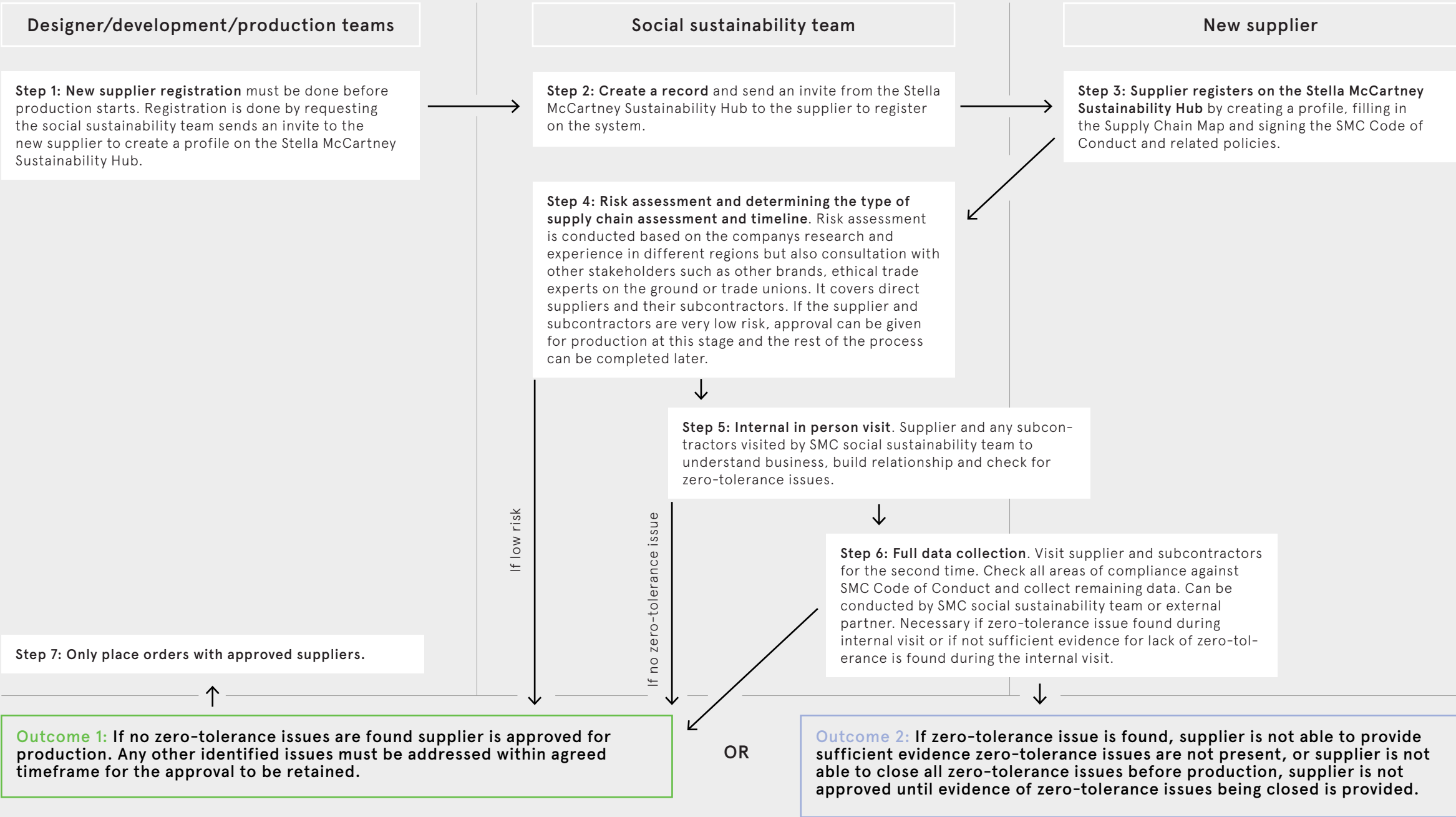
- 4. Develop a remediation plan together with the supplier and relevant stakeholders to address the root causes of the modern slavery instance, set the goals and timeframe. This may include training on better practices, capacity building and other improvement actions and should focus on mitigating the risk of the same modern slavery case occurring again.
- 5. Support the supplier with carrying out the remediation plan and closely monitor its implementation. This includes expert advise and monitoring. Clearly communicate the outcome of any failure to engage in remediation and keep senior management informed about the progress.
- 6. If the supplier does not show commitment and progress with implementations of the remediation plan despite support and pressure from Stella McCartney and other involved stakeholders, terminate the relationship with the supplier.
- 7. Maintain a record of all instances of modern slavery/forced labour, their verification and remediation and report on these regularly to all relevant internal staff, including the top management. Report on the findings and actions taken in the annual modern slavery statements required by the UK Modern Slavery Act and available on the Stella McCartney website.
Note: This procedure will be regularly reviewed and updated to reflect Stella McCartney’s learnings and industry best practices.

4. Supplier onboarding procedure

All new, direct suppliers involved in the sourcing, manufacturing or processing of Stella McCartney products must be correctly onboarded and approved for production following the below procedure:

- 1. **Supplier introduction:** At first contact with a new supplier, Stella McCartney checks for general compatibility of the business terms (i.e. product type, minimum order quantities, sampling and payment terms). If compatible, a product evaluation will follow.
- 2. **Product and capability evaluation:** Stella McCartney evaluates a supplier’s technical capability and product quality through sampling. If positive, the Stella McCartney Sustainability team is requested to assess and approve the supplier.
- 3. **Sustainability assessment and approval:** outlined in the SMC New Supplier Onboarding Process diagram.

Stella McCartney New Supplier Onboarding Process



The outcome of the assessment and approval for production is always given to SMC internal teams and the supplier in writing by the social sustainability team.

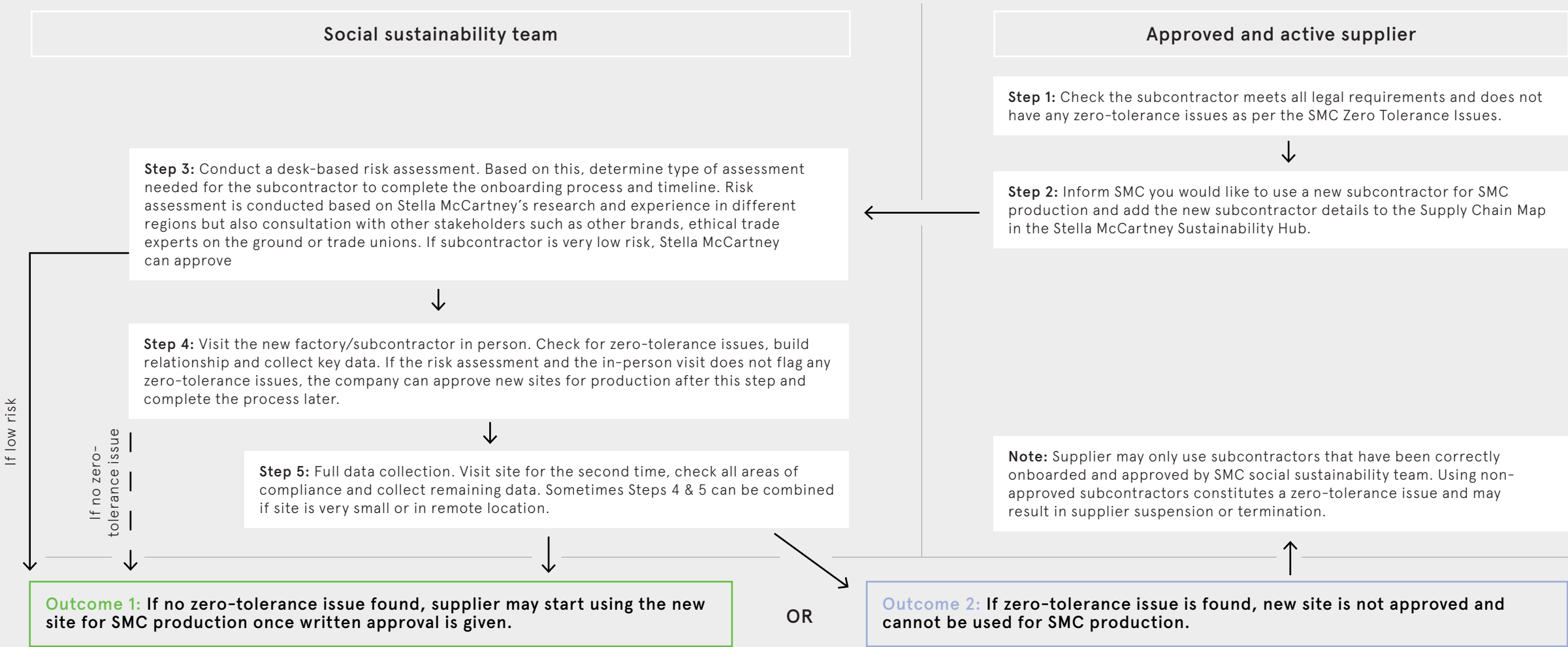
5. New manufacturing site onboarding procedure

If an existing and active Stella McCartney supplier would like to use a new manufacturing site, the company requires that it is registered and approved by Stella McCartney’s Sustainability department. The scope of a supplier’s “manufacturing site” covers factories, subcontractors, sub-subcontractors, homeworkers and any other sampling, manufacturing or processing locations involved in Stella McCartney production. Please note that not following the correct registration process for new manufacturing sites is considered a zero-tolerance issue, which will be escalated and may result in supplier termination. The following graphic outlines the new manufacturing site onboarding procedure:



TIP: For more information about adding new manufacturing sites, please refer to the SMC Subcontracting Policy. For any questions about the process, please don’t hesitate to get in touch with your usual Stella McCartney sustainability contact.

Stella McCartney New Factory/Subcontractor Onboarding Process (for existing suppliers)



The outcome of the assessment and approval for production is always given to the supplier in writing by the SMC social sustainability team.



6. Supplier termination

Stella McCartney believes in strong supplier relationships and continuous sustainable improvement. The company views supplier termination as the last resort and is committed to carrying the process out in a responsible and fair manner. The below provisions refer to grounds for termination and process resulting from zero-tolerance issues only, as defined in Part A of this Guide.

6.1 Sustainability grounds for termination or withdrawal

Stella McCartney may terminate its agreement signed with a supplier based on sustainability grounds, if one of the following events occurs (please refer to the contract for the full list of reasons for termination):

1. Serious and unresolved non-compliance with the Stella McCartney Code of Conduct and its sustainability policies.
2. Any breach of the country law.
3. Existence of any zero-tolerance issue as defined in the Stella McCartney zero-tolerance list.
4. Consistent violation of the standards within the Code of Conduct resulting from lack of remediation after the agreed upon timeframe.

6.2 Timeline

- 6.2.1 In case of zero-tolerance issues, termination may be immediate. In case of other sustainability-related reasons for termination, suppliers will be given at least 6-month notice.

6.3 Process of withdrawal

6.3.1 Written warning

- 6.3.1.1 If Stella McCartney becomes aware of any sustainability related grounds for termination, the supplier will be issued a written warning outlining the grounds and planned timeline for termination. Depending on the severity of the issue, the supplier may be able to remediate the issue with immediate effect. Stella McCartney reserves the right to still continue with termination once the warning has been issued.

6.3.2 Written notice

- 6.3.2.1 Supplier will be issued a written notice defining the terms of terminating the relationship as per the contract with Stella McCartney.

6.3.3 Evidence and explanation

- 6.3.3.1 Suppliers will be provided with evidence and will be explained the grounds for termination. Documentation related to each case will be archived.

Developed by the Stella McCartney Sustainability and Innovation Department
July 2019

For questions related to the Responsible Sourcing Guide please contact:
sustainability@stellamccartney.com

For more information about Stella McCartney visit:
<https://www.stellamccartney.com>

For details about sustainability visit:
<https://www.stellamccartney.com/experience/en/sustainability/>

