STELLA McCARTNEY



SUSTAINABILITY STATEMENT 2025



Message from Stella

“From day one, I’ve always tried to modernise fashion and make it kinder. We’ve never used leather, fur, feathers or exotic skins at Stella McCartney, and for 25 years we’ve challenged convention to prove you don’t have to compromise. We’ve grown alternatives from mushrooms, turned waste into new materials and worked with incredible innovators to find kinder ways of doing things.

But we still have so much work to do. For me, sustainability has never just been about fashion. It is about respecting Mother Earth, her creatures and each other. It is about looking at how we make things, what we make them from, who and what they impact, and where they go at the end of their life.

We need alternate systems. We need to work with nature, not against her, and we need to come together to create change. I’ve spent my entire career proving that you can do this without sacrificing desirability, creativity or luxury. Another way is possible - we must choose it.”

- STELLA MCCARTNEY, FOUNDER AND CREATIVE DIRECTOR

Message from our CEO

“At Stella McCartney, we are changing the future of fashion by proving that sustainability, innovation and business success can go hand in hand.

For 25 years, we have pioneered new materials and challenged industry conventions, creating desirable collections while continuously reducing our impact. As we look ahead, our focus is on scaling these solutions, strengthening our business and using what we have learned to drive progress beyond our own brand.

We have always led by example, and we hope others will follow.”

- TOM MENDENHALL, CHIEF EXECUTIVE OFFICER

Message from our CSO

“Our commitment to sustainability continues to underpin our approach to design, innovation, and creativity. One year after implementing a more structured framework for sustainability reporting, we have further enhanced the quality, consistency, and transparency of our ESG disclosures. As regulatory requirements and stakeholder expectations evolve, we view transparency not simply as a reporting obligation, but as a driver of accountability and meaningful progress. Through ongoing efforts to strengthen data quality, traceability, and impact measurement, we are reinforcing our contribution to a more responsible and transparent fashion industry. These improvements reflect our belief that sustainability must be embedded across the entire value chain, shaping both our operational decisions and our long-term strategic direction.

Together, and under Stella’s leadership, we remain committed to redefining the future of luxury through conscious business practices, innovation, and collaboration. Our ambition is to build a legacy where sustainability, creativity, and transparency advance side by side, setting a new benchmark for responsible luxury.”

- PASQUALE COPPOLELLA, CHIEF SUSTAINABILITY OFFICER



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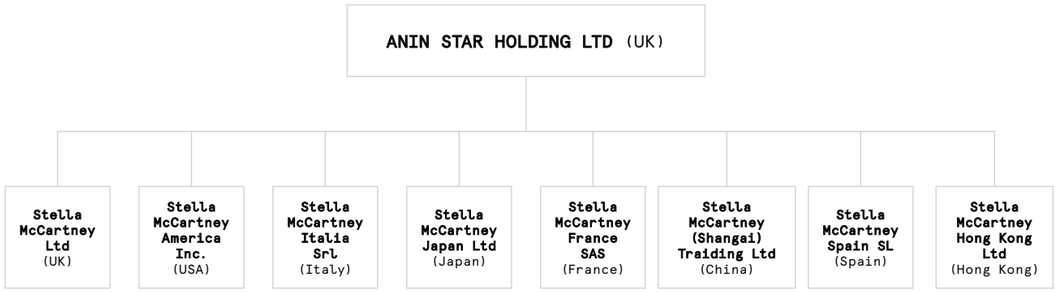
1. General Disclosure – ESRS 2

1.1 BASIS FOR PREPARATION

GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS [BP-1]

Stella McCartney 2025 Sustainability Statement is prepared on a consolidated basis, including data from the parent company, Anin Star Holding Ltd, and its subsidiaries. Accordingly, the scope of consolidation is aligned with that of the Group's Consolidated Financial Statements.



All entities in this structure chart (excluding Anin Star Holding Ltd) are 100% owned subsidiaries

The qualitative and quantitative information presented in this Statement refers to the performance of Stella McCartney Group for the financial year ending 31 December 2025 and are inspired by the European Sustainability Reporting Standards (ESRS).

This Statement represents a voluntary disclosure to progressively align with the ESRS standards introduced by the Corporate Sustainability Reporting Directive, which are considered a best practice in terms of reporting standards to be used.

The reporting scope also includes the upstream and downstream value chain, to the extent allowed by the information available. The impacts, risks, and opportunities identified through the Double Materiality Assessment cover both the Company's own operations and its broader value chain, from the production of raw materials through to the end of product life. These aspects are addressed in detail in specific chapters of the Statement.

The option to omit specific information related to intellectual property, knowhow, or the results of innovation has not been exercised. The Sustainability Statement is approved by the Board of Directors of Anin Star Holding Ltd, as the parent company of the Stella McCartney Group.

During the reporting year the Group ownership structure changed, following a transaction completed on 24 January 2025. Stella McCartney Willis acquired all outstanding shares in Anin Star Holding Ltd from the LVMH Group, marking Stella McCartney's exit from LVMH.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES [BP-2]

Stella McCartney has established time horizons divided into short, medium, and long term in the context of the Double Materiality Assessment, based on the guidelines provided by the ESRS Standards, in particular ESRS 1, section 6.4, paragraph 77, as follows:

— **Short-term horizon:** the financial reporting period, one year;

— **Medium-term horizon:** from one to five years;

— **Long-term horizon:** more than five years.

It is worth noting that the time horizon may vary with respect to the climate-related objectives outlined and detailed in Chapter 2.1 "Climate Change – E1".

In the Sustainability Statement, Stella McCartney includes metrics related to the value chain, for the calculation of Scope 3 emissions. These metrics include estimates using indirect upstream and downstream value chain data. The methodology and accuracy level are described in chapter "2.1 Climate Change - E1".

1.2 GOVERNANCE

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES [GOV-1]

The administrative body of Anin Star Holding Ltd ("Anin Star"), the holding company of Stella McCartney Group, is the Board of Directors. As Anin Star is a holding company, it has no management or supervisory bodies; however, its affiliate, Stella McCartney Italia S.r.l., has appointed a Sole Statutory Auditor and a Supervisory Body pursuant to the Italian Legislative Decree 231/2001.

The Board of Directors ("BoD") of Anin Star is the strategic body, and it is vested with the broadest powers for the ordinary and extraordinary management of Anin Star, including the authority to carry out all actions deemed necessary to achieve the corporate purpose.

The Board of Directors may delegate its powers to one or more Chief Executive Officers, also individually, by defining the scope and limits of such delegation, whose role is to monitor, manage and oversee all business-related impacts, risks, and opportunities.

The Board is supported by a dedicated committee established to oversee business conduct topics: the Ethics & Compliance Committee. In addition, the governance structure includes the Leadership Team, composed of selected C-suite executives and senior management, who meet regularly and are responsible for reporting to the Board of Directors on the Company's key matters.

Ensuring that the right expertise is in place to address sustainability challenges is essential for embedding responsible practices across the business. At Stella McCartney Group, this responsibility is distributed across key functions rather than concentrated within the BoD itself. Indeed, whilst the BoD is involved in every decision as all projects require approval, no individual on the BoD has responsibility for overseeing sustainability matters nor in determining how the skills and expertise relate to the brand's material impact, risks, and opportunities (IROs). The BoD is structured differently in that no C-Suite Officers, who have insight into sustainability IROs, are present. Instead, these are managed by multiple teams, including the Sustainability, Operations, and Finance Departments within the Group.

Within the Group, multiple Boards of Directors are established at subsidiary level, each overseeing the governance and strategic direction of their respective legal entities.

TABLE 1 – COMPOSITION OF THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2025

LEGAL ENTITY	COMPOSITION OF THE BOD	NUMBER OF MEMBERS	MEMBER IDENTITY
Anin Star Holding Ltd	Executive members	3	· Stella Nina Willis · Helen Newman · Divesh Makan
	Non-executive members	0	
Stella McCartney Ltd	Executive members	3	· Stella Nina Willis · Helen Newman · Pamela Kaufman
	Non-executive members	0	
Stella McCartney Italia S.r.l.	Executive members	2	· Tom Mendenhal · Serena Cova
	Non-executive members	1	· Helen Newman

At the end of 2025, all other Stella McCartney Group subsidiaries **(namely Stella McCartney America Inc., Stella McCartney Japan Limited, Stella McCartney France Sas, Stella McCartney Spain SL, Stella McCartney Hong Kong Limited** and **Stella McCartney Shanghai Trading Ltd)** had a sole Director, Helen Newman. All the Boards of Directors mentioned above have 100% non-independent members.

Most Company board members and the sole director have extensive experience in the fashion and beauty industry or in financial and fiscal matters.

TABLE 2 – BOARD OF DIRECTORS GENDER DIVERSITY

		2024			2025		
LEGAL ENTITY	GENDER	NUMBER OF MEMBERS	%	BOD GENDER DIVERSITY RATIO	NUMBER OF MEMBERS	%	BOD GENDER DIVERSITY RATIO
Anin Star Holding Ltd	Male	3	60%	0.67	1	33%	2
	Female	2	40%		2	67%	
Stella McCartney Ltd	Male	0	0%	0	0	0%	0
	Female	3	100%		3	100%	
Stella McCartney Italia S.r.l.	Male	0	0%	0	1	33%	2
	Female	3	100%		2	67%	
Stella McCartney America, Inc.	Male	0	0%	0	0	0%	0
	Female	2	100%		1	100%	

By definition, all companies with a sole Director have a Board composed of members of only one gender (female).

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES WITH RESPECT TO BUSINESS CONDUCT [G1 – GOV-1]

The Group has established a governance framework aligned with the Company's characteristics and operating context, with the aim of promoting a strong ethical culture in the most effective manner.

Stella McCartney, as the founder and creative visionary behind the brand, plays a leading role in shaping and guiding the sustainability agenda, ensuring that environmental and social values are embedded across all aspects of the brand. Through the Company, she is personally committed to advancing this message.

With regards to internal governance, at the highest level, accountability for meeting environmental, social responsibility and human rights requirements lies with the Chief Executive Officer (CEO) and the Board of Directors, together with the Chief Sustainability Officer (CSO), who is in charge of leading the Sustainability Team located between Italy and the UK.

Sustainability and business conduct matters are overseen by the Sustainability Team on the one hand, and by a dedicated body, the Ethics & Compliance Committee, on the other.



Sustainability Team

The skills and expertise to oversee sustainability matters and responsibility for implementing the programme on a day-to-day basis lie predominantly within the Sustainability Team.

The Sustainability Team is responsible for monitoring ESG topics related to both the Company and its value chain. The department is divided into three key areas:

— Product responsibility and innovation;

— Environmental impact and reporting;

— Corporate Social Responsibility (CSR) and human rights in the supply chain.

The Team is strategically based in both London, to ensure close relationships with all departments at the Head Offices (i.e. design and communications) and Milan, to enable a close relationship both with Operations Teams in Novara (i.e. logistics, production and procurement) and the supply chain, which is mainly located in Italy.

The Head of Social and Environmental Responsibility and Head of Product Innovation and Responsible Materials report to the Chief Sustainability Officer (CSO), who manages and oversees the overall sustainability strategy within the business. These Heads are responsible for ensuring the effective rollout of the defined strategy and for leading relevant collaborations and partnerships.

The structure and expertise of the Sustainability Team are designed to reflect the Company's material IROs, ensuring that each area, whether environmental, social, or governance-related, is addressed by professionals with relevant technical and strategic capabilities.

Ethics & Compliance Committee

The Ethics & Compliance Committee was established with the mission of ensuring that the Company operates with integrity by overseeing ethical standards and compliance with laws and internal policies. The Committee's areas of intervention include the fight against corruption and bribery, compliance with anti-money laundering laws, duty of care and human rights, compliance with international sanctions programmes, and data protection.

The Ethics & Compliance Committee is currently composed of four members appointed by the Board of Directors: Chief Operating & Sustainability Officer, Chief Financial Officer, Chief People Officer, and Legal Counsel.

The Committee meets twice a year to define the strategy and key priorities related to ethical and regulatory risks, to ensure the proper roll-out of the Ethics & Compliance programme and the implementation of the actions established to achieve each objective, and to encourage practice sharing between departments. Additional meetings may be convened where specific needs or urgent matters arise.

The Committee is supported by Ethics & Compliance correspondents, whose role is to coordinate the roll-out of the compliance programme, overseeing training and awareness activities, monitoring and investigating misconduct, liaising with different departments to put the right policies and processes in place and to share best practices across the Company, as well as reporting to senior management or the board.

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES [GOV-2]

At Stella McCartney, the Board of Directors of the holding is regularly informed by the Leadership Team (LT) about material impacts, risks and opportunities (IROs), the implementation of due diligence processes, and the effectiveness of related policies, actions, metrics, and targets.

The LT meets every two weeks, in short sessions. Sustainability-related updates are provided by the Sustainability Team to the Chief Sustainability Officer (CSO), who is a member of the Leadership Team and acts as the primary liaison. Key contributors to these updates include the Head of Social and Environmental Responsibility and the Head of Product Innovation and Responsible Materials, who ensure that relevant developments are communicated in a timely and structured manner.

Through the ongoing development of the Company's Sustainability Plan, the Leadership Team is progressively integrating sustainability-related impacts, risks, and opportunities into strategic decision-making processes. This includes the evaluation of IROs in relation to the Company's business model, major transactions, and risk management framework.

As part of this process, the LT, supported by the CSO and relevant functional leads, considers potential trade-offs between environmental, social, and economic outcomes, with the aim of aligning sustainability objectives with long-term business priorities.

During the reporting period, the Leadership Team addressed the material impacts, risks, and opportunities identified through the Company's Double Materiality Assessment (DMA). These include, but are not limited to:

- Climate-related risks and transition planning;
- Environmental impacts across the value chain (e.g. materials, biodiversity, water use);
- Social risks related to workers in the supply chain and affected communities;
- Governance topics such as ethical business conduct and supplier traceability.

The full list of material IROs is detailed in the results of the DMA conducted and can be consulted in paragraph "Double Materiality Assessment Results [IRO-2]".





INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES [GOV-3]

Currently, Stella McCartney does not have incentive schemes or remuneration policies directly linked to sustainability matters or climate-related performance for members of its administrative, management, or supervisory bodies.

However, the Company plans to develop its Sustainability Plan, through which the Chief Sustainability Officer, Chief Executive Officer, and other members of the Leadership Team, in collaboration with the Human Resources Department, will evaluate the integration of sustainability-related incentives into the overall remuneration framework.

An exception concerns the Chief Sustainability Officer and Sustainability Team, whose individual performance is more directly assessed against specific sustainability-related targets and impacts, given the nature of their roles and responsibilities. On an experimental basis, and with the aim of testing the methodology for further extension to a broader group of executives, this approach is also being considered for two Directors in the product areas Ready-To-Wear Knitwear and Bags.

Although climate-related considerations, such as GHG emissions reduction, are recognised as a key priority for the organisation, no remuneration mechanisms are currently in place that directly tie compensation to climate-related performance indicators, with the exception of the Chief Sustainability Officer and the Sustainability Team. Nevertheless, the organisation is actively engaged in internal discussions and assessments on how to better integrate climate-related metrics into its governance and incentive structures, as part of a broader effort to strengthen alignment between sustainability commitments and corporate performance.

STATEMENT ON DUE DILIGENCE [GOV-4]

Stella McCartney outlines below its approach to sustainability due diligence.

This process is designed to identify, assess, and manage actual and potential adverse impacts on people and the environment, both within the Company's operations and throughout its value chain.

The following table maps how the Company integrates the key aspects and steps of its due diligence process within its Sustainability Statement.

TABLE 3 – DUE DILIGENCE ELEMENT AND RESPECTIVE SUSTAINABILITY STATEMENT SECTIONS

MAIN ELEMENTS OF DUE DILIGENCE	SECTIONS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy, and business model	· The role of the administrative, management and supervisory bodies [GOV-1] · Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2] · Integration of sustainability-related performance in incentive schemes [GOV-3] · Management of relationships with suppliers and payment practices [G1-2, G1-6]
Engaging with affected stakeholders in all key steps of the due diligence process	· Interests and views of stakeholders [SBM-2] · Process for engaging with own workforce [S1-2] · Process for engaging with value chain workers [S2-2] · Process for engaging with affected communities [S3-2] · Process for engaging with consumers [S4-2] · Protection of whistleblowers [G1-1]
Identifying and assessing adverse impacts	· Identification and assessment of impacts, risks and opportunities [IRO-1] · Description of the processes to identify and assess material climate-related impacts, risks and opportunities [E1 - IRO-1] · Description of the processes to identify and assess material pollution-related impacts, risks and opportunities [E2 - IRO-1] · Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities [E3 - IRO-1] · Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities [E4 - IRO-1] · Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities [E5 - IRO-1] · Description of the processes to identify and assess material impacts, risks and opportunities [G1 - IRO-1] · Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]
Acting on and remediating these negative impacts	· Targets, actions and resources related to climate change [E1-3, E1-4] · Targets, actions and resources related to pollution [E2-2, E2-3] · Targets, actions and resources related to water and marine resource [E3-2, E3-3] · Targets, actions and resources related to biodiversity and ecosystems [E4-3, E4-4] · Targets, actions and resources related to resource use and circular economy [E5-2, E5-3] · Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3] · Targets, actions and resources related to own workforce [S1-4, S1-5] · Processes to remediate negative impacts and channels for value chain workers to raise concerns [S2-3] · Targets, actions and resources related to value chain workers [S2-4, S2-5] · Processes to remediate negative impacts and channels for affected communities to raise concerns [S3-3] · Targets, actions and resources related to affected communities [S3-4, S3-5] · Processes to remediate negative impacts and channels for consumers to raise concerns [S4-3] · Targets, actions and resources related to consumers [S4-4, S4-5] · Prevention and detection of corruption and bribery [G1-3, G1-4]
Tracking the effectiveness of these efforts and communicating	· Metrics related to climate change [E1-5, E1-6, E1-7, E1-8] · Metrics related to resource use and circular economy [E5-4, E5-5] · Metrics related to own workforce · Prevention and detection of corruption and bribery [G1-3, G1-4]

1.3 STRATEGY

BUSINESS MODEL AND STRATEGY [SBM-1]

Stella McCartney is committed to a comprehensive approach to sustainability, focusing on climate change, biodiversity, collaboration with local communities along the supply chain and improvement of responsible sourcing practices. The brand designs and sells responsible products, while all manufacturing is outsourced to external suppliers.

Recognising the importance of biodiversity and ecosystems, and as a fashion brand dependent on natural resources, Stella McCartney seeks to minimise the environmental impact across its operations, from design and retail to supply chain management.

People involved in the supply chain, from farmers and factory workers to employees and customers, are integral to the business. The Company is committed to promoting fair treatment and ensuring a positive impact throughout its operations and outsourced production network.

As Stella McCartney considers sustainability to be crucial and deeply rooted in its identity, it has identified five key pillars:

- **Materials and innovation:** sustainability starts with the product and materials, which is why Stella McCartney places particular emphasis on the materials used. This is reflected in the vegetarian, vegan and cruelty-free approach, as well as in its strong focus on recyclability and innovative next-generation materials;

- **Emissions control:** The Company pays special attention to the environment and its emissions, carrying out an annual carbon footprint assessment that enables it to monitor progress towards its goals, which are validated by relevant bodies such as the Science Based Targets Initiative (SBTi). Stella McCartney is committed to achieving net zero emissions by 2040 in line with the latest climate science and the Paris Agreement;

- **Traceability:** one of the pillars on which the Company places significant emphasis and effort is the traceability and transparency of its products and materials. This matter requires significant commitment and close collaboration with suppliers to ensure traceability of materials throughout each step of the supply chain, back to their origin;

- **Biodiversity:** Stella McCartney is strongly focused on the protection of biodiversity, as demonstrated by its long-standing commitment to supporting and encouraging Regenerative Agriculture as an approach to support biodiversity;

- **Social compliance:** the Company takes a rigorous approach to social compliance, ensuring that it operates in conformity with regulations and strictly monitoring its supply chain through regular audits. It has defined a specific evaluation process to be carried out before engaging with a new supplier, as well as strict controls regarding the respect for human rights across the entire value chain. The Stella McCartney Corporate Social Responsibility and Human Rights Strategy 2030, launched in 2021, is underpinned by a commitment to human rights and responsible sourcing. The strategy, together with the work carried out in this area, is disclosed in the annual Modern Slavery Statement, available for 2025 at the following link.

Stella McCartney's products

Stella McCartney offers a range of luxury fashion products that are deeply rooted in sustainability principles. The brand's approach is structured around materials innovation, ethical sourcing and circular design, with each product group contributing to its environmental and social goals.

The Company offers ready-to-wear collections, bags and accessories, footwear, knitwear, and outerwear. These garments are crafted using innovative and responsible materials such as organic cotton, forest-friendly viscose, recycled cashmere, and regenerative wool, while completely avoiding other animal-derived materials such as leather, fur, and feathers. Instead, the Company adopts vegan and plant-based alternatives, including fungi-based leather and material derived from grapes. Bags and accessories, including the iconic Falabella bag, as well as footwear are designed using recyclable materials and bio-based components, among other alternatives offering cruelty-free options and incorporating easily disassembled designs to support circularity.

Although no Stella McCartney products are subject to explicit bans, regional regulations regarding materials and chemicals are carefully considered. The Product Compliance Team oversees this process, ensuring that all materials and products meet local regulatory requirements before being placed on the market.

Significant markets and customers

Stella McCartney serves a diverse and influential customer base that supports and helps shape its sustainability mission. Its key markets include Western Europe, particularly the UK, France, and Italy, North America, especially the US, and Asia, where the key reference market is Japan. The Middle East is also an important market for the brand, driven by a strong demand for luxury goods. These markets are not only fashion-led but are also increasingly influenced by environmental and ethical considerations.

The brand appeals especially to environmentally aware consumers who seek luxury fashion without compromising ethical values. These include younger generations such as Millennials and Gen Z, who prioritise transparency, cruelty-free practices, and circularity. High-profile customers and influencers, including celebrities, also amplify the brand's visibility and commitment to sustainability. Stella McCartney's presence at major events and its collaborations further engage customers who value longevity and innovation in fashion.

Stella McCartney delivers tangible outputs through its innovative, responsible product lines, offering customers high-quality, cruelty-free fashion that aligns with their environmental and ethical values. For investors, the brand's leadership in sustainable innovation enhances long-term value creation and market differentiation. Other stakeholders, including suppliers and communities, benefit from the brand's commitment to responsible sourcing, transparency, and circular economy practices.

Stella McCartney business dimensions

Stella McCartney employs a diverse workforce distributed across key regions, with the majority of employees based in Europe - particularly in the United Kingdom and Italy - supported by teams in the United States and Asia to manage retail operations, regional marketing, and sustainability initiatives globally.

TABLE 4 - TOTAL EMPLOYEES BY GEOGRAPHIC AREA

GEOGRAPHIC AREA	NUMBER OF EMPLOYEES		
	UoM	2024	2025
Europe	n.	373	315
APAC	n.	131	114
US	n.	40	32
TOTAL EMPLOYEES	n.	544	461

VALUE CHAIN [SBM-1]

To better understand the sustainability impacts and responsibilities across its operations, Stella McCartney has mapped its entire value chain, identifying key activities and stakeholders involved in each phase, from raw material sourcing to product end-of-life.

Own Operations

At the core of Stella McCartney's value chain is the own operations phase that plays a strategic and coordinating role rather than a manufacturing one, as all production activities are fully outsourced. The brand does not operate its own factories; indeed, it relies on a network of carefully



selected external partners for manufacturing. As such, internal functions focus on managing, supporting and overseeing the entire lifecycle of the product, from concept to customer.

Primary activities include product design, procurement of materials and packaging, development of responsible packaging solutions, in-house quality control, warehouse and inventory management, supply chain coordination, commercial operations, retail, customer service and marketing. These functions ensure that outsourced production aligns with Stella McCartney's high standards for sustainability, ethics and quality.

Support functions - such as Sustainability, Ethics and legal compliance, Health, safety and environment (HSE), Finance, IT, HR and Communications - provide the governance, infrastructure, and strategic direction necessary to maintain the brand's leadership in sustainable luxury fashion. These Teams play a critical role in embedding environmental and social responsibility across all operations and ensuring compliance with international standards and local regulations.

Upstream

This phase covers all activities within the **product supply chain.** The process begins with the key raw materials used by the brand, including wool, cotton, wood and derivatives, metals and plastics, including bioplastics. The chain then continues through raw materials transformation and processing across defined tiers, up to final product assembly.

In detail:

- **Tier 1 – Final product manufacturing and assembly:** this tier includes suppliers directly connected to Stella McCartney's core operations. They are responsible for the final stages of production, such as cutting, sewing, finishing, and packaging of goods. These suppliers are in direct contact with the brand's internal Teams, including Design, Quality control, Procurement, and Sustainability, and include both direct suppliers and their subcontractors and subsuppliers which are indirect suppliers for the Company;

- **Tier 2 – Materials manufacturing:** this tier involves suppliers that perform intermediate processing activities, such as weaving and dyeing of textiles. These operations serve to prepare raw materials for final assembly. Key raw materials suppliers are in direct contact with Stella McCartney's internal Teams, as they are essential for ensuring material quality and sustainability compliance;

- **Tier 3 – Raw materials processing:** suppliers in this tier handle the transformation of raw materials into usable textiles and components. Activities include spinning, dyeing, and weaving of wool and cotton. These suppliers operate further upstream from core operations but are critical for maintaining traceability and ethical sourcing standards;

- **Tier 4 – Raw materials production:** this tier represents the origin of the materials, where they are sourced and initially processed. It includes agricultural and extraction activities such as shearing (for wool), cultivation (for cotton and wood), and the production of innovative materials like bio-polyurethane and recycled plastics. These suppliers are the furthest from Stella McCartney's direct oversight but are subject to sustainability criteria and traceability efforts.

In addition to the product supply chain, the upstream phase also encompasses all supply services and goods that support operations but are not directly part of the final product - which the Company defines as the **non-product supply chain.** This includes logistics, facility services, office supplies, and other indirect procurement activities essential to enabling and sustaining the brand's operations.

Downstream

The downstream phase of Stella McCartney's value chain begins with the distribution and sale of products, a critical step in bringing the brand's responsible vision to the market.

Products are sold through a combination of owned retail stores, which form part of the Company's core operations, franchise partners, wholesale partners, such as department stores and multibrand stores, and e-commerce platforms. This stage is not only essential for revenue generation but also for maintaining a consistent brand identity and communicating sustainability values directly to consumers. The retail experience – both physical and digital – is designed to reflect the brand's ethical commitments, providing transparency on materials, production methods and care instructions.

After the point of sale, the focus shifts to how customers use the products. While Stella McCartney does not control this phase, the brand encourages responsible use by designing durable, timeless pieces and providing guidance on low-impact garment care. This helps extend product life and reduce environmental impact during the use phase.

Finally, the downstream journey concludes with end-of-life management. Stella McCartney actively promotes circularity through initiatives such as resale collaborations and repair services. These efforts aim to avoid landfill and incineration, reinforcing the brand's commitment to a circular fashion economy.

INTERESTS AND VIEWS OF STAKEHOLDERS [SBM-2]

Stella McCartney has identified a broad and diverse set of key stakeholders across its value chain, including customers, suppliers, partners, competitors, employees, local communities, shareholders, NGOs, government institutions, trade unions, credit institutions, innovators, media, industry experts, nature, future generations, and the founder.

Stakeholder engagement

Stella McCartney uses stakeholder engagement as a strategic tool to align its sustainability efforts with the expectations and concerns of its key stakeholders. The primary purpose of this engagement is to collect stakeholder perspectives on sustainability-related topics and integrate them into the Company's Double Materiality Assessment, which supports this Sustainability Statement. The outcomes of the engagement process are considered for the refinement of the internal materiality analysis.

The Company applies a direct engagement methodology, involving stakeholders through different approaches. During 2025, Stella McCartney developed and organised:

— **Online survey:** distributed to selected stakeholder groups;

— **Online focus groups**: conducted with stakeholders from both the upstream and downstream value chains;

— **In-person focus groups:** held during a full-day event that served as a platform for open dialogue on sustainability across the fashion sector.

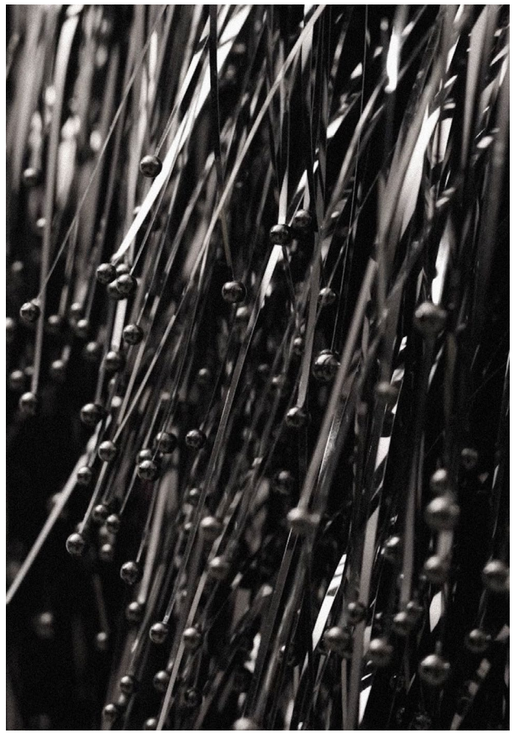


TABLE 5 – KEY STAKEHOLDERS AND ENGAGEMENT METHOD

STAKEHOLDERS	DEFINITION	ENGAGEMENT METHOD
Customers	Individuals who buy the products offered by SMC.	Online survey and online focus group
Suppliers	Individuals that provide products or services to SMC (e.g. manufacturers, distributors, wholesalers, ect.)	Online focus group
Partners	Individuals that collaborate with the Company in order to achieve a common goal (e.g. brand influencers).	
Competitors	Companies offering similar products in the same market.	In-presence focus group
Employees	Individuals who work for the Company or in the value chain.	Online survey
Local communities	Groups of people in the immediate vicinity or within the locality where the Company operates, and the value chain operates.	
Shareholders	Individuals or entities that own shares or stocks in the Company.	
Non-Governmental Organisation	Non-profit organisations operating outside of government control to address issues affecting the fashion industry (e.g. labour conditions, environmental issues, ect.)	
Government institutions	Regulatory bodies, agencies, or departments of the government that oversee and enforce laws, regulations, and policies.	
Trade unions	Association that represents and advocates for the rights and interests of workers in the industry.	
Credit institutions	Financial institution that provides various credit and lending services to the Company.	
Innovators	Newly established companies with innovative approaches and disruptive business models.	Online focus group
Media	Different forms of communication channels including websites, television, social media.	Online survey
Industry Experts	Individuals with in-depth knowledge of the industry (e.g. fashion trends, best practices, consumer expectations, ect)	In-presence focus group
Nature	Ecosystem encompassing everything in the natural environment (e.g. plants, animals, landscapes, climate, geological formations)	
Future generations	Group of individuals who will come after the current generation and who may be influenced by the Company's activities.	Online survey and in-presence focus group addressed to a selected group of students from Politecnico of Milano.



The outcomes of the engagement were aggregated and analysed as part of the Company's assessment of impacts, risks and opportunities. Stakeholder insights were used to validate and refine the prioritisation of material topics, ensuring that the Company's sustainability strategy and business model are responsive to stakeholder expectations. This process also enabled Stella McCartney to further deepen its understanding of stakeholder interests, particularly in relation to ethical sourcing, innovation in responsible materials, circularity, transparency and the broader role of fashion in addressing climate and social challenges.

1.4 IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES [IRO-1] AND DOUBLE MATERIALITY ASSESSMENT RESULTS [IRO-2]

The Double Materiality Assessment serves as the starting point for identifying the information to be included in the Sustainability Report. Specifically, the ESRS reporting standards introduced under the CSRD Directive (EU 2022/2464) ask companies to conduct a Double Materiality Assessment that considers two key dimensions:

- **Impact Materiality,** based on an "inside-out" perspective, which evaluates the company's effects on the outside world, namely people and the environment.

- **Financial Materiality,** based on an "outside-in" perspective, which examines the risks and opportunities related to sustainability topics and their potential impact on the Company's development, financial position, performance, cash flows, access to finance and cost of capital.

Stella McCartney structured its Double Materiality Assessment following the process outlined by EFRAG in the Implementation Guidance *EFRAG IG 1 Materiality Assessment*.

The process is divided into four key phases:

1. Understanding the context;

2. Identifying Impacts, Risks and Opportunities (IROs);

3. Assessing the IROs;

4. Determining the relevant sustainability topics.

This first Double Materiality Assessment represents a significant milestone for Stella McCartney. The process was deeply collaborative, involving all senior leaders and fostering a shared understanding of the most material impacts, risks and opportunities. It serves as a strategic moment of reflection and alignment, laying the groundwork for a more integrated and forward-looking approach to responsible business.

Understanding the Context

Understanding the context, as a preliminary step before identifying IROs, involved an in-depth analysis of the Company's business activities and the sustainability landscape in which it operates, supported by insights from external sources. Specifically, the internal context analysis was conducted based on Company documentation, while external context analysis included benchmarking against competitors, institutional sources and the regulatory framework. This included references such as the ESRS Sector Classification Standard by EFRAG, MSCI ESG Industry Materiality Map, SASB Standards, as well as industry reports, hence academic articles and insights from organisations active in the fashion sector, including the Ellen MacArthur Foundation and Textile Exchange.

As part of this phase, Stella McCartney also carried out a detailed mapping of its value chain, identifying the sectors involved and the stakeholders impacted across the different stages.

Impact Materiality

Identification of Impacts

Stella McCartney developed a comprehensive long-list of impacts, detailed down to the ESRS sub-sub-topic level. Each impact was classified as negative or positive, actual or potential – and, in the latter case, assessed over the short, medium, and long term. In addition, each impact was mapped to the relevant phase of the value chain, associated with the affected stakeholder(s), and linked to the sectors involved across the value chain.

Impact Assessment

The assessment of impacts was conducted using a 1-to-4 scoring system, based on ESRS-defined parameters:

— **Severity** for negative impacts, with a score assigned based on the average scores given to the following factors: scale, scope, and irremediability; or **Significance** for positive impacts, with a score assigned based on the average of the scores given to scale and scope;

— **Likelihood:** for potential impacts, indicates the probability that a given impact will occur.

Stella McCartney also incorporated the results of the stakeholder engagement activities conducted, including the survey and the focus group, into its Double Materiality Assessment.

Financial Materiality

Identification of Risks and Opportunities

Risks and opportunities were identified starting from the context analysis and the Impact Materiality Assessment. Stella McCartney developed a comprehensive list of risks and opportunities, detailed down to the ESRS sub-sub-topic level. This list was shared with and validated by the relevant internal functions and included mapping to the corresponding value chain phase and short-, medium-, and long-term time horizons.

Assessment of Risks and Opportunities

The evaluation of risks and opportunities was carried out by assigning a score from 1 to 4 to the two parameters defined by the ESRS standards:

— **Magnitude:** reflects the potential financial effect, i.e., the extent to which each risk or opportunity could influence the Company's economic performance, considering its overall exposure in the short, medium, or long term;

— **Likelihood:** indicates the probability that the risk or opportunity will affect the Company's economic performance over the short, medium, or long term.

Determining the relevant sustainability topics

To determine the relevance of impacts, risks and opportunities, a matrix approach was adopted combining severity/significance, in case of impacts, and magnitude, in case of risks and opportunities, with the likelihood scores. The matrix identifies different degrees of relevance: moderately relevant, relevant, and very relevant.

It is important to note that certain negative impacts may have implications for human rights. In such cases, their severity takes precedence over their likelihood, and for this reason, a dedicated assessment matrix has been developed.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3]

The following section presents the actual and potential impacts, as well as risks and opportunities, categorised according to the ESRS sustainability topics, identified and assessed as relevant within the framework of the Double Materiality Assessment. For each identified impact, risk, or opportunity (IRO), the analysis specifies the phase of the value chain where it occurs: own operations, upstream, or downstream. It also outlines further information about the impacts, and where applicable, the expected time horizon (short, medium, or long term) in which the IROs are likely to manifest.



TABLE 6 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES

SUSTAINABILITY TOPIC	IMPACT	RISK	OPPORTUNITY
E1 - CLIMATE CHANGE			
Climate change adaptation	✓	✓	
Climate change mitigation	✓	✓	✓
Energy	✓	✓	
E2 - POLLUTION			
Pollution of air	✓		
Pollution of water	✓	✓	
Pollution of soil	✓	✓	✓
Substances of concern	✓	✓	
Microplastics	✓	✓	
E3 - WATER AND MARINE RESOURCES			
Water consumption	✓		
Water withdrawals	✓	✓	
Water discharges	✓	✓	
Extraction and use of marine resources	✓		
E4 - BIODIVERSITY AND ECOSYSTEMS			
Climate change	✓		
Land-use change, fresh water-use change and sea-use change	✓		
Direct exploitation	✓	✓	
Invasive alien species	✓	✓	
Others	✓	✓	
Species population size	✓		
Land degradation	✓	✓	
E5 - RESOURCE USE AND CIRCULAR ECONOMY			
Resources inflows, including resource use	✓	✓	✓
Resource outflows related to products and services	✓	✓	✓
Waste	✓	✓	
S1 - OWN WORKFORCE			
Working conditions - **Secure employment**	✓	✓	
Working conditions - **Working time**	✓		
Working conditions - **Adequate wages**	✓		
Working conditions - **Social dialogue, Freedom of association**	✓		
Working conditions - **Collective Bargaining**	✓		
Working conditions - **Work-life balance**	✓		
Working conditions - **Health and safety**	✓		
Equal treatment and opportunities for all - **Gender equality and equal pay for work of equal value**	✓		
Equal treatment and opportunities for all - **Training and skills development**	✓		
Equal treatment and opportunities for all - **Measures against violence and harassment in the workplace**	✓	✓	
Equal treatment and opportunities for all - **Diversity**	✓		
Other work-related rights - **Privacy**	✓		
S2 - WORKERS IN THE VALUE CHAIN			
Working conditions - **Secure employment**	✓	✓	
Working conditions - **Working time**	✓	✓	
Working conditions - **Adequate wages**	✓	✓	
Working conditions - **Social dialogue**	✓	✓	
Working conditions - **Freedom of association**	✓	✓	
Working conditions - **Collective Bargaining**	✓	✓	
Working conditions - **Work-life balance**	✓	✓	
Working conditions - **Health and safety**	✓	✓	
Equal treatment and opportunities for all - **Gender equality and equal pay for work of equal value**	✓		
Equal treatment and opportunities for all - **Training and skills development**	✓	✓	
Equal treatment and opportunities for all - **Measures against violence and harassment in the workplace**	✓	✓	
Equal treatment and opportunities for all - **Diversity**	✓	✓	
Other work-related rights - **Child labour**	✓	✓	
Other work-related rights - **Forced labour**	✓	✓	
S3 - AFFECTED COMMUNITIES			
Communities' economic, social and cultural rights - **Water and sanitation**	✓	✓	

SUSTAINABILITY TOPIC	IMPACT	RISK	OPPORTUNITY
Communities' economic, social and cultural rights - **Security-related impacts**	✓		
Communities Civil and political rights - **Freedom of expression**	✓		
Communities Civil and political rights - **Impacts on human rights defenders**	✓	✓	
Particular rights of Indigenous communities - **Cultural rights**	✓		
S4 - CONSUMERS AND END-USERS			
Information-related impacts of consumers and/or end-users - **Privacy**	✓	✓	
Information-related impacts of consumers and/or end-users - **Access to (quality) information**	✓		
Personal safety of consumers and/or end users - **Health and safety**	✓	✓	
Social inclusion of consumers and/or end-users - **Non-discrimination**	✓		
Social inclusion of consumers and/or end-users - **Responsible marketing practices**	✓	✓	
G1 - BUSINESS CONDUCT			
Corporate Culture	✓	✓	✓
Protection of whistleblowers	✓		
Animal welfare	✓	✓	✓
Political engagement and lobbying activities	✓		
Management of relationships with suppliers including payment practices	✓	✓	
Corruption and bribery - **Prevention and detection including training**	✓		
Corruption and bribery - **Incidents**	✓	✓	





2. Environmental Information

2.1 CLIMATE CHANGE – E1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES [E1 – IRO-1]

For the purposes of the Double Materiality Assessment, Stella McCartney has identified and assessed the impacts, risks and opportunities related to climate change.

The process of identifying impacts on climate change has revealed actual impacts of greenhouse gas emissions generated through the core operations and activities carried out in the upstream and downstream value chain, attributable to the following types:

— GHG direct and indirect emissions (Scope 1 and 2), generated or attributable to Stella McCartney offices, directly operated stores and outlets, warehouses, corporate fleet, and the employee guesthouses, including those arising from the consumption of non-renewable energy;

— GHG indirect emissions along the upstream and downstream value chain (Scope 3).

For the identification of climate change-related risks and opportunities, the Company developed an ad hoc assessment methodology, delving into current market trends in order to identify accurate risks and opportunities with respect to each sector involved in the Stella McCartney value chain. As far as risks are concerned, the Company has considered both physical and transition risks.

The assessment was reviewed during the reporting period to reflect relevant changes in the Company's operational footprint, organisational structure and value chain activities.

TABLE 7 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE (E1)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
E1 Climate change adaptation	Negative potential impact	Failure to adapt Company infrastructures to extreme climate events could result in high restoration costs and negatively affect employment, potentially leading to job losses.	Medium term	Own operations
E1 Climate change mitigation	Negative actual impact	GHG emissions from activities like raw material processing, manufacturing, and transport contribute to atmospheric GHG concentration and thus to global warming.	–	Upstream
	Negative actual impact	Direct GHG emissions from Stella McCartney's operations - such as fuel use for business travel, Company vehicles, and heating - contribute to atmospheric GHG levels and global warming.	–	Own operations
	Negative actual impact	GHG emissions from downstream activities, including product transport to consumers and end-of-life waste management, increase GHG concentrations and drive climate change.	–	Downstream
E1 Energy	Negative actual impact	High energy consumption in manufacturing and raw material extraction, largely from fossil fuels, significantly contributes to GHG emissions and global warming.	–	Upstream
	Negative actual impact	Relying on an energy mix that includes non-renewable sources, such as for lighting in offices and stores, raises GHG levels and exacerbates global warming.	–	Own operations
	Negative actual impact	Energy use for washing, drying, and lighting in third-party retail spaces, especially when powered by fossil fuels, adds to GHG emissions and climate change.	–	Downstream
	Negative actual impact	Energy required for managing product waste at end-of-life stages contributes to GHG emissions and intensifies global warming.	–	Downstream
RISKS AND OPPORTUNITIES				
E1 Climate change adaptation	Risk	Extreme weather may reduce forestry productivity, causing raw material shortages and price increases.	Short term	Upstream
	Risk	Natural disasters can damage stores/offices, raising costs and reducing revenues.	Short term	Own operations
E1 Climate change mitigation	Risk	Emission-reduction policies may increase operational and sourcing costs across the value chain.	Medium term	Upstream
	Opportunity	Access to public incentives for upgrading stores and offices, promoting energy efficiency and renewable energy adoption in line with evolving regulations and climate awareness.	Short term	Own operations
	Risk	New climate policies may require operational changes and investments (e.g. cleaner technologies), increasing costs across the value chain and potentially leading to store closures.	Medium term	Downstream
E1 Energy	Risk	Rising energy prices, due to conflicts or fossil fuel scarcity, raise production costs for suppliers, impacting product prices and consumer demand.	Medium term	Upstream
	Risk	Energy price volatility, driven by conflicts or resource scarcity, can raise costs due to reliance on energy for stores and offices.	Short term	Own operations
	Risk	Sustained high energy and compliance costs may force closure of directly or indirectly managed stores, reducing market reach and revenue.	Short term	Downstream

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [E1 - SBM-3]

Stella McCartney, in the context of the Double Materiality Assessment, recognises both physical and transition climate-related risks as part of its broader risk management framework.

Preliminarily, Stella McCartney considers:

— Physical risks to include potential impacts from climate variability and extreme weather events affecting sourcing regions and logistics infrastructure;

— Transition risks to include those related to regulatory developments (e.g. carbon pricing, due diligence requirements), increasing stakeholder expectations, and the shift toward low-impact materials and production methods.

During the reporting period, Stella McCartney completed a climate resilience analysis with the support of external experts to assess physical and transition climate-related risks across its operations and value chain. The analysis incorporated the assessment of climate-related exposures and vulnerabilities across key operational sites and selected supplier sites, supporting the identification and prioritisation of climate-related risks and informing resilience and adaptation planning.

In parallel, Stella McCartney completed a nature-related risk and opportunity assessment to strengthen its understanding of nature-related dependencies, impacts, risks and opportunities across its value chain.

The climate resilience analysis incorporates climate scenario analysis, referencing Intergovernmental Panel on Climate Change (IPCC) pathways, including Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs).

Multiple time horizons are adopted in the climate resilience analysis, to ensure consistency with both climate science and the Company's strategic planning:

— Short to medium term (up to 2030): it aligns with Stella McCartney's internal targets, including the goal to reach 100% renewable electricity and progress on Scope 1, 2, and 3 emissions reductions;

— Long term (up to 2040): this horizon reflects alignment with global net-zero pathways and supports the evaluation of long-term physical and transition risks.

These timeframes are also consistent with the climate scenarios applied in the climate resilience analysis and form the basis for identifying material risks and opportunities, as well as for informing Stella McCartney's decarbonisation strategy and emissions reduction planning.

The scope of the analysis covers:

— Direct operations, including offices and retail locations, assessing climate-related risks and opportunities across Stella McCartney's operational footprint;

— The value chain, including logistics service providers and selected suppliers involved in raw material sourcing, agricultural production and finished product manufacturing, assessing potential climate-related risks and vulnerabilities across key supply chain activities;

— Geographic areas relevant to the Company's operations and value chain, focusing on potential impacts arising from climate variability and extreme weather events.

The climate resilience analysis has been completed and its findings, including those derived from climate scenario analysis, have informed the Company's understanding of climate-related physical and transition risks across its operations and value chain. The analysis identified areas of exposure and vulnerability across key operational sites and selected supply chain activities, supporting the prioritisation of climate-related risks and informing Stella McCartney's ongoing risk management, resilience and adaptation planning processes.

POLICIES RELATED TO CLIMATE CHANGE [E1-2]

Stella McCartney has not yet adopted a formal standalone climate change policy covering climate change mitigation, adaptation, and energy matters. However, these topics are currently being considered through an integrated sustainability strategy, supported by defined targets that guide operational actions.

Indeed, climate-related issues are already considered in decision-making processes through active collaboration between the Board of Directors and the Leadership Team and are monitored through internal tools and controls.

The decision not to formalise individual policies at this time reflects an ongoing internal review process, aimed at refining the Company's strategic framework and aligning governance structures. However, climate-related impacts, risks and opportunities continue to be managed through Stella McCartney's sustainability strategy, governance framework, targets and internal controls.

The Company aligns its sustainability strategy and actions with several internationally recognised standards and initiatives. These include:

— **Science Based Targets initiative (SBTi):** Stella McCartney's climate targets have been approved by the SBTi, demonstrating a commitment to reducing greenhouse gas emissions in line with climate science;

— **UNFCCC Fashion Industry Charter for Climate Action:** Stella McCartney is a signatory, committing to industry-wide efforts to achieve net-zero emissions by 2050.

These frameworks guide Stella McCartney's sustainability efforts and support the management of climate-related impacts, risks and opportunities.

Although there is currently no standalone climate policy applied to the upstream value chain, climate-related expectations for suppliers are set out in the Responsible Sourcing Guide.

The Guide includes principles related to greenhouse gas emissions, energy use and supply chain decarbonisation, including:

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 levels;

2. Quantifying and tracking energy use and, wherever possible, calculating own greenhouse gas emissions;

3. Decarbonising supply chains by improving energy efficiency and supporting the transition towards self-generation and/or the use of renewable energy.



TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION [E1-1]

Despite the growing recognition of the importance of sustainability, the fashion industry continues to have a significant environmental impact. As the industry is expected to expand further due to population growth and evolving consumption patterns, accelerating decarbonisation across the sector remains critical.

Stella McCartney recognises the importance of addressing climate change and has identified greenhouse gas (GHG) emissions reduction as a key pillar of its sustainability strategy. The Company is continuing to develop and implement its transition plan for climate change mitigation.

In 2020, Stella McCartney committed to setting science-based greenhouse gas emissions reduction targets aligned with the Science Based Targets Initiative (SBTi). These targets are aligned with the latest climate science and the goals of the Paris Agreement, including limiting global warming to 1.5°C above pre-industrial levels.

Stella McCartney's GHG emissions reduction targets were submitted to SBTi in 2022 and were validated in 2023, confirming their alignment with the 1.5°C pathway. These targets provide the foundation for Stella McCartney's climate transition efforts and support the implementation of its transition plan for climate change mitigation.

Decarbonisation levers

To achieve its targets, Stella McCartney continues to develop and implement decarbonisation initiatives as part of its broader transition plan for climate change mitigation. The Company prioritises emissions reduction across its operations and value chain and supports the use of carbon credits only to compensate for residual emissions that cannot currently be avoided or reduced.

This is a work in progress, but the Company aims to provide transparency by disclosing the main categories of action identified and discussed to date. These include:

- incorporating environmental performance considerations into material selection processes;
- increasing the use of lower-impact packaging solutions;
- progressively shifting logistics operations towards lower environmental impact solutions;
- supporting Tier 1 and Tier 2 suppliers in decarbonisation efforts and improving energy and water efficiency.

For further details of the targets set, please refer to the paragraph "Targets, actions and resources related to climate change [E1-3, E1-4]".

With regard to the Paris-aligned Benchmark, Stella McCartney, as a privately held Company that does not issue financial instruments, does not fall within the scope of EU Paris-aligned Benchmarks. Additionally, the fashion and luxury sector is not directly included in benchmark composition methodologies focused on investment indices. Therefore, the criteria for inclusion or exclusion from such benchmarks are not relevant to the current business model or reporting obligations.

TARGETS, ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE [E1-3, E1-4]

Target [E1-4]

Stella McCartney has defined measurable, outcome-oriented, and time-bound targets addressing both near- and long-term climate ambitions, covering Scopes 1, 2, and 3 emissions. Progress is monitored annually against a 2019 base year.

The table below outlines these climate-related targets and the progress achieved as of 2025:

TABLE 8 - GHG EMISSIONS TARGETS[1]

TARGET		TARGET YEAR	TARGET VALUES	2025 VALUES
Near-term	Reduction of absolute Scope 1 and 2 (market-based) GHG emissions	2030	-75%	**-73%**
Near-term	Increase renewable electricity sourcing (from 57% in 2019)	2030	100%	**88%**
Near-term	Reduce absolute Scope 3 GHG emissions	2030	-46.2%	**-65%**
Long-term	Reduce absolute Scope 1, 2 and 3 GHG emissions	2040	-90%	**-66%**

Finally, as part of its long-term climate ambition, Stella McCartney is committed to achieving net-zero greenhouse gas emissions across its full value chain by 2040, using 2019 as the baseline year.



[1] Category 11 – Use of sold products, which accounts for approximately 0.001% of Scope 3 emissions, is excluded from the scope of the SBTi target. Accordingly, both the 2019 baseline and the 2025 figure used to track progress against the target exclude emissions associated with this category.

Framework and Methodology

Stella McCartney's targets are defined using methodologies aligned with internationally recognised frameworks, including the GHG Protocol and the Science Based Targets initiative (SBTi), which includes a sectoral decarbonisation pathway.

The targets were developed based on the following key elements:

- **Baseline:** the 2019 baseline was established using a combination of data available from the Environmental Profit & Loss (EP&L) model and estimates aligned with the GHG Protocol. In 2025, the 2019 baseline was recalculated and updated to align with the methodology applied to the 2023 and 2024 carbon footprint assessments. This update enhances methodological consistency, improves comparability over time and supports more robust tracking of progress against climate targets;
- **Scope:** the targets cover both the Company's direct operations and, where relevant, significant parts of the upstream and downstream value chain. The geographical boundaries are therefore international, reflecting the global nature of the business;
- **Scenario alignment:** the emissions reduction pathway is aligned with a 1.5°C scenario, in line with the goals of the Paris Agreement and validated by SBTi in June 2023. The targets are, indeed, grounded in the latest climate and policy scenarios, ensuring alignment with the most current climate science. Stella McCartney has considered a wide range of climate scenarios to inform its decarbonisation strategy and to detect relevant environmental, societal, technological, market, and policy-related developments. These scenarios are used to assess potential future developments, including changes in regulations, technological advancements, and market shifts, which could impact the Company's emissions reduction efforts. By incorporating a variety of climate models and policy scenarios, it is possible to identify the most effective decarbonisation levers to align with Stella McCartney's science-based targets;
- **Data sources:** targets are based on internal operational data, supplier data (where available), and recognised external databases;
- **Policy alignment:** targets are consistent with EU and international climate policy goals, including climate neutrality by 2050 and the objectives set out in the European Climate Law;
- **Scientific evidence:** the targets related to material sustainability matters are based on conclusive scientific evidence. Indeed, climate targets have been validated by the Science Based Targets initiative (SBTi). The methodologies follow the GHG Protocol and rely on internationally recognised emissions factors and climate models. This scientific foundation ensures that the Company's decarbonisation strategy contributes meaningfully to global climate goals, while maintaining credibility and transparency;
- **Stakeholders' involvement:** stakeholders have been involved in the target-setting process through engagement with external experts. In particular, at Stella McCartney, the development of sustainability targets involved close cooperation between internal departments, including Sustainability, Operations and Supply Chain, to ensure feasibility, relevance, alignment with business priorities, and integration into the broader business strategy. In addition, the Company has drawn insights from external stakeholders, such as environmental consultants, reporting advisors, and partner organisations (e.g. SBTi), to ensure targets are grounded in science and aligned with best practices;
- **Contextual considerations:** while the targets apply globally, their implementation at local level takes into account regional regulatory requirements and the availability of renewable energy sources in each market.

Monitoring

All targets represent clear and measurable benchmarks that guide the Company's medium- and long-term actions, in alignment with its overall climate and sustainability strategy, and are integral to the Transition Plan.

Stella McCartney monitors its performance against sustainability targets through key environmental performance indicators such as Scope 1, 2, and 3 GHG emissions (measured in tCO_2eq), renewable energy sourcing, and the use of responsible materials. Performance is assessed annually by the Sustainability Team in collaboration with Operations, to ensure alignment with evolving regulations as well as stakeholder expectations.

Progress against climate targets is monitored annually and assessed against the 2019 baseline. As of 2025, the Company has continued to make progress towards its climate ambitions, including increased renewable energy sourcing and reductions in GHG emissions across Scope 1, 2 and 3.

Consideration of Future Developments

Stella McCartney has incorporated potential future developments, such as regulatory changes, technological advancements, and evolving market conditions, into its climate strategy. This includes anticipating the impact of these developments on GHG emissions and how they may influence the emissions reduction efforts. The Company monitors these factors on an ongoing basis and reviews its climate strategy as needed to respond to evolving regulatory, technological and market developments, while maintaining alignment with its climate ambitions and targets.



While the existing targets are already in place and form an integral part of the decarbonisation strategy, the Company will continue to consider developments in climate science, regulatory requirements and broader sustainability goals to support the ongoing relevance and effectiveness of its climate targets.

As outlined in the decarbonisation plan (ref. "Transition Plan for climate change mitigation [E1-1]"), the expected decarbonisation levers and their contributions to achieving Scope 1, 2, and 3 GHG emission reduction targets include several initiatives, detailed in depth in the paragraph "Actions [E1-3]".

Actions [E1-3]

Stella McCartney has implemented a multifaceted approach to climate change mitigation and adaptation, focusing on reducing greenhouse gas emissions across its operations and supply chain, investing in innovative materials, and engaging in regenerative agriculture projects.

As part of this approach, Stella McCartney became a signatory of The Climate Pledge in 2024, reinforcing its commitment to achieving net-zero carbon emissions and accelerating climate action in line with global efforts to limit climate change.

Operational Initiatives

- **Consolidation of offices:** Following the consolidation of three office locations into a centralised office in Novara (Italy) in 2024, Stella McCartney continued to benefit from improved space utilisation and operational efficiencies during the reporting period, supporting the optimisation of energy consumption and associated emissions;

— **Energy efficiency measures:** Stella McCartney continues to monitor energy consumption across its operations to identify efficiency opportunities and better understand the factors driving energy use. Ongoing initiatives include the progressive transition to LED lighting across facilities, the assessment of opportunities to improve energy performance across operations and preparatory activities for the installation of a photovoltaic system at the Novara office, with implementation expected by the end of 2026;

— **Renewable energy procurement:** in alignment with its goal to achieve 100% renewable electricity by 2030, Stella McCartney continued to increase the share of renewable electricity across its operations through a combination of renewable electricity contracts, where available, and the purchase of Energy Attribute Certificates (EACs) in selected markets;

— **Car fleet electrification:** Stella McCartney is progressively electrifying its corporate vehicle fleet to reduce Scope 1 emissions;

— **Carbon offsetting:** to compensate for residual emissions, Stella McCartney invests in certified carbon offset projects, such as REDD+ initiatives, which focus on forest conservation and carbon sequestration.

Supply Chain and Material Innovation

— **Regenerative Agriculture:** From 2019 to 2024, Stella McCartney collaborated with SÖKTAŞ, a cotton producer in Turkey, on a regenerative cotton farming project aimed at restoring soil health and enhancing its capacity to sequester atmospheric carbon. It was estimated that the project captured and sequestered approximately 34.38 tonnes CO2/ha over the last 4 years. As well as this, any CO2 emissions associated with regenerative cotton production and processing by SÖKTAŞ were compensated through soil sequestration directly on its farm, with an additional 13.81 tonnes of CO2 (eq)/ ha/year absorbed from the atmosphere. The project has now been completed, and the related research paper submitted by the soil scientist involved in the collaboration is currently under review for publication. For further information about the project, please refer to Chapter “2.5 Resource use and Circular Economy – E5”, paragraph “Regenerative cotton with SÖKTAŞ”;

— **Innovative Materials:** Stella McCartney has pioneered the use of responsible materials, such as FEVVERS, YATAY and SEQUINOVA, that contribute to reducing environmental impact. For further information about the innovations at Stella McCartney, please refer to Chapter “2.5 Resource use and Circular Economy – E5”, paragraph “Innovative materials”;

— **Life Cycle Assessments (LCAs):** the Company continued to use the LCA data and environmental performance information to support material selection and sourcing decisions, helping to identify lower-impact alternatives and inform sustainability considerations throughout product development;

— **Supplier Engagement:** through specific engagement programmes developed in collaboration with the Apparel Impact Institute (AII), Stella McCartney supports suppliers in measuring environmental impacts, collecting emissions data, identifying decarbonisation opportunities and developing climate transition plans. During 2025, the Company continued to invest in the Carbon Target Setting (CTS) programme, which aims to equip suppliers with the technical capabilities needed to measure greenhouse gas emissions, identify site-level decarbonisation opportunities and develop credible climate transition plans. The programme combines technical assistance, emissions analysis and capability building to help suppliers prioritise carbon reduction actions and strengthen environmental data management. During the year, Stella McCartney supported projects with strategic footwear and hardware suppliers, including Quadrifoglio, Calzaturificio Valbrenta and Silo. In parallel, Stella McCartney worked with other brands through dedicated CTS working groups to coordinate support for shared textile suppliers, aligning priorities, technical expertise and engagement activities to accelerate supplier decarbonisation. This collaborative approach enabled the Company to onboard new suppliers on the projects in 2025, such as Girani (with its facility Tintoria Lariana), Zetabi, Raphael, Fasac (involving Stamperia Cassina Rizzardi) and Tessilbiella (with its site Iride).

Continuous Improvement

— **Methodology Refinement:** the Company continuously refines its methodologies for measuring and managing emissions, ensuring alignment with international standards and best practices. During the reporting period, Stella McCartney further enhanced the quality and granularity of environmental data collection across key emissions sources, including raw materials, supplier-related activities and fashion shows, supporting more robust and consistent emissions measurement and reporting;

— **Climate Risk Assessment:** Stella McCartney also addresses adaptation to climate change and the mitigation of physical risks through new assessments, such as the ongoing Climate Risk Assessment to evaluate climate-related risks and proactively adjust business strategies.

Further details on the progress of actions will be provided in the following sections. However, it can already be highlighted that Stella McCartney has reduced its total emissions compared to 2024 and has increased the share of renewable energy in its overall consumption.

In addition, the Company has become more actively engaged with key stakeholders, including suppliers and other value chain partners, through collaborative projects, training activities and decarbonisation programmes, supporting improved environmental data collection, emissions measurement and emissions reduction efforts across the value chain.

The implementation of climate-related actions is undoubtedly a strategic priority for Stella McCartney, reflecting the Company’s long-standing commitment to integrating sustainability considerations into business decision-making processes.

While the Company remains committed to its environmental objectives, it continues to review and adapt its approach to ensure that actions remain effective, relevant and aligned with evolving regulatory requirements, scientific developments and business priorities.

METRICS RELATED TO CLIMATE CHANGE [E1-5, E1-6, E1-7, E1-8]

Energy consumption and mix [E1-5]

tella McCartney’s key areas contributing to energy consumption are retail operations, where energy is used for heating, cooling, and lighting stores; as well as offices and facilities, where energy is consumed for lighting and air conditioning across Company premises.

Production and logistics activities are outsourced and therefore are considered part of Scope 3 emissions.

Stella McCartney does not currently generate renewable energy on site. The Company continues to evaluate opportunities to increase on-site renewable energy generation, including through a photovoltaic installation at its Novara facility (Italy). The project experienced delays during the reporting period and implementation is currently expected by the end of 2026.



TABLE 9 – ENERGY CONSUMPTION

ENERGY CONSUMPTION AND MIX	UOM	2024	2025
Fuel consumption from coal and coal products	MWh	–	–
Fuel consumption from crude oil and petroleum products	MWh	950	969
Fuel consumption from natural gas	MWh	292	120
Fuel consumption from other fossil sources	MWh	–	–
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	353	83
Total fossil energy consumption	**MWh**	**1,595**	**1,172**
Share of fossil sources in total energy consumption	**%**	**45%**	**36%**
Consumption from nuclear sources	**MWh**	**39**	**69**
Share of consumption from nuclear sources in total energy consumption	**%**	**1%**	**2%**
Fuel consumption for renewable sources, including biomass	MWh	–	–
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources[2]	MWh	1,907	2,037
The consumption of self-generated non-fuel renewable energy	MWh	–	–
Total renewable energy consumption	**MWh**	**1,907**	**2,037**
Share of renewable sources in total energy consumption	**%**	**54%**	**62%**
Total energy consumption	**MWh**	**3,541**	**3,278**

In 2025, Stella McCartney reduced energy consumption from fossil sources by approximately 27% compared with 2024. The share of fossil sources in total energy consumption decreased from 45% to 36%, while the share of renewable sources increased from 54% to 62%. Overall, total energy consumption decreased by 7.4% year-on-year. These results demonstrate continued progress in reducing the use of fossil energy and increasing the contribution of renewable sources to the Company's energy mix.

In 2025, 88% of Stella McCartney's electricity consumption was classified as renewable. This was achieved through a combination of renewable electricity purchases, including supplier contracts backed by Guarantees of Origin, and the purchase of Energy Attribute Certificates. More specifically, NFCs were used for Japan, RECs for the United States and Canada, and UK REGO certificates for the United Kingdom.

This progress supports the Company's goal of sourcing 100% renewable electricity by 2030, in line with its science-based targets approved by the SBTi and contributes to reducing emissions associated with energy consumption across its operations.

[2]Of which 1,300 MWh sourced through Energy Attribute Certificates (EAC) Renewable Electricity.

To maintain a high standard of environmental integrity, electricity from supplier residual mixes has been deliberately excluded from this calculation. The progress made to date reflects Stella McCartney's strong commitment to climate action and to aligning its practices with internationally recognised standards.

Although Stella McCartney is classified among the "high climate impact" sectors as its activity falls under the NACE code C.13.92 "Manufacture of textile articles" (ATECO 13.92.2), defined by the Delegated Regulation (EU) 2022/1288[3], its own operations do not include direct production activities, so its energy consumption is not highly impactful.

Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]

The methodologies and measurement approaches used by Stella McCartney for reporting Scope 1, Scope 2, and Scope 3 emissions are primarily based on the GHG Protocol.

During the reporting period, the Company continued to refine its data collection processes and GHG accounting methodologies to improve the accuracy, consistency and granularity of reported emissions. This included further refinement of product- and supply chain-related data, enabling a more accurate assessment of environmental impacts across materials, finished products and value chain activities. Stella McCartney also strengthened the methodology applied to fashion show emissions and increased the use of physical activity data where available. These improvements support greater robustness, transparency and consistency in emissions reporting.

The methodologies are formalised in internal documents detailing calculation methods, data sources, and assumptions. The key assumptions and emission factors used include data on energy consumption, transport emissions, raw materials, finished products, business travel and other supply chain activities. All relevant methodologies, emission factors, and measurement details are clearly outlined below, corresponding to each emission scope.

Scope 1 and 2 emissions

Operational emissions are the GHG emissions over which the Company has operational control, and which therefore reside within the organisational boundaries. These emissions result from the consumption of fuels and electricity, as well as refrigerant use, across offices, stores, guesthouses, warehouses and the corporate vehicle fleet and, according to the GHG Protocol, are referred to as Scope 1 and 2 emissions.

In 2025, Stella McCartney continued to reduce its direct and energy-related greenhouse gas emissions. Scope 1 emissions decreased by 24%, reflecting lower fuel consumption and ongoing efforts to improve operational efficiency, driven primarily by lower fuel consumption resulting from the ongoing optimisation of the Company's operational footprint, including the rationalisation of its site portfolio and a reduction in the Company vehicle fleet. These improvements were partially offset by increased energy demand at selected locations, reflecting business and logistics requirements, including the expansion of warehouse operations. Gross location-based Scope 2 emissions decreased by 7%, reflecting an overall reduction in electricity consumption across the operational footprint, despite increased demand at individual sites. Gross market-based Scope 2 emissions fell significantly by 58%, primarily due to the continued expansion of renewable electricity procurement through renewable electricity contracts and Energy Attribute Certificates (EACs), where available. This resulted in market-based Scope 2 emissions being reduced to zero in the UK, Japan and the USA, while a higher share of renewable electricity was also sourced in Italy. Conversely, emissions increased in Spain and Hong Kong, where electricity procurement reflected a higher share of grid electricity compared with the previous year. Overall, the 2025 results demonstrate that operational emissions continue to be influenced by both energy efficiency measures and procurement

[3] High climate impact sectors are those listed in sections A to H and in section L of NACE list.

TABLE 10 – SCOPE 1 AND 2 GHG EMISSIONS

		RETROSPECTIVE			
GHG EMISSIONS (SCOPE 1 AND 2)	UOM	BASE YEAR 2019	2024	2025	%YOY
Scope 1 GHG emissions					
Gross GHG Emissions of Scope 1	tCO_2eq	258	308	235	-24%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	–	–	–	–
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions	tCO_2eq	n/a	649	606	–7%
Gross market-based Scope 2 GHG emissions	tCO_2eq	981	224	95	-58%



choices, as well as changes in the Company's operational footprint. Stella McCartney remains focused on reducing emissions from its own operations through a combination of operational optimisation, responsible energy management and increased sourcing of renewable electricity, while continuing to improve the quality and granularity of operational environmental data.

Methodology and changes

The Scope 1 emissions calculations are based on DEFRA emissions factors and include:

- **Stationary combustion:** the quantity of natural gas consumed at stationary sources owned or operated by Stella McCartney is determined by using natural gas invoices;

- **Fugitive emissions:** emissions arising from refrigerant leakage from heating, ventilation and air conditioning (HVAC) owned or operated by Stella McCartney. Where available, emissions are calculated using site-specific data. For sites where measured data are not available, emissions are estimated using site characteristics and engineering assumptions, including cooling capacity and refrigerant leakage rates, based on recognised industry references;

- **Mobile combustion:** emissions from the fuel consumption associated with the Company's fleet of corporate vehicles, including gasoline- and diesel-powered vehicles. Fuel consumption data are collected and used to calculate the related GHG emissions.

The Scope 2 emissions relate to purchased electricity and are calculated using both location-based and market-based methodologies in accordance with the GHG Protocol.

- **Location-based method**: emissions are calculated using national average emission factors, including DEFRA, Carbon Dashboard Initiative (CaDI) International Electricity Emission Factors and US EPA Data Explorer, as applicable;

- **Market-based method:** emissions are calculated using supplier-specific emission factors, where available, and residual grid emission factors where required, taking into account renewable electricity procurement instruments, including Energy Attribute Certificates (EACs).

Electricity consumption is primarily determined using supplier invoices and site-specific consumption data. Where consumption data are not available, estimates are applied using site characteristics and relevant benchmarks. Scope 2 emissions also include electricity consumption associated with the Company's electric vehicles.

Compared to the previous year, the reporting boundary was updated to reflect changes in Stella McCartney's operational footprint, including the closure and opening of offices, stores and other facilities across different markets. The most significant changes related to the closure of a number of sites in Japan and Europe, alongside the opening of selected locations in the United States.

In addition, the Company continued to refine the mapping of its operational footprint and reporting boundary, including improvements to facility-level data and the review of specific site categories. These updates support the accuracy, consistency and completeness of emissions reporting across the organisation.

Scope 3 Emissions

Scope 3 emissions comprise indirect emissions occurring across the value chain and beyond the Company's direct operational control, in accordance with the GHG Protocol. In 2025, Scope 3 emissions accounted for approximately 98% of the total market-based GHG emissions and predominantly arose from activities such as sourcing and production of raw materials, production of finished goods, services, business travel, and transportation.

TABLE 11 - SCOPE 3 GHG EMISSIONS

GHG EMISSIONS (SCOPE 3)	UOM	RETROSPECTIVE			
		BASE YEAR 2019[4]	2024	2025	%YOY
Significant Scope 3 GHG emissions					
Total Gross indirect (Scope 3) GHG emissions	**tCO2eq**	**42,663**	**19,437**	**14,126**	**-27%**
1. Purchased goods and services	tCO_2eq	31,298	13,999	**10,149**	**-28%**
2. Capital goods	tCO_2eq	2,017	433	**196**	**-55%**
3. Energy and fuel related activites (not included in Scopes 1 and 2)	tCO_2eq	254	202	**184**	**-9%**
4. Upstream transport and distribution	tCO_2eq	4,141	1,245	**1,259**	**1%**
5. Waste generated in operations	tCO_2eq	2	5	**5**	**0%**
6. Business travel	tCO_2eq	1,537	1,304	**573**	**-56%**
7. Employee commuting	tCO_2eq	560	271	**429**	**58%**
8. Upstream leased assets	tCO_2eq	107	403	**33**	**-92%**
9. Downstream transportation and distribution	tCO_2eq	54	1,350	**1,135**	**-16%**
10. Processing of sold products	tCO_2eq	n/a	n/a	**n/a**	-
11. Use of sold products	tCO_2eq	1,866	25	**19**	**-24%**
12. End-of-life treatment of sold products	tCO_2eq	91	158	**115**	**-27%**
13. Downstream leased assets	tCO_2eq	n/a	n/a	**n/a**	-
14. Franchises	tCO_2eq	736	42	**29**	**-31%**
15. Investments	tCO_2eq	n/a	n/a	**n/a**	-

In 2025, Stella McCartney's total Scope 3 GHG emissions amounted to 14,126 tCO_2eq, representing a 27% reduction compared with 2024 and a 67% decrease compared with the 2019 base year. Indirect emissions across the value chain continue to represent the largest share of the Company's overall carbon footprint, with Purchased goods and Services remaining the most significant category, reflecting the material impact of raw materials, manufacturing activities, and other value chain inputs.

The year-on-year decrease was primarily driven by lower emissions associated with Purchased Goods and Services, Capital Goods, and Business Travel, reflecting reduced procurement volumes, lower capital expenditure and decreased business travel during the reporting period. This performance is particularly significant in the context of the substantial enhancements made to the Company's carbon accounting system throughout 2025. Alongside the reduction in emissions, Stella McCartney expanded the use of primary data, increased the granularity of activity data and implemented more representative calculation methodologies across several Scope 3 categories, further strengthening the quality and robustness of emissions reporting.

Key methodological improvements introduced during the year include broader primary data coverage for purchased materials, refinements of emission factors applied to selected expenditure categories and the implementation of a new activity-based methodology for fashion shows, developed using operational data collected for each event. This approach replaces previous proxy-based estimates, providing a more representative assessment of event-related emissions, and establishing a stronger baseline for future performance tracking. Similar methodological refinements were also implemented for other categories, including Employee Commuting and Upstream Leased Assets, further improving the accuracy and representativeness of reported emissions.

Changes across the remaining categories reflected a combination of operational and methodological factors. The increase in Employee Commuting emissions primarily resulted from updated employee survey data and improved calculation assumptions rather than a proportional increase in commuting activity. Upstream Transportation and Distribution emissions remained broadly stable, while Downstream Transportation and Distribution emissions decreased, largely reflecting lower transportation volumes during the year.

Overall, the 2025 results demonstrate not only continued progress in reducing value chain emissions, but also a significant step forward in the maturity of the Company's carbon accounting framework. The reduction achieved during the year—and relative to the 2019 base year—was delivered alongside improvements in data granularity, greater reliance on primary data and the progressive replacement of proxy-based approaches with activity-based methodologies. This provides a more complete and reliable representation of the Company's value chain emissions, strengthening the transparency of climate reporting while supporting more informed decision-making and future decarbonisation efforts across the value chain.

Methodology

To calculate the Scope 3 emissions, Stella McCartney used a combination of activity-based data, supplier information, life cycle assessment (LCA) datasets and recognised emissions factor databases. Emission factors were sourced from internationally recognised references, including Ecoinvent, ADEME Base Carbone and DEFRA, supplemented where relevant by material-specific LCAs, Stella McCartney-specific assessments and third-party studies. During the reporting period, selected emission factors were reviewed and updated where more representative and up-to-date factors were available. In addition, the Company continued to enhance the granularity and traceability of Scope 3 data through improvements in material-level data collection, supplier information and the introduction of a dedicated methodology for fashion show emissions.

The methodology for the calculation of the Scope 3 categories is summarised in the following table.



[4] The 2019 base-year Scope 3 GHG emissions have been recalculated following methodological improvements and the incorporation of more granular activity data across selected Scope 3 categories. As a result, the total 2019 Scope 3 GHG emissions increased from 39,482 tCO_2eq, as previously reported, to 42,663 tCO_2eq, representing an increase of approximately 8.1%.

TABLE 12 – SCOPE 3 CATEGORIES CALCULATION METHODOLOGY

SCOPE 3 CATEGORIES	CALCULATION METHODOLOGY
Category 1: **Purchased goods and services**	In scope are all emissions generated upstream of Stella McCartney's operations associated with extraction, production and transportation of goods and services purchased and acquired during the reporting year. This includes goods for resale, packaging, and goods not for resale, such as office supplies and professional services. Any fixed assets or plant, property and equipment are recorded under capital goods. For goods for resale and packaging, quantities by raw materials have been collected. Material composition data are disaggregated by material type and, where relevant, by certification scheme, allowing the application of material-specific emission factors and LCA datasets. When available, LCA data was used to calculate the associated carbon emissions. The emissions associated with goods and services not for resale are calculated primarily using a spend-based approach with monetary emission factors. For the fashion show sub-category, emissions are based on a third-party event impact assessment and include only emission sources not already accounted for in other Scope 3 categories, in order to avoid double counting.
Category 2: **Capital goods**	Stella McCartney's capital goods emissions are calculated using a spend-based methodology, also used in Category 1 - Goods not for resale.
Category 3: **Fuel and energy related activities**	The category includes emissions related to the extraction, production, and transportation of fuels and energy purchased or acquired by the reporting Company in the reporting year, not already accounted for in Scope 1 or Scope 2. The methodology is based on obtaining data for purchased electricity, as used by Stella McCartney to calculate their own Scope 1 and 2 emissions. For electricity, apply the suitable Well-to-Tank (WTT), Transmission and Distribution (T&D) emission factors.
Category 4: **Upstream transportation and distribution**	To calculate the emissions associated with the transportation of goods, activity data including transported weight, transport mode, origin, and destination locations are collected and assessed. Where complete routing information is not available, reasonable distance assumptions are applied based on available logistics information. Freight flows are consolidated and categorised according to the logistics flow structure, distinguishing upstream, downstream, internal, and return flows. Transport emissions are then calculated using tonne-kilometres (ton.km) and mode-specific emission factors. Data preparation includes the harmonisation of transport activity data, estimation of missing distances where necessary, and allocation of freight flows to the relevant transportation categories.
Category 5: **Waste generated in operations**	Waste management includes waste generated across sites that are under Stella McCartney's operational control. Water discharges associated with operational activities are also included. Waste-related emissions are estimated using waste generation data and assumptions regarding waste treatment routes where site-specific information is not available. Water-related emissions are estimated based on water consumption data. Where site-specific data is unavailable, consumption is estimated using floor area and operational characteristics. Water discharge is assumed to be equivalent to water consumption.

SCOPE 3 CATEGORIES	CALCULATION METHODOLOGY
Category 6: **Business travel**	Business travel emissions are calculated using activity data and expenditure data collected from the Company's travel management and expense reporting systems. Where available, activity data (e.g. travel distances) are used directly to calculate emissions. For expenditure-based records, emissions are estimated using appropriate monetary emission factors. All travel data is reviewed, consolidated and mapped to the relevant emission factors prior to calculation.
Category 7: **Employee commuting**	A survey was conducted among Stella McCartney employees to collect information on commuting modes, distance travelled and working patterns. Survey results were extrapolated to the total workforce to estimate overall commuting activity. Additionally, work-from-home (WFH) days were explicitly incorporated into the calculation methodology, and annual commuting distances were refined by considering round-trip distances, commuting frequency and weeks worked per year. Appropriate emission factors were applied to the calculated distances and energy consumption associated with remote working.
Category 8: **Upstream leased assets**	Actual fuel and energy consumption data is available for some of the sites. For sites without actual data, the fuel and energy consumption are estimated using the energy intensity by floor area (kWh/m2) from sites reported under Scope 1 and 2 with actual data, or from leased sites that provided data if they are in the same region. Appropriate emission factors are then applied to estimate the associated emissions. Variations in reported emissions primarily reflect changes in the reporting boundary, including site closures and the reclassification of certain sites into Scope 1 and Scope 2, rather than changes to the underlying calculation methodology.
Category 9: **Downstream transportation and distribution**	Weight of goods transported, mode of transport, origin cities, destination countries, and origin countries are provided for all shipments. Distance travelled is calculated from the origin to the destination using a haversine formula to provide straight-line distance. When the distance and weight of goods shipped are not provided, assumptions are made to estimate the associated emissions. It has been assumed that the weight and distance travelled are the average distance travelled of comparable routes where weight and distance data are available. It has been assumed that the mode of transport is road when shipments are within the same country and that the mode of transport for returns is road and air if shipments are within Europe and outside Europe, respectively. If the precise start and end points are not available, the midpoint of the relevant city or country is used to estimate travel distances. For cross-country shipments, distances are derived using a dedicated distance calculation tool.
Category 10: **Processing of sold products**	This category is not applicable since Stella McCartney does not sell intermediate products.
Category 11: **Use of sold products**	Laundering and care of Stella McCartney products consume energy throughout their lifetime. The assessment focuses on ready-to-wear products, which are considered the main contributors to use-phase emissions. Product weight data are used where available. For products without weight information, estimated weights are derived from raw material data and allocated across sales channels. An emission factor covering washing, drying and other textile care activities over the product lifetime is then applied to the estimated quantity of products sold.

Category 12: **End-of-life treatment of sold products**	To calculate this category, the total quantities of finished products, packaging and franchised products reaching end-of-life are estimated. Product volumes are derived from raw material and sales data, while packaging volumes are based on reported packaging data. Following the methodology applied in previous reporting years, it is assumed that 80% of products and franchised goods are reused or recycled, while the remaining 20% are treated through incineration. Appropriate emission factors are applied to each end-of-life pathway and aggregated to determine total end-of-life emissions.
Category 13: **Downstream leased assets**	This category is not calculated, as the energy consumption of the only site owned by Stella McCartney is already accounted for under Scope 1 and 2.
Category 14: **Franchises**	Franchises are a significant part of Stella McCartney's business model. Emissions are calculated based on the net sales of products sold by Stella McCartney partners, using royalty information as a proxy to attribute the relevant share of activity. Where available, franchisees provide data on product quantities and/or product weight, together with information on raw material composition. Emissions are then calculated using the corresponding raw material and product emission factors and allocated based on franchise activity.
Category 15: **Investments**	This category is not applicable since Stella McCartney has no investment to report.

Total GHG Emissions

TABLE 13 - TOTAL GHG EMISSIONS

TOTAL GHG EMISSIONS	UOM	BASE YEAR 2019	2024	2025	%YOY
Total GHG emissions (location-based)	tCO_2eq	n/a	20,394	14,967	-27%
Total GHG emissions (market-based)	tCO_2eq	43,902	19,969	14,456	-28%

In 2025, Stella McCartney further reduced its total greenhouse gas emissions across its value chain. Total location-based GHG emissions decreased by 27%, while total market-based GHG emissions decreased by 28% compared to 2024, reflecting reductions in both operational (Scope 1 & 2) and value chain (Scope 3) emissions. The overall performance was driven by lower operational emissions, increased use of renewable electricity and reductions across key Scope 3 categories.

Compared to the 2019 base year, total GHG emissions have been reduced by approximately 67% on a market-based basis. These results demonstrate the Company's continued progress in decoupling greenhouse gas emissions from business activities while further strengthening the quality and representativeness of its carbon accounting and climate reporting.



GHG removals and GHG mitigation projects financed through carbon credits [E1-7]

Stella McCartney does not currently account for the removals of greenhouse gas emissions within its own carbon inventory. However, the Company supports certified nature-based climate mitigation projects through the purchase and retirement of carbon credits.

In 2025, Stella McCartney continued to support the Chyulu Hills REDD+ project in Kenya, maintaining continuity with the project financed in previous reporting periods. The project is focused on forest conservation, the prevention of deforestation and land degradation, and the protection of a landscape of significant biodiversity value. It also supports local communities through initiatives related to livelihoods, education, health, food security, wildlife protection and fire management. The carbon credits purchased by Stella McCartney are Verified Carbon Units (VCUs) issued under recognised third-party standards. Each retired credit represents one tonne of CO_2 equivalent and, once retired, cannot be resold, transferred or claimed by another entity. The credits are reported separately from Stella McCartney's gross GHG emissions and are not used to reduce the Company's reported Scope 1, Scope 2 or Scope 3 emissions.

In total, 1,340 VCUs – equivalent to 1,340 tCO_2eq – were retired on behalf of Stella McCartney during the reporting year.

TABLE 14 – CARBON CREDITS CANCELLED IN THE REPORTING YEAR

CARBON CREDITS CANCELLED IN THE REPORTING YEAR	UOM	2024	2025
Total	tCO_2eq	2,153	1,340
Share from removal projects	%	100%	100%

These credits were sourced from the **Chyulu Hills REDD+ project in Kenya**, developed and supported in partnership with Conservation International, a non-profit environmental organisation dedicated to protecting nature and addressing climate change.

The project, qualified as a nature-based solution (NbS), focuses on forest conservation and the prevention of deforestation and land degradation, enhancing carbon sequestration in a way that is aligned with recognised NbS principles, meaning that it delivers climate benefits while also supporting biodiversity, soil health, and local communities. The GHG removals associated with this initiative are classified as biogenic and land-use based, as they occur through the protection and natural regeneration of forest ecosystems over a project area of approximately 410,000 hectares.

These activities enhance carbon storage in above-ground biomass and soils, without the involvement of technological carbon capture, engineered storage, or transport of GHGs.

As the project is locally implemented, it does not generate significant emissions related to transport or storage. The amount of GHG removed is reported separately through verified carbon credits, while any associated emissions are negligible.

For the Chyulu Hills REDD+ project supported by Stella McCartney, the risk of non-permanence, such as potential leakage or release of stored carbon back into the atmosphere, is addressed through project design, third-party verification, and long-term monitoring frameworks.

Specifically, the project is certified under a recognised international standard (e.g., Verra VCS), which includes formal requirements for assessing and mitigating the risk of carbon reversals due to events like illegal logging, fire, or land-use change. The project also includes mechanisms to monitor and account for leakage, ensuring that deforestation or degradation pressures are not simply displaced to surrounding areas.

To further safeguard permanence, a portion of the generated carbon credits is typically set aside in a buffer pool – a common practice under REDD+ methodologies – to compensate for any future carbon loss. Continuous monitoring and periodic third-party audits help to ensure the credibility and integrity of the carbon stored over time.

At this stage, Stella McCartney considers removals as a complementary element within its broader climate change mitigation approach. While the Company prioritises the reduction of emissions at source, particularly across its supply chain, it also recognises the importance of supporting nature-based removal activities to address residual emissions over time.

Through its continued support of the Chyulu Hills REDD+ project, Stella McCartney contributes to the long-term protection of natural ecosystems and the generation of verified climate benefits. The Company is committed to selecting high-quality carbon credits that demonstrate environmental integrity and contribute to measurable climate outcomes. The credibility of the credits used is assessed against recognised principles including additionality, permanence and third-party verification.

All carbon credits supported by Stella McCartney through removal projects are currently associated with biogenic sinks, such as forest ecosystems and agricultural soils. The Company does not currently engage in, or purchase credits from technological carbon removal projects.





2.2 POLLUTION - E2

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES [E2 - IRO-1]

In identifying the impacts related the topic of pollution, Stella McCartney has examined in both its own activities and those carried out across its value chain. As the Company does not perform in-house manufacturing, pollution-related impacts are primarily associated with the upstream and downstream phases of the value chain.

Differently, risks and opportunities have been mainly identified in the upstream value chain, including those arising from evolving regulatory requirements that may affect the Company. It has been defined, instead, that there are no risks and opportunities that emerge in the sectors characterising the downstream value chain.

To assess these impacts, risks and opportunities, the Company has undertaken stakeholder engagement activities involving various external and internal representatives. For further details, please refer to the chapter “1. General Disclosure – ESRS 2”, paragraph “Interests and views of stakeholders [SBM-2]”.



TABLE 15 - LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO POLLUTION (E2)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
E2 Pollution of air	Negative actual impact	Manufacturing and chemical use release pollutants (e.g. NOz, VOCs), harming air quality and nearby communities.	-	Upstream
	Negative actual impact	Emissions from transport and waste facilities pose localised environmental and health risks.	-	Downstream
E2 Pollution of water	Negative potential impact	Discharge of untreated water from production may harm water quality, ecosystems and local availability.	Short term	Upstream
	Negative potential impact	Poorly managed textile waste can contaminate water, affecting ecosystems and human health.	Short term	Downstream
E2 Pollution of soil	Negative actual impact	Intensive farming for natural fibres (e.g. cotton) with chemicals pollutes soil and harms nearby populations.	-	Upstream
	Negative potential impact	Improper disposal of clothing in landfills can degrade soil and impact health.	Short term	Downstream
E2 Substances of concern	Negative potential impact	Use of harmful substances in production may cause health issues for humans and animals.	Medium term	Upstream
E2 Microplastics	Negative actual impact	Plastic-based textiles release microplastics during pre-sale washing, affecting water and ecosystems.	-	Upstream
	Negative actual impact	Washing synthetic garments releases impact microplastics into water, impacting people, animals and the environment.	-	Downstream
RISKS AND OPPORTUNITIES				
E2 Pollution of water	Risk	Stricter regulations on harmful substances in water may increase compliance costs across the supply chain, leading to higher sourcing costs and potential supply disruptions for the Company.	Medium term	Upstream
E2 Pollution of soil	Risk	Polluted soil may reduce agricultural yields, causing supply chain disruptions and higher sourcing costs for Stella McCartney.	Medium term	Upstream
	Opportunity	Collaborating with suppliers using regenerative practices can protect soil health and bring reputational and revenue benefits to Stella McCartney.	Medium term	Upstream
E2 Substances of concern	Risk	Stricter rules on harmful substances in raw material processing may raise supplier costs, impacting Stella through higher prices, reputational risks and potential supply disruptions.	Medium term	Upstream
	Risk	Regulations limiting harmful substances in products may increase design complexity and R&D costs for Stella McCartney.	Short term	Own operations
E2 Microplastics	Risk	New rules on microplastics may raise compliance costs for suppliers, leading to higher sourcing costs and potential product unavailability for the Company.	Medium term	Upstream

POLICIES RELATED TO POLLUTION [E2-1]

There is an increasing trend in customer demand for more responsible materials and greater transparency in environmental claims. Stella McCartney's customers expect its product to have a lower environmental impact compared with other fashion brands. The Company therefore requires its supply chain to align with its ambition to phase out hazardous chemicals in its product.

With the aim to manage relevant impacts, risks and opportunities related to pollution, Stella McCartney has implemented the policies described below.

Product Restricted Substances List

The Product Restricted Substances List (PRSL) is intended to ensure product safety for Stella McCartney customers, by requiring its supply chain to have a chemical management system in place and to ensure that hazardous substances are not present in finished products. The PRSL provides clear chemical guidelines and standardises compliance expectations across the supply chain. It also contributes to preventing and controlling pollution across water, air, and soil by setting limits or banning hazardous chemicals.

PRSL restrictions are generally based on existing compulsory global regulatory requirements. However, in some cases, the Company has chosen to apply stricter limitations where there is evidence that certain substances may pose risks to end-users and the environment. Each year the PRSL is reviewed and updated to ensure alignment with the latest regulatory developments and internal standards.

For example, within the PRSL, PFAS (Perfluoroalkyl substances) are banned in all chemical products used to process and manufacture Stella McCartney finished goods. These substances must not be intentionally used in supplied products, as they are considered "forever chemicals", meaning that they do not break down in the environment and may accumulate in the human body over time. PVC (polyvinyl chloride) is also banned from all finished products, in accordance with Stella McCartney standards.

All Stella McCartney suppliers of raw materials and manufacturers of finished products, including packaging materials, as well as licensee partners, are required to strictly comply with the PRSL requirements. Compliance is monitored through regular testing and by holding suppliers accountable for in case of non-compliance.

Suppliers are contractually bound to the PRSL through a specific clause. Additionally, the PRSL is included in suppliers onboarding documentation and made available through the digital supplier platform, the Sustainability Hub. Through this platform, all its raw material suppliers (including third party that supply strass, hotfix, and suppliers that apply finishes) and finished product suppliers are required to register and sign the document. Therefore, thanks to the portal all Tier 1 and Tier 2 suppliers are committed to the Product Restricted Substances List. (For the definition of Tier 1 and Tier 2, please refer to Chapter "3.2 Workers in the value chain – S2", paragraph "Material impacts, risks and opportunities and their interaction with strategy and business model [S2 - SBM-3]).

Responsible Sourcing Guide

Stella McCartney Responsible Sourcing Guide, whose purpose is to provide suppliers with all the information and guidance on values, standards and expectations, includes indications regarding the management of substances and chemical use, as well as considerations regarding the choices of materials and their potential impacts in terms of water and air pollution.

The Guide lists international regulations and legislation that Stella McCartney supports and complies with, including the Regulation (EC) 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) for the EU Chemicals Industry, under which 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, and the California's Proposition 65 (Safe Drinking Water and Toxic Enforcement Act 1986), that 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.

Additionally, the Guide outlines Stella McCartney's commitment to phasing out hazardous chemicals across its supply chain, in alignment with the PRSL, and to promoting appropriate chemical management practices at supplier sites.

TARGETS, ACTIONS AND RESOURCES RELATED TO POLLUTION [E2-2, E2-3]

Target [E2-3]

Stella McCartney manages pollution-related impacts, risks and opportunities through its existing policy framework and supplier requirements, with a particular focus on chemical compliance and the control of hazardous substances across its supply chain.

While Stella McCartney has not defined specific measurable targets related to pollution at present, the Company had previously considered the possibility of assessing the feasibility of a Manufacturing Restricted Substances List (MRSL), as a further tool to address chemicals used during manufacturing processes.

The Company continues to focus on the regular update and monitoring of the Product Restricted Substances List (PRSL), which remains the main tool used to define chemical restrictions applicable to products and materials and to support the management of pollution-related risks across the supply chain.

Actions [E2-2]

Regarding pollution, Stella McCartney implements different actions addressing both upstream and downstream value chain activities.

Stella McCartney's main action targeting the downstream value chain is the Clevercare initiative, launched in 2014 and still active in 2025. It promotes more responsible garment care by encouraging customers to wash clothes less often, thereby reducing environmental impacts. Clevercare includes care label, a dedicated website, and communication campaigns focused on five key areas: washing, temperature, drying, ironing, and dry cleaning.

Regarding upstream value chain, Stella McCartney addresses pollution risks primarily through supplier requirements and responsible sourcing practices. Although potential water pollutants are not currently identified and classified, the Responsible Sourcing Guide communicates expectations, policies, and guidelines to suppliers regarding water use and stewardship. For example, suppliers are prohibited from using potassium permanganate or sodium hypochlorite in order to reduce water use and prevent water pollution.

Furthermore, Stella McCartney ensures the continuous update of the Product Restricted Substances List (PRSL) on an annual basis, or whenever necessary, to incorporate the latest global chemical limit standards, ensuring alignment with current regulatory and brand requirements. Keeping the PRSL up to date on latest regulations results in proactive compliance and helps Stella McCartney to control risk in a better and timely way.

Stella McCartney does not report on metrics related to the topic of Pollution, as these refer to data from own manufacturing operations. Given the non-manufacturing nature of the business model and the results of the Double Materiality Assessment, this topic has been considered relevant primarily in relation to the value chain. As such, the disclosure of Pollution-related metrics has been deemed not applicable.

2.3 WATER AND MARINE RESOURCES - E3

Water is a critical resource for the fashion industry, particularly in the upstream value chain where agricultural production and textile processing activities can require significant water use and may contribute to water pollution. Water-related impacts are especially relevant for natural fibre cultivation and wet-processing activities such as dyeing and finishing, which are often located in regions already exposed to water stress. Responsible water management therefore remains an important environmental consideration across the fashion value chain.



Given these challenges, responsible water management is a key environmental priority for the sector, and Stella McCartney recognizes the urgency of addressing water-related impacts in a systemic and proactive way. As a non-manufacturing Company that operates through a network of suppliers and production partners, Stella McCartney focuses primarily on promoting responsible water management practices across its supply chain through supplier engagement and targeted initiatives. Where available, water-related information is collected through specific projects and assessments to support a better understanding of water-related impacts and opportunities for improvement. This approach aims to encourage responsible water use, wastewater management and broader water stewardship practices across its supply chain.

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES [E3 - IRO-1]

In the context of the Double Materiality Assessment, Stella McCartney has identified impacts on water generated by the activities carried out both in the sectors upstream and downstream of its value chain. Considering the nature of its internal operations, water is not considered a natural resource directly impacted by the Company. Any impact is instead indirect and linked to outsourced production activities. In contrast, Stella McCartney can have a direct impact on marine resources through its apparel design choices.

Regarding the financial materiality, the Company has only identified risks in the upstream value chain, while none of the risks and opportunities have emerged regarding its own operations or the downstream value chain on this topic.

To assess these IROs, Stella McCartney has undertaken a stakeholder engagement activity with the involvement of various representatives, for further details, please refer to the chapter “General Disclosure – ESRS 2”, paragraph “Interests and views of stakeholders [SBM-2]”.



TABLE 16 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER AND MARINE RESOURCES (E3)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
E3 Water consumption	Negative actual impact	High water consumption in cotton farming and textile processing (e.g. dyeing, washing) can reduce water availability, especially in water-stressed areas, impacting local communities and ecosystems.	–	Upstream
	Negative actual impact	Washing clothes and treating textile waste consumes significant water, affecting local water resources, especially with frequent washing or inefficient machines.	–	Downstream
E3 Water withdrawals	Negative actual impact	High water withdrawal in cotton farming and textile processing (e.g. dyeing, washing) can reduce water availability, especially in water-stressed areas, impacting local communities and ecosystems.	–	Upstream
	Negative actual impact	Water withdrawal from clothes washing and waste treatment reduces water availability for local communities and ecosystems, especially with frequent use or inefficient machines.	–	Downstream
E3 Water discharges	Negative potential impact	Discharging untreated water from production harms water quality, reduces availability, and damages aquatic ecosystems.	Short term	Upstream
E3 Extraction and use of marine resources	Negative actual impact	Using seaweed-based fibres may affect marine resource availability and ecosystem balance.	–	Upstream
	Negative actual impact	The choice by the designers to use raw materials such as cellulose fibre from seaweed involves a use of marine resources that could have impacts on their availability and the balance of ecosystems.	–	Own operations
RISKS AND OPPORTUNITIES				
E3 Water withdrawals	Risk	Stricter regulations on water withdrawal may limit activities like cultivation and dyeing, increasing compliance costs and exposing suppliers to sanctions. This could lead to higher sourcing costs, reputational risks, and reduced revenues for Stella McCartney due to supply disruptions.	Medium term	Upstream
	Risk	Increasing water scarcity may hinder the production of water-intensive fibres such as cotton, affecting the availability of raw materials. This could result in higher procurement costs and lower revenues for the Company due to limited product availability.	Medium term	Upstream
E3 Water discharges	Risk	Tighter rules on wastewater discharge may require suppliers to invest in treatment systems and face penalties for non-compliance. This could raise Stella McCartney's sourcing costs and cause reputational damage and revenue loss due to blocked production.	Medium term	Upstream

POLICIES RELATED TO WATER AND MARINE RESOURCE [E3-1]

Stella McCartney does not currently have a formal policy dedicated to water and marine resources. However, water stewardship is considered a strategic priority, and the development of a more structured policy framework is part of the sustainability roadmap.

Despite not having a standalone policy, the Company addresses water-related matters through the **Responsible Sourcing Guide**, which outlines expectations for suppliers regarding water use, wastewater quality, and pollution prevention. The Responsible Sourcing Guide applies primarily to the upstream value chain, where the most significant water-related impacts occur and specifically addresses activities such as raw material cultivation (e.g. cotton) and water-intensive production processes such as dyeing, washing, and finishing.

Suppliers are required to comply with local water regulations and to adopt responsible practices in line with international standards where possible. These requirements include:

— Ensuring wastewater quality aligns with legal thresholds.

— Taking steps to avoid water pollution during processing.

— Engaging in initiatives aimed at improving water efficiency, such as programmes sponsored in collaboration with Apparel Impact Institute (AII).

The Company is working toward strengthening its approach to water-related topics and improving the understanding of water-related impacts across its value chain.

The responsibility for overseeing related sustainability matters – including supplier engagement, material sourcing practices, and participation in initiatives like Carbon Target Setting – falls under the Sustainability Team, which reports directly to senior leadership, in particular the Chief Sustainability Officer (CSO).

TARGETS, ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCE [E3-2, E3-3]

Target [E3-3]

Stella McCartney has not yet set measurable, outcome-oriented, and time-bound targets specifically related to water and marine resources. As described in paragraph "Actions [E3-2]", the Company completed an assessment of climate- and nature-related risks and opportunities during the reporting period, including water-related considerations across its value chain. The outcomes of this work support the identification of priority areas and will inform any future development of water-related targets and actions. The Company will continue to evaluate the need and feasibility of dedicated water-related targets based on the results of this assessment, ensuring they are relevant, credible and actionable across the value chain.

While specific methodologies and assumptions are still in development, the future target-setting approach will be guided by a combination of:

— Scientific data and contextual insight from high-risk sourcing areas;

— Alignment with international policy goals, including the EU Green Deal, the Water Framework Directive, and the UN Sustainable Development Goals;

— Consideration of local realities, such as ecosystem fragility, water accessibility for communities, and supplier infrastructure, ensuring that targets are not only measurable but also meaningful.

Stella McCartney aims to define targets that reflect the interconnected nature of environmental and social impact, rooted in partnership, innovation, and shared responsibility across the value chain.

Actions [E3-2]

Stella McCartney is currently in a phase of assessment and strategic alignment. This ongoing work will help the Company to better define its priorities and ensure that future actions are well-informed and effective. The Company remains committed to continuous improvement and to progressively strengthening its approach to water and marine resources management.

As part of this work, during 2025 Stella McCartney completed a climate and nature-related risk and opportunity assessment across selected sites within its value chain. The assessment considered location-specific environmental exposures, including water-related risks such as water stress, drought, changing precipitation patterns and flooding, strengthening the Company's understanding of water-related exposures across its value chain and supporting the identification of priority areas for future actions.

During the reporting period, Stella McCartney also continued to improve the collection and mapping of water-related information across its own operations. The Company also continued to engage selected suppliers through specific initiatives and projects aimed at increasing awareness of water-related impacts and encouraging responsible water management practices.

Despite not having a defined action plan, during 2025, Stella McCartney focused on the following key initiatives, primarily concerning the upstream supply chain, covering both material sourcing and supplier operations.

Material innovation and certification to reduce water footprint

Stella McCartney prioritises the adoption and testing of alternative materials with significantly lower water demands compared to conventional options such as leather or cotton. The main initiatives, which involve Tier 3 and Tier 4 suppliers, include the collaboration with cotton suppliers like SÖKTAŞ, until 2024 as well as the



sourcing of certified raw materials that guarantee compliance with environmental criteria. Also, Stella McCartney promotes innovative materials that require water. These include VEGEA, a leather-like material that produces no wastewater since the water used during the production process is recirculated, offering a drastically lower impact compared to traditional animal leather; and BioPuff®, a natural insulation material derived from wetland plants that represents a promising low-water alternative to down and synthetic fills.

Partnerships for implementation

Stella McCartney promotes a collaborative approach to reducing environmental impact by actively supporting its suppliers through structured programmes led by industry experts.

Through collaborations with industry partners, including the Apparel Impact Institute (AII), Stella McCartney continued to support selected suppliers in assessing and improving their environmental performance. Depending on the programme, activities may include the collection of water-related information, the identification of opportunities to improve water management practices and the implementation of technical recommendations aimed at increasing resource efficiency.

During 2025, Stella McCartney continued supporting suppliers through collaborative programmes and launched new suppliers' engagement initiatives to strengthen environmental performance across its supply chain. Supplier engagement covered a range of value chain actors, including Tier 1 and Tier 2 suppliers across textile, footwear and hardware-related categories.

Several supplier projects were completed during the reporting period, while new suppliers and facilities were enrolled in equivalent initiatives. Through collaboration with other brands and industry partners, Stella McCartney also increased its participation in shared supplier engagement programmes and multi-stakeholder working groups, helping expand the reach and effectiveness of environmental improvement activities across the supply chain. For further information on these supplier engagement initiatives, please refer to Chapter "2.1 Climate Change – E1", paragraph "Actions [E1-3].

Together these initiatives support Stella McCartney's objective of promoting more responsible resource management across its supply chain and fostering continuous improvement in environmental performance.

Planned actions

The Company intends to continue integrating water-related considerations into relevant sustainability initiatives across its value chain. Planned areas of focus include:

- Further improving the collection and mapping of water-related information across own operations;
- Continuing engagement with suppliers and industry partners on environmental topics, including responsible water management practices where relevant;
- Exploring opportunities to expand the collection of water-related data through selected supplier initiatives and collaborative programmes;
- Continuing investment in material innovation, supplier engagement and sustainability capacity-building activities.

Although the downstream value chain is not the main focus, Stella McCartney also seeks to reduce water use during the product-use phase through:

- The selection of materials that require less washing or can be washed at lower temperatures;
- Consumer guidance on care practices to reduce water use;
- Design strategies aimed at the durability and longevity of products, which lower overall consumption impacts.

Through this integrated approach - combining innovative materials, responsible supply chain decisions, and strategic partnerships - Stella McCartney continues to advance its commitment to reducing water impact across its business and value chain, while promoting awareness and encouraging more responsible management practices among suppliers and other value chain partners.

Stella McCartney does not report on metrics related to the topic of Water and marine resources, as such metrics are associated with own manufacturing activities. Considering the non-manufacturing nature of the business model and the results of the Double Materiality Assessment, this topic has been identified as relevant primarily in relation to the value chain. Therefore, the disclosure of Water and marine resources-related metrics has been deemed not applicable.



2.4 BIODIVERSITY AND ECOSYSTEMS - E4

DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL BIODIVERSITY AND ECOSYSTEM-RELATED IMPACTS, RISKS AND OPPORTUNITIES [E4 - IRO-1]

To identify impacts related to biodiversity and ecosystems, the raw materials used in Stella McCartney products are assessed by considering the pressures they may exert, such as soil degradation, deforestation and the exploitation of plants and animals across different stages of the value chain. Given the Company's strong commitment to animal welfare and its choice to be vegetarian and cruelty-free, it is important to acknowledge that using plant-based alternatives may also have an impact on biodiversity and ecosystems. The impacts that emerge are mainly localised in the upstream phase of the value chain.

With regard to financial materiality, in addition to possible risks deriving from legislation, potential risks that may arise from natural factors have also been considered, such as the proliferation of invasive species that may compromise the soil and the cultivation of resources, leading to risks in the availability of raw materials. The risks identified are concentrated in the upstream phase of the value chain.

In order to assess these IROs, the Company has undertaken a stakeholder engagement activity with the involvement of various representatives. For further details, please refer to the chapter "1. General Disclosure – ESRS 2", paragraph "Interests and views of stakeholders [SBM-2]".

Currently, Stella McCartney has not identified operational sites located in or near biodiversity-sensitive areas that would directly lead to the deterioration of natural habitats or disturb protected species. Most operations, such as offices and retail locations, are based in urban contexts with limited proximity to ecologically sensitive zones.



TABLE 17 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BIODIVERSITY AND ECOSYSTEMS (E4)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
E4 – Climate change	Negative actual impact	GHG emissions from clothing production contribute to global warming and ecosystem disruption, threatening biodiversity, posing long-term environmental risks for the Company.	–	Upstream
	Negative actual impact	GHG emissions from retail, product use, and disposal accelerate climate change and biodiversity loss, potentially affecting Stella McCartney's environmental footprint and brand positioning.	–	Downstream
E4 Land-use change, fresh water-use change and sea-use change	Negative actual impact	Land use for raw material production and infrastructure can damage habitats and biodiversity, increasing reputational and regulatory risks for the Company.	–	Upstream
E4 Direct exploitation	Negative potential impact	Using raw materials from biodiversity-sensitive sources (e.g. deforested areas, mining) directly harms ecosystems, potentially impacting Stella McCartney's supply chain and image.	Short term	Upstream
E4 Invasive alien species	Negative potential impact	Invasive species and soil degradation from intensive farming threaten local biodiversity, raising sustainability concerns for the Company.	Short term	Upstream
E4 Others	Negative potential impact	Mining activities disrupt ecosystems and habitats, contributing to biodiversity loss and increasing environmental risks for Stella McCartney.	Short term	Upstream
E4 Species population size	Negative actual impact	Unsustainable farming of plant-based materials (e.g. cotton) can destroy habitats and reduce species diversity, affecting the Company's environmental impact.	–	Upstream
	Positive actual impact	Stella McCartney's commitment to cruelty-free, innovative materials supports biodiversity protection and strengthens its ethical brand identity.	–	Own operations
E4 Land degradation	Negative actual impact	Intensive farming and chemical use in textile production degrade soil quality, challenging long-term resource sustainability for the Company.	–	Upstream
RISKS AND OPPORTUNITIES				
E4 Direct exploitation	Risk	Stricter regulations on deforestation and biodiversity exploitation may increase compliance costs and penalties for suppliers, who may raise prices or face production blocks. This could lead to higher sourcing costs, reputational risks, and reduced revenues for Stella McCartney.	Medium term	Upstream
E4 Invasive alien species	Risk	Invasive species can degrade soil used for cultivation (e.g. cotton), reducing raw material availability and raising production costs. This may result in higher sourcing costs and lower revenues for Stella McCartney due to limited product availability.	Medium term	Upstream
E4 Others	Risk	Tighter rules on vegetation removal and habitat protection may raise costs and risks for suppliers (e.g. in mining), including sanctions and operational changes. This could increase product prices and expose the Company to reputational damage and supply disruptions.	Medium term	Upstream
E4 Land degradation	Risk	Regulations on extraction and processing to prevent land degradation may lead to higher compliance costs and penalties for suppliers. This could result in increased sourcing costs and reduced revenues for Stella McCartney due to blocked production and reputational risks.	Medium term	Upstream

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [E4 – SBM-3]

Through the Double Materiality Assessment conducted, Stella McCartney identified land degradation as a material negative impact, particularly in connection with upstream agricultural sourcing practices.

To mitigate this impact, Stella McCartney has taken a proactive approach by:

- Using certified and responsibly sourced wool, aligned with high animal welfare and land stewardship standards to minimise overgrazing and support healthy grasslands;
- Prioritising certified, low-impact materials, including:
  - Viscose sourced from responsibly managed and traceable forest supply chains;
  - Innovative non-animal alternatives such as Mylo™ (mycelium-based), offering lower-impact options for conventional materials.

Additionally, the regenerative cotton project previously carried out in collaboration with SÖKTAŞ contributed to addressing land degradation through practices aimed at enriching soil, increasing biodiversity and promoting long-term ecosystem health.

Stella McCartney continues to integrate land stewardship into sourcing decisions and material innovation, recognising soil health as a key component of long-term business and environmental resilience.

Stella McCartney has not identified any operations that directly impact threatened species. From its founding, the Company has positioned itself as a pioneer in the fashion industry for its cruelty-free approach, refusing the use of leather, fur and feathers. This strategy significantly reduces pressure on natural ecosystems and supports the protection of endangered species. By using certified and innovative materials, Stella McCartney provides genuine vegan alternatives to conventional animal-based textiles, supporting a more ethical and responsible fashion system. These include next-generation materials like AppleSkin™, which replicate the aesthetics of exotic skins (such as crocodile or snake) without harming animals or biodiversity.

Stella McCartney was one of the first fashion houses to openly reject animal leather and fur and has consistently combined its product decisions with strong communication and awareness-raising efforts on environmental, ethical, and wildlife protection issues. Through its cruelty-free model and commitment to material innovation, Stella McCartney actively contributes to protecting threatened species and preserving global biodiversity.

POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS [E4-2]

Stella McCartney has not yet adopted a formal biodiversity and ecosystem-related policy. The findings of the biodiversity risk assessment conducted during 2025 will support the development of targeted biodiversity-related policies and commitments over time.



Despite not being formalised in a policy, Stella McCartney is committed to:

1. Contributing to direct impact drivers on biodiversity loss by minimising land-use change impacts through the responsible sourcing of materials;

2. Reducing impacts on the state of species through its cruelty-free approach, which aims at reducing pressure on species by excluding animal-based materials and supporting habitat protection initiatives;

3. Improving the condition of ecosystems already affected by degradation by using responsible materials and regenerative agriculture practices. These efforts focus on restoring soil health, enhancing ecosystem resilience, and contributing to the recovery of biodiversity in landscapes that have been previously altered or degraded;

4. Contributing to the preservation of oceans or seas through its use of materials that support ocean conservation, such as recycled polyester and ocean plastics in some of its product lines. Stella McCartney also works with partners and organisations that focus on reducing ocean pollution and protecting marine ecosystems.

These efforts align with Stella McCartney's broader sustainability objectives, aiming to minimise environmental impacts, including those affecting marine environments.

RESILIENCE ANALYSIS [E4-1]

Stella McCartney's business model, grounded in a cruelty-free, vegetarian and sustainability-first philosophy, inherently supports biodiversity and ecosystem preservation. The avoidance of animal-derived materials reduces direct pressure on ecosystems, while the use of low-impact, certified and innovative materials minimises land-use change and environmental degradation.

A Biodiversity Risk Assessment was completed during 2025 to identify and evaluate physical, transition and systemic risks related to biodiversity loss. The assessment highlighted exposure to risks such as soil degradation, deforestation and climate-related disruptions in key sourcing regions, particularly within the upstream value chain.

Transition risks, such as emerging biodiversity regulations and shifting stakeholder expectations, are being closely monitored. However, Stella McCartney's long-standing positioning in sustainable innovation enhances its adaptive capacity and strategic resilience.

The Biodiversity Risk Assessment covered the value chain, with a primary focus on upstream activities, where the most significant biodiversity-related dependencies and impacts occur. Downstream activities, including product distribution and use, are also considered, although the most material biodiversity risks are concentrated in the agricultural and production phases.

The Assessment covers:

— Physical risks, related to environmental events (e.g. soil degradation, wildfires, climate change);

— Transition risks, linked to regulatory changes, reputational pressures and market expectations;

— Systemic risks, tied to the growing vulnerability of ecosystems and the global decline in natural capital.

This approach enables the Company to identify the most vulnerable areas and define strategic levers to strengthen resilience across the full value chain.

The key assumptions underlying Stella McCartney's resilience considerations include:

1. **Dependence on natural ecosystems:** while the Company uses low-impact and alternative materials, the business still relies on natural resources and ecosystem services such as soil health, water availability, and climate stability;

2. **Growing environmental and regulatory pressures:** it is assumed that climate-related events and biodiversity-related regulations will continue to increase in frequency and scope;

3. **Upstream supply chain vulnerability:** agricultural inputs, especially in environmentally stressed regions, are considered at risk of disruption, soil degradation, and habitat loss;

4. **Shifting market expectations:** there is an anticipated rise in demand from consumers, investors, and stakeholders for transparent, traceable, and regenerative practices;

5. **No formal biodiversity policy currently in place:** risk management in this area is being strengthened and represents a strategic focus for future development.

At this stage, Stella McCartney has not yet adopted formal biodiversity-specific time horizons for analysing biodiversity resilience. However, the findings of the 2025 Biodiversity Risk Assessment are supporting the integration of biodiversity-related considerations into strategic planning and risk management processes across different time horizons.

TARGETS, ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS [E4-3, E4-4]

Targets [E4-4]

Stella McCartney has not yet set biodiversity and ecosystem-related targets, but the Company is actively working on developing measurable, outcome-oriented, and time-bound targets.

These targets will be informed by the findings of the biodiversity risk assessment and will focus on key material sustainability matters, including biodiversity conservation, carbon sequestration and responsible sourcing.

Stella McCartney's biodiversity and ecosystem-related targets will be developed with consideration of global and regional frameworks, including the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030. These targets will align with the relevant aspects of these frameworks and national policies as part of Stella McCartney's broader sustainability strategy, ensuring that the Company's actions contribute to global biodiversity goals.

Actions [E4-3]

Stella McCartney has not yet adopted a specific action plan with respect to biodiversity- and ecosystems-related topics. However, during the reporting year, the Company completed a Biodiversity Risk Assessment, covering its own operations and selected upstream value chain activities.

The assessment included the analysis of more than 100 sites across retail operations and key supplier locations and was conducted using recognised biodiversity risk-screening tools, including ENCORE and the Biodiversity Risk Filter (BRF), combined with internal stakeholder engagement and risk prioritisation processes.

The assessment confirmed that biodiversity-related dependencies, impacts, risks and opportunities are primarily concentrated within the upstream value chain, particularly in relation to agricultural and bio-based raw materials. The analysis also strengthened the Company's understanding of geographic biodiversity-related risks associated with sourcing regions and supplier locations.

The findings of the assessment are being integrated into the Company's sustainability strategy to support ongoing risk mitigation and biodiversity stewardship. In parallel, relevant mitigation and sustainability initiatives, including responsible sourcing, material innovation and supplier engagement activities, continue to contribute to reducing potential negative impacts on biodiversity and ecosystems. The assessment findings will also inform the future adoption of targeted actions, which will be evaluated to ensure alignment with Stella McCartney's long-term sustainability goals.

The Company adheres to several third-party standards and initiatives that guide its sustainability efforts, particularly in the area of biodiversity protection:

— **CanopyStyle Initiative:** Stella McCartney has partnered with Canopy to ensure that all of its cellulose fabrics, such as viscose, meet strict sustainability standards, avoiding sourcing materials from ancient and endangered forests, protecting biodiversity in forest ecosystems;

— **Textile Exchange:** the Company supports the use of responsible materials, including those sourced through regenerative agriculture practices, contributing to soil health and biodiversity;

— **Ellen MacArthur Foundation:** through its commitment to circular economy principles, Stella McCartney works to reduce waste, lower its carbon footprint, and protect ecosystems;

— **Science Based Targets Initiative (SBTi):** as mentioned in the Climate Change section, Stella McCartney has committed to setting science-based targets for emissions reduction, indirectly supporting the mitigation of climate-related biodiversity risks.

These third-party standards and initiatives provide a solid foundation for Stella McCartney's sustainability practices, ensuring that the Company's operations support biodiversity conservation across its value chain.

For the future, Stella McCartney plans to:

— **Expand responsible material sourcing:** increasing the use of certified, low-impact materials;

— **Further promote regenerative agriculture:** scaling up practices that restore ecosystems.

The Company allocates dedicated resources, including specialised teams and partnerships, to implement these actions, with the goal of reducing environmental impact in both upstream and downstream activities and supporting long-term sustainability.

Stella McCartney applies the mitigation hierarchy to its biodiversity and ecosystem actions by focusing on avoiding biodiversity impacts through responsible sourcing and regenerative practices. Past restoration efforts, including the regenerative cotton project, contributed to restoring impacted ecosystems.
Additionally, Stella McCartney supports the Chyulu Hills carbon offset project in Kenya as part of its broader climate and nature strategy. The project contributes to ecosystem conservation, community development and the protection of biodiversity in the Chyulu Hills landscape.
As previously detailed in Chapter "2.1 Climate Change – E1", the project supports activities aimed at protecting natural habitats, strengthening ecosystem resilience and generating positive outcomes for local communities.

To monitor the effectiveness of the offset, the Company relies on key performance indicators (KPIs), including:

— Carbon sequestration and its contribution to climate goals;

— Biodiversity health, including the recovery of key species and ecosystems;

— Community involvement, with local populations participating in conservation initiatives and benefiting from projects with a positive impact.

Additionally, Stella McCartney is working towards compliance with the European Deforestation Regulation (EUDR). Under the EUDR, the Company will need to provide proof of supplier compliance with the regulation, including demonstrating that the products are not associated with deforestation or forest degradation. It is therefore crucial to trace back to the source of the product and verify that they were produced in accordance with the relevant legal requirements of the country of origin. To this end, a declaration policy has been introduced for suppliers of product derived from wood (like paper and packaging).



2.5 RESOURCE USE AND CIRCULAR ECONOMY - E5

Materials represent a key pillar of Stella McCartney's sustainability strategy, supporting the Company's objectives related to resource efficiency and circularity. Nature's gifts are combined with cutting-edge innovation to create the most desirable luxury fashion. Through the development of innovative and ethically sound alternatives, the Company aims to reduce environmental impacts associated with conventional materials used in the fashion industry.

Stella McCartney has been a vegetarian brand since its foundation and maintains its commitment to not using animal leather, feathers, furs or skins. While many animal-alternative materials are currently based on synthetic fibres such as polyester, which are cruelty-free, they may still have environmental impacts due to the immense impact plastics they have on the planet. To this end, efforts have continued to be made to reduce materials derived from virgin fossil-fuels, transitioning instead to recycled and/or biobased alternatives, as well as continuously seeking the most effective plant-derived substitutes for animal-based materials.



DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES [E5 - IRO-1]

Within the context of the Double Materiality Assessment, Stella McCartney has evaluated trends in the fashion sector, activities in the sectors involved in the other phases of the value chain and stakeholders expectations. Based on this analysis, the topics of use of resources and circular economy have been identified as relevant.

In particular, impacts related to resources inflow, resources outflow and waste have emerged across all phases of the value chain. Although Stella McCartney's own operations do not include the production of collections, these topics are significant regarding the design choices of the garments. Furthermore, risks or opportunities have also emerged in each phase of the value chain.

TABLE 18 - LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
E5 Resources inflows, including resource use	Negative actual impact	The use of raw materials in mining, packaging, and apparel production affects natural resource availability and the environment.	-	Upstream
	Positive actual impact	Using recycled or responsibly sourced materials (e.g. regenerated cotton) reduces reliance on virgin resources and lowers environmental impact.	-	Own operations
	Positive actual impact	Adopting recycled packaging, optimizing design, and using cross-docking reduces cardboard use and minimises environmental harm.	-	Own operations
	Positive actual impact	Circular practices in fashion and textile recycling help cut waste, conserve resources, and reduce emissions.	-	Downstream
E5 Resource outflows related to products and services	Positive actual impact	Recycling practices and durable, recyclable product design reduce virgin material use, waste generation, and land and water pollution.	Medium term	Upstream
	Positive actual impact	Designing durable, recyclable, and reusable products helps cut waste and environmental pollution.	-	Own operations
	Positive actual impact	The Company's take-back programs promote sustainable fashion, raise customer awareness, and reduce environmental impact.	-	Own operations
	Positive actual impact	Reusing and recycling clothes conserve resources, reduce landfill waste, and lower emissions, supporting a more circular fashion system.	-	Downstream
E5 Waste	Negative actual impact	Production processes generate large amounts of waste, including hazardous materials, which can harm the environment and human health.	-	Upstream
	Negative actual impact	Operational activities at Stella McCartney produce waste that, if not recovered, may pollute air, water, and soil.	-	Own operations
	Negative actual impact	Unrecycled clothing often ends up in landfills, contributing to pollution and emissions, while new production consumes energy and resources.	-	Downstream
RISKS AND OPPORTUNITIES				
E5 Resources inflows, including resource use	Risk	Raw material shortages (e.g. cotton) can disrupt production and raise costs for alternatives, potentially reducing revenues for Stella McCartney.	Medium term	Own operations
	Risk	If licensees use materials misaligned with Stella's values, it may damage brand reputation and reduce customer demand.	Short term	Own operations
	Opportunity	Growing demand for low-impact products (e.g. vegan leather, recyclable packaging) may increase revenues for Stella McCartney by aligning with consumer preferences.	Short term	Downstream
E5 Resource outflows related to products and services	Risk	Stricter recyclability and repairability regulations may raise supplier costs and lead to production halts. This could increase sourcing costs and reduce revenues for Stella McCartney due to supply disruptions and reputational risks.	Medium term	Upstream
	Opportunity	The shift toward second-hand and circular fashion offers the Company an opportunity to reduce resource use, strengthen brand image, and boost revenues.	Short term	Own operations
E5 Waste	Risk	Tighter waste regulations may force suppliers to adapt production processes, increasing costs and risking non-compliance. This could raise sourcing costs and reduce revenues for the Company due to supply interruptions.	Medium term	Upstream



POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY [E5-1]

Stella McCartney's commitment and choices regarding the materials used in products are formalised within the Responsible Sourcing Guide.

This document outlines the Company's environmental standards and provides guidance to suppliers on the values, expectations and requirements to be followed. With respect to resource use, its objective is to ensure the highest environmental standards across the supply chain by promoting the sourcing of lower-impact raw materials and processes, as well as supporting the development of regenerative circular materials. The Company is also ensuring that no leather, skins, feathers, furs or by-products (such as glue) are used in any of its products, collaborations or licensed products. The guide also includes considerations related to packaging materials.

To this end, the Responsible Sourcing Guide defines sourcing standards and requirements for the following key materials: cotton, cashmere, wool, alpaca, viscose, rayon and cellulosic fibres, synthetic fibres (polyester and nylon), denim, thread and trims, brass and metals, paper and wood, plastics, polyurethane, textile processing. For each material, the Guide sets out key principles, mandatory requirements and aspirational standards, enabling suppliers to align production with the Company's strategy. These include, depending on the material, requirements to prioritise recycled and recyclable inputs, as with synthetic fibers, or to prohibit virgin materials altogether, as with cashmere. More broadly, it champions materials derived from regenerative agriculture.

Additionally, the Responsible Sourcing Guide outlines the key aspects related to waste management, including supporting the transition to a circular economy by ensuring that no waste ends up in landfills or incineration, while helping suppliers to track, quantify and manage their waste streams.

The policy applies to all suppliers in Stella McCartney value chain and its available through the Sustainability Hub, the Company's online platform used to communicate with suppliers and share sustainability-related requirements and policies. Also, Stella McCartney internal functions, including design, production and product development have to implement and follow the Responsible Sourcing Guide.

TARGETS, ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY [E5-2, E5-3]

TARGET [E5-3]

Materials

Stella McCartney has set targets related to resource use and circular economy, with a focus on materials and packaging. One of these targets is related to achieving 100% responsible collections. To qualify as responsible, each collection must be made up of at least 50% responsible materials. Meaning that every product must be composed of either regenerated or recycled wool/cotton, organic cotton, Responsible Wool Standard (RWS), Global Recycled Standard (GRS) recycled synthetics or other certified fibres.

The Company is working towards 100% responsible collections, while acknowledging that this would not mean every material used are 100% responsibly sourced. This parameter guides the Design Team's responsible sourcing decisions at item level and requires the percentage of responsible materials in each collection to be measured. In 2025, 90% of the Ready-to-wear collections could be considered responsible collections.

In addition, Stella McCartney continues its efforts to completely phase out conventional cotton from 2025, while increasingly favouring responsible sourced cotton. In 2025, approximately 24% of the total cotton used was conventional (4,693 kg of conventional cotton out of 19,727 kg of total cotton). The Sustainability Team works closely with Design, Production and Product Development Teams to ensure that targets are met.

Packaging

Stella McCartney is actively supporting the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. As a signatory of this commitment, several pledges have been made.

These include:

1. Eliminating the use of virgin plastic packaging and unnecessary or problematic plastic packaging;

2. Moving from single-use plastic towards reuse models;

3. Employing 100% reusable and recyclable plastic;

4. Ensuring that all own-branded plastic packaging contains 100% recycled content.

Waste

Waste reduction is embedded within Stella McCartney's broader circular economy approach and is considered throughout the product lifecycle. The Company seeks to minimise waste generation by prioritising recycled materials, reducing production waste where possible and supporting initiatives focused on product reuse and circularity.

While waste-related objectives are currently integrated within broader sustainability and circular economy initiatives, these activities demonstrate Stella McCartney's commitment to resource efficiency and responsible waste management.

Actions [E5-2]

Materials

With respect to resource use, Stella McCartney's approach focuses both on optimising the use of existing materials and on developing innovative alternatives. On one side, the Company promotes the increased adoption of recycled, certified and lower-impact materials; on the other hand, it invests in research and development to identify innovative solutions that can reduce the environmental footprint of the fashion industry.

Current materials

Bio-based polyurethane

The Company has been working on transitioning its leather alternatives from 100% fossil-fuel-based polyurethane by developing bags with high content of bio-based polyurethane, while progressively reducing the use of materials with a higher content of fossil-fuel.

Regenerative cotton with SÖKTAŞ

From 2019 to 2024, Stella McCartney collaborated with SÖKTAŞ, a family-owned cotton producer based in Turkey. The SÖKTAŞ regenerative project focused on transitioning from conventional cotton farming to regenerative practices that restore soil health and enhance its capacity to sequester atmospheric carbon.

The initiative included:

— No-till and low-till farming, preserving soil structure and reducing soil carbon loss;

— Cover cropping and crop rotation, enriching soil organic content and promoting nutrient cycling;

— Use of compost and organic inputs to avoid synthetic fertilisers and reduce emissions.

The project has now been completed, and the soil scientist involved in the collaboration has submitted the related research paper, which is currently under review for publication. Throughout the collaboration, all SÖKTAŞ cotton following regenerative farming practices carried the RegenAgri® certification from the 2022 harvest season onwards, contributing to Stella McCartney's pledge to use 100% regenerative, recycled or organic cotton across all collections.

Viscose - Canopy Project

Stella McCartney has been working in partnership with Canopy since 2014. Canopy is a not-for-profit environmental organisation that collaborates with brands, retailers, and producers of viscose and other cellulosic materials to ensure that their supply chains do not involve ancient and endangered forests. Through the partnership with Canopy, Stella McCartney is committed to sourcing materials only from sustainable and traceable sources and never using materials from ancient or endangered forests, and, therefore, to prioritise working with suppliers that have been approved and audited by Canopy. Since 2017, all of Stella McCartney's viscose suppliers undergo audits as part of the CanopyStyle Initiative and have been verified to be free from ancient and endangered forests.

During 2024, Stella McCartney started working with the most highly ranked suppliers verified by Canopy Audit's Hot Button Report. This commitment has continued throughout 2025, with the Company maintaining its partnerships with these top-ranked suppliers.

Wool – Regenerative wool, NativaTM and ZQ

In 2025, Stella McCartney continued its partnership with NATIVA™, a branded wool fibre, developed by Chargeurs Luxury Materials. NATIVA™ guarantees the sourcing of wool using regenerative approaches, through high standards of social and environmental responsibility and most importantly, animal welfare. Using its unique blockchain technology, all NATIVA™ wool is traceable all the way back to the farm and follows a strict internal protocol. The protocol certifies and verifies the supply chain right from farm level, ensuring that NATIVA™ wool used always comes from two certified farms in Australia.

One of these farms is Prospect, located in Western Australia, which supplies the finest Australian merino wool from regenerative farming. The farm runs a holistic and integrated programme across a production area of 25,000 hectares, raising sheep on limited rainfall, introducing natural fertility processes and zero tillage. Prospect has been working with scientists worldwide for over 15 years determining the carbon sequestration potential to be approximately 2 t/Ha per annum.

ZQ wool is another regeneratively farmed wool used in Stella McCartney's collections, sourced from pastures across New Zealand. The ZQ standard means that wools are sourced with a commitment to animal welfare, environmental and social responsibility, quality fibre, traceability to source – measured and monitored against strict management plans.

Innovative materials

Stella McCartney invests heavily in extensive research and development to pioneer new materials with minimal environmental impact, from groundbreaking fibres to alternatives that replace conventional plastics. As a leader in material innovation, the Company excels product development and continues to lead in this field launching new solutions, while scaling up usage of Regenerative Agriculture materials and phasing out fossil fuel-based synthetics. The Company's goal is to identify alternative options of the highest quality and lowest environmental impact, thus replacing materials that currently place a heavy burden on natural resources. Achieving the same level of luxury with low-impact alternatives presents a significant challenge, and the constant research necessitates significant effort and collaboration with innovators, involving ongoing testing, trials, and scaling of new materials.

Since 2024, Stella McCartney started to perform pilot testing on enzyme and bio recycling in its bags and shoes with different recycling partners.

Furthermore, the Company also continue to develop and launch products incorporating innovative materials. In particular:

— **VEGEA®** grape-based alternative to animal leather in partnership with Veuve Clicquot. The Summer 2024 collection included six accessories made from by-products, like grape vines, seeds and powdered grape, from the



harvest of Veuve Clicquot vineyard and also from their recycled cork collected.

— **Algae Black™** made by Living Ink. In the Spring 2024 collection, Stella McCartney launched the first garment made by a pigment solution for textiles which is algae-based, non-toxic and carbon negative, since it sequesters more carbon than it emits during production. Living Ink collects algae biomass waste that is left over from farms supplement production and repurposed into a powder or liquid that can be used to colour textile to achieve a black or desired shade. Fungi-based alternative to leather by Hydefy. In 2024, Stella McCartney launched during Summer 2025 runway show the first Hydefy's mycelium-based leather alternative bag, which will be available in store in 2025. Using a proprietary fermentation technology, Hydefy grows the fungi from Yellowstone National Park, in the USA. This is then combined with sugarcane waste-derived inputs to create a durable, versatile textile that is entirely vegan, cruelty-free and planet friendly.

— **Piñayarn®** pineapple leaf-based fibres by Ananas Anam. In 2024 started the production of the trainer shoes made by Piñayarn® plant-based, recyclable and biodegradable textile solution made from pineapple leaf fibres offering an alternative to petroleum-based products and resource-intense virgin fibres. Also, fabric is created in a closed-loop production ensuring zero waste, with the pineapple leaf fibres used to make the textile sourced from agricultural discard.

— **BioCir® Flex**: Compostable, recyclable, biobased plastic alternative by Balena. BioCir® Flex is a non-toxic, compostable, recyclable and biobased alternative to conventional plastics that debuted in 2024 in Stella McCartney's trainer shoes, together with Piñayarn®. It is made using feedstock sources like castor beans, oils and polysaccharides, creating a material as flexible as rubber and as durable as thermoplastic polyurethane.

— **Airlite®.** Stella McCartney introduced Airlite® in its Winter 2024 runway collection; coating two iconic Stella McCartney Falabella Tiny tote bags handcrafted vegan materials. Airlite® is an innovative and environmentally friendly coating that actively purifies the air and eliminates odours. Copying nature to break down pollutants, it acts as a catalyst rather than absorbing or filtering them out. It is made with 40% recycled materials in a factory powered entirely by renewable energy and contributes to all major certification schemes, such as BREEAM, LEED and WELL.

— **UPPEAL ™.** It is a vegan, cruelty-free alternative to animal leather made from the waste of apples grown for juice and jam in Northern Italy innovated by Mable Industries and Frumat since 2014.

— **BANANATEX®.** Stella McCartney continued its partnership with Bananatex® – the world's first biodegradable, vegan material innovation, waterproof and plastic-free fabric made entirely from Abacá banana plants cultivated in the Philippines. The Abacá plant is abundant; its bananas serve as nutritious foods for surrounding biodiversity and its several stalks, harvested once annually and regenerate fully within a year, can be turned into yarn.



In addition, in 2025 Stella McCartney introduced and incorporated the following innovative materials into its products:

— **FEVVERS.** For Summer 2026, Stella McCartney unveiled FEVVERS, the world's first plant-based alternative to feathers. A vegan and cruelty-free innovation, FEVVERS offers the beauty, texture and drama of traditional plumage whilst eliminating the need for any animal-derived materials. The case for such an alternative is compelling: over one billion birds are killed each year for their feathers and down, with many plucked alive in practices widely criticised for their cruelty. Conventional feather production is also resource-intensive, contributing to greenhouse gas emissions and chemical pollution. South Africa's ostrich industry alone emits over 62,000 tonnes of carbon-equivalent emissions annually, while processing treatments frequently contaminate waterways and damage ecosystems.

Developed by UK-based start-up FEVVERS, the pioneering material made its debut with Stella McCartney. Rather than simply replicating feathers, it establishes a new visual language: lightweight, layered and expressive, without harming a single creature. The innovation features across corseted gowns and sculptural silhouettes in the Summer 2026 collection, with each strand applied by hand in collaboration with Mumbai-based embroidery and textile house Chanakya International. Drawing on over four decades of experience and 13 generations of artisanship, Chanakya is renowned for its craftsmanship and its commitment to empowering women through the Chanakya School of Craft. By bringing FEVVERS to the runway, Stella McCartney continues to challenge the conventions of luxury, reflecting a longstanding dedication to cruelty-free design and material experimentation and demonstrating that aesthetics and ethics can coexist without compromise.

— **YATAY.** Debuting as a crocodile alternative in the Autumn 2025 collection before appearing in the form of ostrich and snake on the Winter 2025 runway, YATAY is a bio-based vegan alternative to animal leather and exotic skins, innovated using a blend of agricultural inputs, recycled materials and mycelium the root-like structure of fungi. YATAY is designed to combine aesthetic versatility, durability and performance with a lower reliance on conventional animal-derived and fossil-based materials. By incorporating renewable and recycled inputs, the material supports Stella McCartney's ongoing efforts to explore next-generation alternatives capable of meeting luxury fashion standards while reducing environmental impacts associated with traditional leather production. The material has enabled Stella McCartney to recreate the distinctive textures and visual characteristics of exotic skins, including crocodile, ostrich and snake, without using animal-derived materials. Through its versatility across different finishes and embossing techniques, YATAY demonstrates how material innovation can expand design possibilities whilst remaining aligned with the brand's cruelty-free philosophy. YATAY B is an innovative, vegan and cruelty-free material made from recycled and bio-based articles, backed by certified Forest Stewardship Council (FSC) or Global Recycled Standard (GRS) materials.

— **SEQUINOVA.** For Winter 2025, Stella McCartney debuted garments embellished with Sequinova, the world's first plant-based sequins. Introduced on the runway through hand-embroidered strapless mini dresses, Sequinova offers an alternative to conventional sequins, which are typically manufactured from petroleum-based plastics and contribute to the growing issue of microplastic pollution. The need for such innovation is particularly relevant within the fashion industry, which has been estimated to be responsible for approximately 35% of global microplastic pollution. Developed by UK-based start-up Sequinova in collaboration with Stella McCartney, the material is derived from sustainably sourced wood and renewable feedstocks through a non-toxic production process. Unlike conventional sequins, Sequinova is free from petroleum-based



plastics, metals and minerals, while the manufacturing process keeps chemical inputs within a closed-loop system and is carried out locally in Europe. The sequins showcased on the runway were further embellished with recycled glass beads made from waste glass shards and bottles, reinforcing the collection's broader commitment to material innovation and resource efficiency. Beyond reducing reliance on fossil-based materials, Sequinova demonstrates how high-impact decorative elements can be reimagined through bio-based innovation without compromising aesthetics, performance or craftsmanship. By integrating this pioneering material into its Winter 2025 collection, Stella McCartney continues to challenge conventional luxury manufacturing practices, proving that glamour, creativity and sustainability can coexist while supporting the transition towards lower-impact fashion materials.

Packaging

Our commitment to responsible packaging materials, both those for customers and those used during logistics operations, focuses on minimising their use. Stella McCartney aims at maximising the recycled, reusable, and recyclable content in accordance with circular economy principles.

The Company reports annually to the Ellen MacArthur Foundation's Global Commitment on the amount of plastic packaging used, its progress on removing all plastic from operations, and regarding the volume of recycled plastic used. The results are published and benchmarked against the Global Commitment's target.

Products

Circular fashion promotes designing durable, repairable, and recyclable garments and encourages material reuse through upcycling, recycling, and second-hand markets.

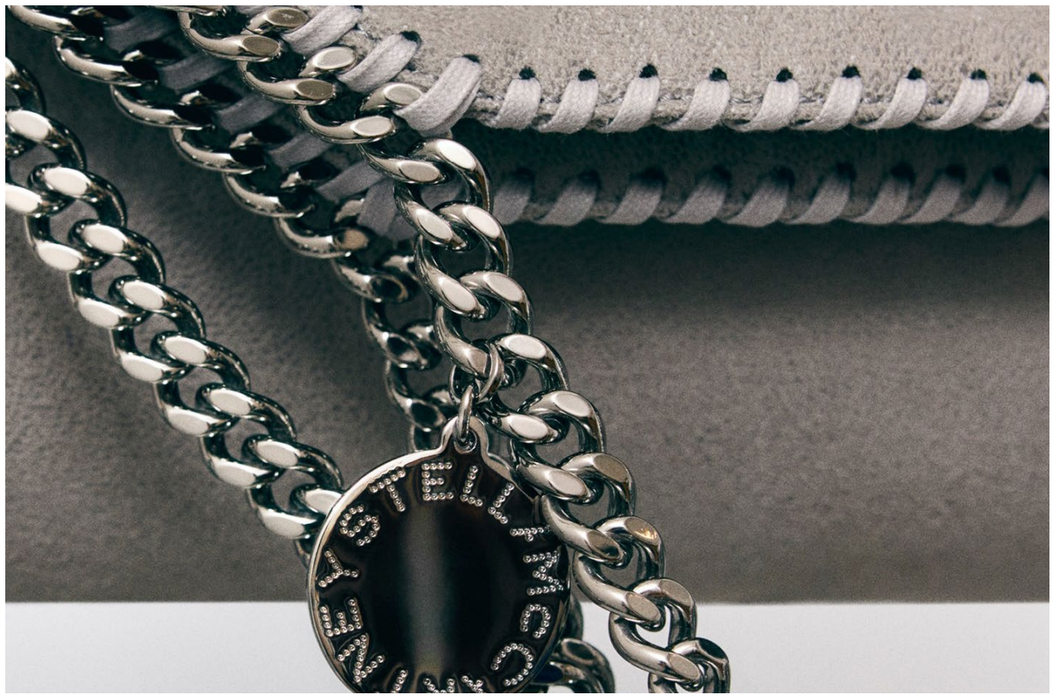
At Stella McCartney, products are always designed for durability, and performance testing is conducted on fabrics. Repair services are offered for bags, and a broader repair scheme is currently being developed. A reuse and recycling strategy is also under formulation to enhance the take-back scheme and end-of-life solutions. In addition, potential recycling partners are being explored, and the most efficient and environmentally friendly logistic solutions are being assessed, with the aim of minimising carbon footprint.

Achieving a circular economy requires extensive collaboration across the value chain and the adoption of innovative sustainable business models. Through ongoing initiatives and partnerships, efforts are being made to transform the circular vision into reality. Key initiatives currently in place include the **Clevercare initiative**, a garment labelling system that aims to encourage individuals to care for their clothes properly, prolonging their lifespan by promoting less frequent washing and encouraging them to be worn more often. For further details, please refer to Chapter "2.2 Pollution – E2", paragraph "Actions [E2-2]".

Recycled materials are prioritised over virgin alternatives, with a preference for post-consumer rather than pre-consumer sources. Production largely takes place through small-scale manufacturers that often produce exclusively for Stella McCartney, enabling close monitoring of waste and the prevention of contamination from unidentified fibres. Pilot projects are also being explored to capture production waste and convert it into materials suitable for reuse.

Waste

Stella McCartney has introduced internal waste segregation practices across both its offices and stores, focusing on separating general waste from dry mixed recycling. As the Company's business model relies on fully outsourced manufacturing, the waste generated internally is non-industrial and primarily consists of office and retail waste. These streams are managed through a range of recycling initiatives, including dedicated bins for mixed recycling, paper, toner cartridges, batteries, Nespresso pods, food waste destined for composting, and fabric scraps. However, due to the nature of current waste management contracts and operational arrangements, such as bagged street collections handled by local authorities or outsourced providers, there is currently no reporting data available for these waste streams.



METRICS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY [E5-4, E5-5]

Incoming resource flows [E5-4]

The materials lie at the very heart of the brand's commitment to sustainability. Priority is given to certified materials to ensure full traceability, transparency, and animal welfare. Preferred materials include recycled post-consumer, recycled pre-consumer, regenerative and organic materials.

In recent years, research efforts have also focused on reducing the use of plastic and plastic-derived materials and identifying lower-impact alternatives.

Polyester and Other Synthetics

Stella McCartney prioritises the use of circular and certified synthetic materials by sourcing recycled polyester that meets the Global Recycled Standard (GRS) for social and environmental responsibility. Recycled polyester allows the reuse of plastic waste, diverting it from landfills and reducing the need for virgin resource extraction, thus consuming fewer resources and having a lower carbon footprint than virgin polyester. Nevertheless, Stella McCartney acknowledges that recycled polyester still poses some environmental issues, such as microfibre release during washing.

Polyurethane

Although in 2025 the brand decreased its polyurethane usage by 37% compared to 2024, polyurethane remains one of the main alternatives to animal leather used in bags and shoes, making it the second most utilised material by weight. The Responsible Sourcing Guide prioritises water-based and solvent-free polyurethanes, which are more energy and water-efficient and contribute to safer working conditions. To further reduce



environmental impact, renewable and recycled polyurethane is prioritised, while oil-free and plant-based materials like MIRUM® are continually explored.

Cotton

Cotton is one of the most widely used fibres in the fashion industry. Most of the conventionally grown cotton today is treated with highly toxic substances such as fertilisers, pesticides and herbicides, with consequent impacts on the natural environment. In addition, cotton has a high human impact as it is predominantly grown in countries considered to be at high risk for child or forced labour. For these reasons, the Procurement Team has prohibited the sourcing of cotton from countries identified as being at risk of labour exploitation. Currently, the banned countries include China, Uzbekistan, Syria, and Turkmenistan.

Mindful of the impact of harvesting and production of this crop, Stella McCartney is committed to reducing the use of conventional cotton until it is phased out entirely. Although it has still been used this year, its quantities have considerably decreased in favour of more sustainable and certified alternatives.

In sourcing certified cotton, Stella McCartney favours regenerative cotton, carrying additional certification under RegenAgri or Regenerative Cotton Standard (RCS), as well as Global Recycled Standard (GRS) pre-consumer and post-consumer recycled cotton, and organic cotton certified Global Organic Textile Standard (GOTS) or Organic Content Standard (OCS).

Viscose and Wood

Stella McCartney ensures that all wood-based materials used in its products and packaging are sourced responsibly, with the aim of prevent the destruction of ancient and endangered forests and the harm this entails. Deforestation can have devastating environmental and social consequences, including greenhouse gas emissions, biodiversity and habitat loss, soil degradation and impacts on local and Indigenous communities.

With regard to viscose, it is sourced from certified forests and Canopy-approved suppliers' forests, which adhere to strict management standards that protect these forests from deforestation.

Wool

At Stella McCartney, the considerable environmental footprint of animal fibres such as wool is acknowledged, particularly in terms of land use and emissions. To address these concerns, wool is sourced with a commitment to ensure better treatment of sheep and workers, prioritising options that avoid using wool from sheep that undergo mulesing, a surgical procedure that removes strips of skin to prevent flystrike but which remains highly controversial from an animal welfare perspective. Although virgin wool remains in use, preference is given to sources certified to regenerative standards, such as NATIVA™ or ZQ, as well as wool verified by the Responsible Wool Standard (RWS) and GRS recycled wool.

As outlined in the SÖKTAȘ, NATIVA™ and ZQ case studies, regenerative practices are increasingly being adopted across cotton and wool sourcing. The potential of regenerative farming methods is being leveraged to enhance soil health and biodiversity, minimise chemical use, and sequester carbon, thereby contributing to climate change mitigation.

Outgoing resource flows [E5-5]

Stella McCartney products range from bags to apparel collections, shoes and accessories, designed in line with circular economy principles such as durability, reusability, repairability, and recyclability. Indeed, all products are designed and crafted to ensure their longevity, all can be repaired to foster their reuse. One of the core design rules is to avoid using blends composed of synthetic and natural fibres in order to facilitate recyclability and end of life.

Innovation plays a key role in product design, including the development of solutions that enable easier disassembly of garments and

components such as zippers, buttons, and fabrics. This approach reduces textile waste and promotes the reuse of valuable materials.

Over the past 2 years, Stella McCartney has undertaken a broad programme of initiatives aimed at improving operational efficiency and reducing surplus inventory generated through its omnichannel sales activities. These efforts have contributed to a significant reduction in stock levels and unsold products across the business.

Information on discarded unsold consumer products

The Ecodesign for Sustainable Product Regulation (2024/1781) published in 2024 requires large and medium companies to publish about their data and actions on unsold products to avoid destruction. Circularity has always been part of the Stella McCartney DNA, but action has been taken to further improve operational efficiency and reducing surplus inventory generated through its omnichannel sales activities. These efforts have contributed to a significant reduction in stock levels and unsold products across the business.

Starting from 2024, the Company reinforced secondary channels sales through jobbers and Friends & Family events. In this context, the Company is also opening new outlets in Europe and North America to support the responsible management of unsold inventory.

At the same time, Stella McCartney has taken further steps to improve sell-through performance across all sales channels and promote the minimisation of seasonal leftovers. These initiatives support more accurate demand planning, stronger inventory management and closer alignment across the value chain, with the aim of maximising sell-through rates and reducing excess stock wherever possible.

Further initiatives aimed at reducing excess inventory in directly managed stores have been implemented since mid-2025. These include seasonal buying optimisation and the reduction of bulk orders produced in advance for potential replenishment purposes. In parallel, the Supply Chain Team has been working closely with suppliers to significantly shorten lead times for key products, enabling a more demand-driven approach to production and reducing the risk of surplus stock. Collectively, these initiatives have already contributed to a substantial reduction in inventory remaining in Company warehouses, and the process is ongoing.

As a result, the need for product destruction has also decreased, which is consistent with Stella McCartney's long-standing objective of avoiding the disposal of unsold products wherever possible.

A further initiative supporting this objective was Stella McCartney's participation in CircularItalie, which began in 2024. CircularItalie is an Italian recycling and upcycling platform designed to identify alternatives to the disposal or incineration of unsold goods and raw material scraps, in line with circular economy principles and through a network of specialised partners. The platform was established by LVMH, and Stella McCartney joined the initiative in 2024 as one of the first brands within the Group to participate. Although Stella McCartney left the Group in early 2024, it has remained part of the initiative and continues to use the platform as a destination for unsold defective products and raw material scraps when other recovery or sales channels are no longer viable, particularly in the case of defective products and materials.

Data shown in the table below include products and materials handed over to platform partners in 2025, and refer to Stella McCartney Italia Srl. No equivalent activities relating to unsold products were carried out by other Stella McCartney entities in Europe during the reporting period.

FINANCIAL YEAR: 1 JAN 2025 - 31 DEC 2025

ENTITIES IN SCOPE: STELLA MCCARTNEY ITALIA, STELLA MCCARTNEY FRANCE SAS, STELLA MCCARTNEY SPAIN SL

DESTRUCTION BAN AND UNSOLD PRODUCTS BELONGS TO SMC ITALIA ENTITY ONLY

SERVICE PROVIDERS	DESCRIPTION	NUMBER OF UNITS DISCARDED	TOTAL WEIGHT OF UNITS DISCARDED (KG)	PACKAGING INCLUDED IN THE WEIGHT OF UNITS DISCARDED	REASON FOR DISCARDING
Lindbergh	Ready to Wear hangers Shoes soles Bags metallic accessories	n.a.	3,222	Yes	Unsold goods & old stock of raw materials
Greenline	Ready To Wear Finished Goods Textile Raw Materials	n.a.	3,793.5	Yes	Unsold goods & old stock of raw materials
Eso Recycling	Bags Finished Goods	2027 pcs	2,320	Yes	Unsold goods

WASTE TREATMENT OPERATIONS

SERVICE PROVIDERS	PREPARING FOR REUSE (%)	DESTRUCTION				UNKNOWN (%)
		RECYCLING (%)	OTHER RECOVERY (%)	DISPOSAL (%)	TOTAL DESTRUCTION(%)	
Lindbergh	0	65	8	19	92	8
Greenline	0	0	10	90	100	0
Eso Recycling	0	0	0	0	0	100

3. Social Information

3.1 OWN WORKFORCE - S1

INTERESTS AND VIEWS OF OWN WORKFORCE [S1 - SBM-2]

At Stella McCartney, the interests, views, and rights of the workforce are integral to how strategy and the business model are shaped and developed. As a purpose-driven Company rooted in sustainability and ethical innovation, Stella McCartney recognises that the well-being, dignity, empowerment, and inclusion of its people are fundamental to long-term success.

The Company's approach is grounded in a firm commitment to internationally recognised human rights and labour standards, which inform both internal policies and broader business decisions. The Company actively fosters a culture of inclusion, transparency, and open dialogue, while ensuring that employees have access to safe channels to express concerns, share feedback, and contribute to shaping their working environment. Insights gathered through the annual Employee Voice Survey, as well as ongoing engagement mechanisms like global townhalls and team-level feedback loops and regular team meetings, help identify emerging needs and expectations across the workforce. These insights influence key aspects of the Company strategy, including talent development, flexible working models, leadership practices, and the approach to diversity, equity, and inclusion.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [S1 - SBM-3]

The Company's strategy and business model are strongly influenced by its commitment to ethical employment practices and the well-being of its workforce, therefore the material impacts and risks identified are embedded in the Company's operational model.

Actual and potential impacts on the workforce originate directly from the Company's strategic focus on sustainability, innovation, and ethical leadership. For instance, the implementation of flexible working hours and remote work policies stems from a business model that values employee autonomy and work-life balance. Similarly, the emphasis on fair compensation and collective bargaining reflects a strategic commitment to social equity and long-term employee engagement. Insights from workforce-related impacts have led to the evolution of the Company's strategy, particularly in areas such as diversity and inclusion, digital upskilling, and employee well-being. The Company's approach to cybersecurity has also been strengthened in response to the potential risk of data breaches affecting employee information.

Material risks - such as increased costs due to talent competition or non-compliance with anti-discrimination laws - are directly linked to the Company's ability to attract and retain skilled personnel. These risks are managed through proactive policies on inclusion, training, and ethical conduct.

All individuals within the Company's own workforce could be materially impacted by its operations. The workforce is composed of full-time and part-time staff, as well as permanent and temporary employees.

Material potential negative impacts could be systemic, such as difficulties related to freedom of association, but also linked to individual incidents, including the potential occurrence of case of harassment or data breaches due to inadequate cybersecurity measures. At present, no material negative impacts on the workforce have been identified in relation to the Company's environmental transition plans. Positive impacts and their benefits apply globally to all employees.

Given the structure and business model of Stella McCartney, based on total outsourcing of production activities, it can be stated that the Company does not have any activities or operates in regions at risk of child or forced labour in its own operations. However, it maintains due diligence processes to monitor third-party providers and supply chain partners.

The Company develops a more granular understanding of how specific groups, such as women, caregivers, or workers in high-stress roles, may be more exposed to harm. This informs the design of targeted support programmes, such as mental health resources and inclusive leadership training.



TABLE 19 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE (S1)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
S1 - Working conditions - Secure employment	Positive actual impact	Drafting employment contracts that ensure secure, stable, and long-term jobs, while protecting against forced or unjustified resignations, improves working conditions.	–	Own operations
S1 - Working conditions - Working time	Positive actual impact	Guaranteeing appropriate working hours in line with national laws and human rights supports employees' wellbeing. The Company goes beyond legal requirements by offering flexible hours and remote working options.	–	Own operations
S1 - Working conditions - Adequate wages	Positive actual impact	Implementing pay policies that reflect industry trends and inflation ensures fair salaries, helping employees maintain decent living standards.	Medium term	Own operations
S1 - Working conditions - Social dialogue, Freedom of association	Negative potential impact	Obstructing union formation or discouraging membership undermines workers' rights to freedom of association and weakens social dialogue.	Short term	Own operations
S1 - Working conditions - Collective Bargaining	Positive potential impact	Engaging in fair and transparent negotiations with unions strengthens collective bargaining and enhances worker protection through broader agreement coverage.	Short term	Own operations
S1 - Working conditions - Work-life balance	Negative potential impact	Failing to provide safe and dignified working conditions may disrupt work-life balance, negatively affecting employees' health and quality of life.	Short term	Own operations
S1 - Working conditions -Health and safety	Positive actual impact	Adopting health and safety management systems, including training programmes, improves workplace safety and reduces risks to employee health.	–	Own operations
S1 - Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value	Positive potential impact	Promoting gender equality through welfare policies, incentives, monitoring, and awareness initiatives, such as tracking the gender pay gap, enhances working conditions and empowers women.	Medium term	Own operations
S1 - Equal treatment and opportunities for all - Training and skills development	Positive actual impact	Offering training and educational programmes helps employees develop their skills and capabilities.	–	Own operations
S1 - Equal treatment and opportunities for all - Measures against violence and harassment in the workplace	Positive actual impact	Implementing policies and measures to prevent violence and harassment fosters a safe and respectful workplace.	–	Own operations
S1 - Equal treatment and opportunities for all - Diversity	Positive potential impact	Encouraging non-discriminatory hiring practices improves employees' living and working conditions.	Short term	Own operations
S1 - Other work-related rights - Privacy	Negative potential impact	Failing to update cybersecurity measures may expose sensitive employee data to cyberattacks, risking the leakage of confidential information.	Short term	Own operations
RISKS AND OPPORTUNITIES				
S1 - Working conditions - Secure employment	Risk	Potential business interruptions due to requests to work overtime that do not comply with contractual conditions may generate lower revenues	Short term	Own operations
S1 - Equal treatment and opportunities for all - Measures against violence and harassment in the workplace	Risk	Failure to comply with the legislation that prohibits the occurrence of discrimination and harassment in the workplace can lead to higher costs.	Medium term	Own operations

POLICIES RELATED TO OWN WORKFORCE [S1-1]

Stella McCartney has implemented several policies to address material own workforce topics. These policies are further described below. All of these policies are made available through a hub hosted on internal SharePoint. Also, they are communicated regularly in the monthly People & Culture newsletter.

As the Company operates globally, a suite of country-specific policies is also in place to ensure alignment with local legislation and market practices.

Diversity, Equality and Inclusion Policy

Stella McCartney is committed to fostering a culture of equality, diversity and inclusion in the workplace, whilst creating a working environment that is free from bullying and discrimination and promoting a culture of dignity and respect for all. This commitment is formalised in a Diversity, Equality & Inclusion Policy, which is shared with and applicable to all employees globally. The policy sets out Stella McCartney's inclusion statement and commitments, covering key areas such as non-discrimination, support for gender identity, and workplace accessibility for people with disabilities. It also outlines/refers to the training activities available to employees.

In particular, the policy explicitly refers to the following grounds of non-discrimination: age, sexual orientation, race and ethnicity, marital or partnership status, gender identity, religion or belief, pregnancy or maternity status, people with health conditions or impairments, working patterns like part-time or flexible working.

Health And Safety Policies

The Company is committed to providing and maintaining a safe, healthy and secure working environment for all employees across its global operations. This commitment is supported by a Company Health & Safety Policy, which establishes the minimum standards and principles for managing occupational health and safety risks across all locations. The Policy applies across the Company's operations while allowing for implementation in accordance with applicable local legislation and regulatory requirements. In Italy, where occupational health and safety is comprehensively regulated under Legislative Decree 81/2008, the Company's health and safety framework is implemented through compliance with the statutory requirements of that legislation.

The Health & Safety Policy sets out the Company's commitment to safeguarding the health, safety and wellbeing of employees and all individuals who may be affected by its operations. It defines the governance structure, roles and responsibilities for effective health and safety management and establishes a framework for identifying workplace hazards, assessing risks, implementing appropriate control measures and responding to emergencies. The Policy is supported by regular monitoring, audits and periodic reviews to promote continual improvement across the Company.

The Company implements its health and safety framework consistently across all operating locations while recognising local legal and operational requirements. Local management teams are responsible for implementing the Company's standards and ensuring compliance with applicable legislation. Where appropriate, the Company engages qualified local health and safety specialists to assess workplaces against local legal requirements and recognised good practice. Findings from workplace assessments are documented and supported by corrective action plans to address identified risks and strengthen workplace health and safety performance.

The Company is committed to providing safe workplaces, suitable equipment, safe systems of work and appropriate information, training, supervision and resources to enable employees to perform their roles safely. Employees are informed of the procedures necessary to maintain a safe working environment and are encouraged to participate in health and safety through consultation and established reporting

mechanisms. Compliance with applicable health and safety legislation represents the minimum standard across all jurisdictions in which Stella McCartney operates, with the Company seeking to foster a proactive culture in which health, safety and wellbeing are integrated into decision-making and everyday operations.

In addition to the main Health and Safety Policy, the Company has also adopted further policies addressing specific wellbeing and health-related matters, some of which apply solely to UK employees. One such example is, the **Alcohol and Drugs Policy** that aims at encouraging employees to speak up in case they recognise a misuse of, or dependence on alcohol or drugs to provide them with help and support. In addition, it sets out circumstances where the use is prohibited and subsequent disciplinary procedures that may follow.

The Company recognises the importance of supporting employees throughout different stages of life and of providing tailored support based on individual circumstances. With this in mind, Stella McCartney developed the **Menopause Policy**, which applies to head office and retail staff in UK, establishing a framework for accommodating certain requests, such as a cooler working environment, but also psychological support to better face this period of change.

In addition, the Company is committed to support holistic wellbeing, including mental health. Through the **Global Mental Health Policy**, the aim is to raise awareness and understanding how mental health may manifest in the workplace, as well as consciously looking after oneself and one another. The goal at Stella McCartney, is to maintain a working environment where all team members treat each other with empathy, mutual consideration and support one another without judgement.

Work-life balance policies

Stella McCartney's **Smart Working Policy** provides employees with the flexibility to balance their professional responsibilities and personal lives whilst maintaining a commitment to productivity, collaboration, and the overall success of the Company. The Policy, active in all countries with a corporate office, allows employees to work remotely, and it is addressed to every contracted employee. This does not apply to employees whose roles require a physical presence in the workplace. The document sets out smart working regulations, the necessary kit, and how spaces need to be arranged to ensure health and safety.

The Company also recognises the importance of supporting employees through a broad range of leave options, designed to meet both personal and professional needs, and to foster a culture of care, inclusion, and work-life balance.

Stella McCartney Italia provides specific guidelines and information about leave provisions available including Work-life Balance Leave to be used in specific circumstances such as specialist medical appointments or veterinary visits, birthday leave, study leave, marriage or civil partnership leave, bereavement or serious illness of spouse and relative leave, blood or bone marrow donation leave, and training leave.

For UK employees, Stella McCartney Ltd applies **Maternity Leave Policy** and **Paternity Leave Policy**, to best support its employees. The two **Leave Policies** highlight information about leave periods, pay, rewards and benefits. The policies also outline what is expected at work during the pregnancy period (or before the child is born in the case of the paternity policy) and during leave and return to work.

The Company also adopted the following policies addressed to head office and retail staff in the UK:

- **The Adoption and Surrogacy Leave Policy** that outlines the provisions and guidelines to be implemented to allow parents who undertake this type of journey a period of leave;

- **The Shared Parental Leave Policy** that allows parents to split most of the traditional maternity or adoption leave, so they can decide how best to share childcare during the first year, either by alternating or taking leave at the same time;

- The **Enhanced Family Leave and Enhanced Company Pay Policy** is aimed to support the work-life balance and foster a family-friendly workplace. It includes guidance to understand who is eligible for the provisions. The Enhanced Family leave will enhance the amount of leave an employee can take, while the Enhanced Company Pay will enhance the pay for a certain period of the leave under the relevant abovementioned policies;

- The **Parental Leave Policy** that outlines the details to understand parental leave entitlement and how to request it.

Working Hours Policies

The **Working Hours Policy** provides a framework for managing work schedules, offering employees greater flexibility and choice while supporting productivity and motivation. For the Corporate Team, this is further supported by the implementation of Core Hours, which reinforces flexibility while promoting efficiency and engagement.

For its UK employees, the Company has implemented two distinct policies: one applicable to retail employees and one applicable to corporate employees. As the Company is centralising in the UK the Human Resource function for APAC and USA, these policies will be progressively extended to other offices and stores within the parameters of local legislation.

At Stella McCartney Italia, employees are informed about the general framework for working time, including contractual hours, and daily schedules. The Company provides clear guidance on flexible working hours, compensatory rest days, lateness procedures, and overtime rules, ensuring employees are fully informed of their rights and responsibilities.

Bullying and Harassment Policy

Stella McCartney is committed to fostering a culture free of bullying and harassment. Through its Bullying and Harassment Policy the Company outlines its expectations, particularly that employees treat one another with the same respect they wish to receive, without fear of bullying or harassment, whether direct or indirect. This applies not only to the workplace but also at work-associated events such as meetings, conferences, business trips and Company-sponsored social events, whether on the undertaking premises or off-site. The policy also clarifies the terms bullying and harassment and outlines how to raise concerns.

The policy is currently applicable to UK employees. However, since the Company is in the process of centralising the Human Resources function for APAC and the USA, the policy is expected to be extended to offices and stores located in those regions.



Performance Management Policy

To promote career development based on fair opportunity, the Company operates an annual appraisal review process to assess both employees' progress against long-term objectives and their ongoing performance throughout the year. The Performance Management Policy sets out both the informal and formal performance management adopted by the Company supported by guiding principles intended to ensure consistency, transparency and constructive feedback.

Learning Policy

The Learning Policy is a mandatory policy applicable to all UK employees. Its primary objective is to ensure consistent participation in training and development programmes that support both individual growth and organisational capability building. The policy outlines the principles, processes and learning opportunities available to employees to support their professional development.

Employee Privacy Notice

The Employee Privacy Notice, applicable to UK employees, serves as a transparency commitment about the personal data collected about Stella McCartney employees, how such data is used and with whom it may be shared. The policy ensures compliance with requirements of data protection law, including the General Data Protection Regulation (GDPR), and the UK's Data Protection Act 2018.

PROCESS FOR ENGAGING WITH OWN WORKFORCE [S1-2]

The Company adopts a structured and inclusive approach to employee engagement, fostering open dialogue and ensuring that employees and their representatives are regularly informed about key business developments and strategic priorities. Communication is facilitated through a combination of global and local channels (such as the Employee Voice Survey, global Townhalls and team-level feedback loops) enabling the timely and transparent sharing of relevant information across the organisation.

One of the main mechanisms for such engagement is the periodical global townhall meetings held virtually, during which leadership shares important information regarding corporate strategy, business performance, and any relevant financial results. Accessible to all employees, these sessions encourage transparency, strengthen alignment across teams, and promote a shared understanding of the Company's objectives and progress.

To further strengthen employee voice and inclusion in organisational development, the Company administers an annual Employee Voice Survey that invites all eligible global staff to provide structured feedback across various dimensions of the employee experience. The survey comprises 33 carefully designed questions and captures a comprehensive view of internal engagement drivers.

These include:
— Engagement and intent to stay;
— Wellbeing;
— Inclusion;
— Collaboration and communication;
— Corporate social responsibility and ethics;
— Growth & development;
— Living the values;
— Resilience;
— Compensation and benefits;
— Safety both psychological and physical;
— Smart working and work-life balance;
— Leadership.

The results are analysed systematically and used to co-develop actionable plans at both company-wide and departmental levels. These action plans are communicated internally and monitored to track progress and ensure meaningful outcomes. Through this process, the Company emphasises accountability and continuous improvement based on the lived experience of its workforce.

Although formal structures for direct engagement with workers' representatives may vary across jurisdictions, the Company is committed to upholding dialogue and respecting collective voice wherever applicable, in line with local legislation and labour practices. Therefore, feedback loops and open communication are actively promoted as foundational elements of a healthy and inclusive workplace culture.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS [S1-3]

The Company is committed to fostering a workplace culture grounded in fairness, transparency, and employee well-being. Across all Stella McCartney's offices, structured grievance mechanisms are in place, where relevant to local employment law, to ensure that any concerns or disputes raised by employees are addressed promptly, impartially and effectively.

The Grievance Policy together with the Global Whistleblowing Policy, both available through the internal sharepoint, provide a clear framework, also applicable to employees after the end of employment.

For further information about the SpeakUp® tool and the policies to raise concerns and support protection against retaliation, please refer to Chapter 4.1 Business Conduct – G1, paragraph "Protection of Whistleblowers [G1-1]".

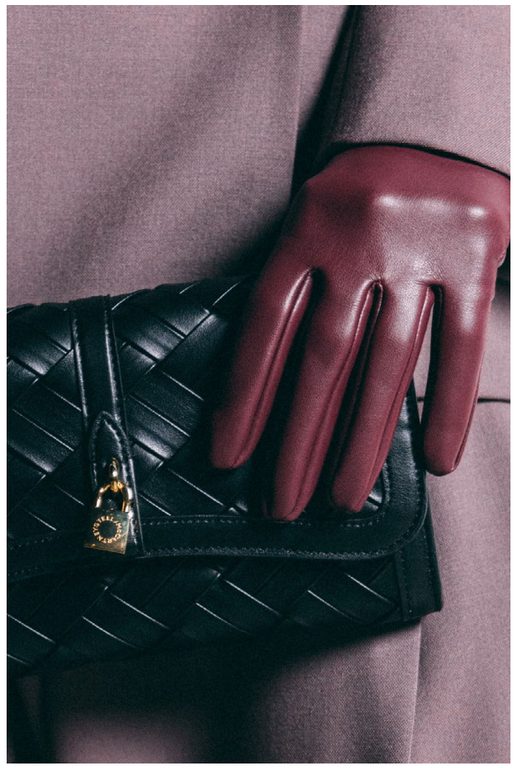
TARGETS, ACTIONS AND RESOURCES RELATED TO OWN WORKFORCE [S1-4, S1-5]

Targets [S1-5]

Throughout the 2025 reporting period, Stella McCartney remained committed to promoting employee well-being, engagement, and professional development through a range of ongoing initiatives and programmes. These efforts were integrated into the Company's broader people strategy and aimed at fostering a positive, inclusive, and supportive working environment.

Although no formal quantitative targets relating to own workforce had been established during the reporting period, the Company continued to





monitor and support the implementation of its people strategy through a range of actions aimed at strengthening employee experience, fostering an inclusive workplace culture and supporting workforce development.

Actions [S1-4]

In line with its commitment to employee well-being and development, the Company has introduced several initiatives for its workforce.

Training And Skills Development

Ongoing development opportunities to support both professional and personal development for all staff remain a key engagement driver and strategic priority at Stella McCartney. The Company recognises that each individual is on a continuous journey of self-improvement and bears responsibility for their own growth. The approach to learning is dynamic and aligned with the needs of the Company. Learning programmes are adapted annually to ensure alignment with the brand's strategic purpose and objectives, while also supporting individual development goals.

Throughout 2025, employees were offered a broad range of training sessions aligned with the performance development cycles. These included education on ethics mission, as well as comprehensive onboarding programme designed to give new joiners the best possible start with the business.

Onboarding programmes

Entering the world of Stella McCartney is regarded as a significant achievement in an employee's career. The primary objective during the onboarding process is to equip new hires with the essential resources and tools needed to thrive and succeed within the Company. Key onboarding elements include:

— **Workday & SharePoint:** an online platform providing access to the latest Company news, policies, and tools;

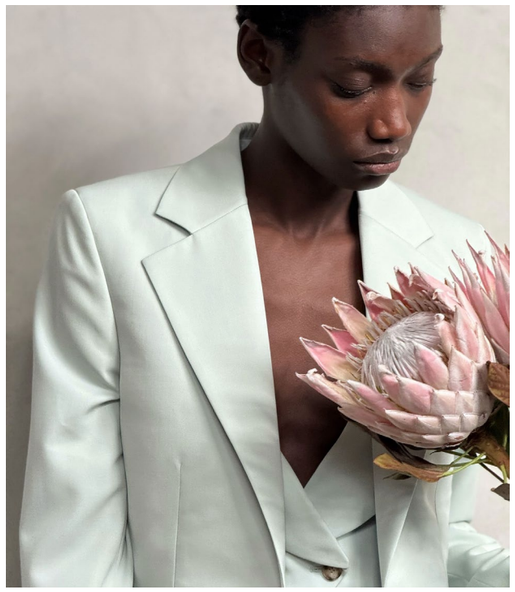
— **VIP meetings:** emphasis is placed on the importance of networking and relationship-building from the outset. One-on-one meetings are arranged between new employees and key individuals within the business. These sessions offer newcomers the opportunity to connect with influential colleagues and establish meaningful relationships from day one. Strong internal connections are valued for fostering a supportive and collaborative work environment;

— **Induction workshop**: *A Stellar Star*t is a comprehensive brand immersion workshop for all new hires. Participation is mandatory;

— **Workday Learning**: new starters are enrolled into e-Learning courses that are important for their onboarding;

— **Yoobic (retail only):** in-depth and role-specific training is provided on products and retail sales. New employees are enrolled in tailored courses designed to equip them with the knowledge and skills required for success in their roles;

— **Ad hoc Learning Moments**: Educational moments with external speakers are offered on an ad hoc basis throughout the year aligned to defined moments in the calendar.



Sustainability Training

In the first half of 2024 the Sustainability Team delivered Company-wide training on **sustainability topics**, covering material innovation, environment and social compliance general process. The programme aimed at updating Stella McCartney employees about sustainability developments and Company's projects.

Additional targeted training on CSR, human rights and social compliance processes was provided to relevant business functions later in the year, laying the foundations for the continued development of sustainability capabilities across the organisation.

Following the Sustainability Training programme delivered in 2024, Stella McCartney continued to enhance its sustainability learning approach throughout 2025. Focus was placed on reviewing and evolving training content to ensure alignment with the Company's sustainability strategy, emerging priorities and future capability needs across the business. This review laid the foundations for the next phase of sustainability training, which is being delivered in 2026 across the wider workforce and to newly hired employees through onboarding activities. Moreover, training through the Sustainability Hub is provided to selected teams in Italy. In parallel, the Company has piloted digital worker training and awareness tools in selected Italian facilities, broadening its worker engagement practices beyond traditional audit-based assessments and fostering more direct and continuous communication with workers.

Additional training

In 2025, Stella McCartney launched targeted training to support employee mental health and wellbeing, alongside practical workshops on attracting and hiring top talent. These sessions covered effective interview techniques, tips, and how to identify and mitigate bias in the hiring process.

In addition, the Company continues to invest in team-level development through team-building initiatives that leverage the Insights Methodology and StandOut Framework, fostering stronger collaboration and engagement.

Focus on: Learning & Development in Italy

Stella McCartney Italia continues to invest in employee growth and empowerment. In 2025, the Learning & Development (L&D) strategy remained focused on strengthening both technical and behavioural competencies, aligned with the Company's long-term business objectives and cultural values.

Throughout the year, employees were offered a range of learning and development opportunities across different functions and organisational levels. Training programmes covered a broad range of strategic and professional skills, supporting employees in developing the capabilities required to operate effectively in an evolving business environment.

Training initiatives continued to be co-financed through European and national public funding mechanisms, in line with frameworks supporting corporate upskilling and workforce development. Stella McCartney leveraged resources made available through:

— The European Social Fund Plus (ESF+);

— The Piano Nazionale Nuove Competenze established under Law Decree 34/2020 as part of the National Recovery and Resilience Plan (PNRR), under Regulation (EU) 2021/241;

— The Interprofessional Joint Funds, supporting employer-led training initiatives.

These funding sources enabled the Company to continue strengthening employee competencies while promoting inclusive access to professional development opportunities and supporting Italy's broader national reskilling strategy.

Health And Safety

During the 2025 reporting period, the Company continued to implement its Health & Safety Management System across its global operations to support the effective management of occupational health and safety risks and to promote a safe and healthy working environment for all employees. The Health & Safety Management System establishes a consistent framework for identifying workplace hazards, assessing and controlling risks, monitoring performance and ensuring compliance with applicable legal and regulatory requirements across all jurisdictions in which the Group operates.

Throughout 2025, statutory health and safety training was delivered to employees globally in accordance with local legislative requirements and the specific risks associated with each role and workplace. Training programmes included mandatory induction training for new employees, role-specific and refresher training, emergency preparedness, fire safety, first aid, manual handling, workstation assessment and other legally required or risk-based training, as applicable. Stella McCartney also ensured that managers, supervisors and other individuals with defined health and safety responsibilities received additional training appropriate to their duties, supporting the effective implementation of the Health & Safety Management System across all locations. In accordance with Italian Legislative Decree 81/2008 on occupational health and safety, Stella McCartney Italia ensured that all employees, including managers and supervisors, received mandatory training specific to their roles.

As part of the Company's programme of continual improvement, on-site health and safety audits and workplace inspections were undertaken across its operations during the reporting period. These assessments were conducted by external health and safety consultants to evaluate compliance with local legislation, Stella McCartney's Health & Safety Policy and recognised good practice. Audit findings were documented and supported by corrective and preventive action plans, with progress monitored to completion to ensure identified risks were appropriately managed and opportunities for improvement were implemented.

The Company also maintained and reviewed its health and safety documentation on an annual basis, or more frequently where required by legislative changes, organisational developments or operational risk. This included the review and update of workplace risk assessments, emergency procedures, health and safety policies, safe systems of work, training records and other statutory documentation required within individual jurisdictions. Where changes to operations, facilities or working practices occurred, health and safety documentation and associated control measures were updated accordingly to ensure continued compliance and effective risk management.

Through these actions, the Company continued to strengthen its Health & Safety Management System, supporting legal compliance, reducing occupational health and safety risks and embedding a culture of continuous improvement across its global operations.

In addition to the above, in recognition of its commitment to promoting employee health, safety and wellbeing, Stella McCartney Italia's Novara site was awarded the status of "Workplace that Promotes Health" by the WHP Piemonte Network (Workplace Health Promotion Network) for 2025. The recognition was granted following an assessment process carried out by the local health authority (SPRESAL/ASL Novara) and acknowledges the Company's implementation of initiatives aimed at fostering a healthy and safe working environment. This achievement reflects Stella McCartney's proactive approach to workplace health promotion and its ongoing efforts to integrate employee wellbeing into its health and safety management practices.

Work-life balance and wellbeing

At Stella McCartney, employee wellbeing is a strategic priority embedded in the broader Sustainability and People agenda. In Italy, the Company has reinforced its corporate welfare system to support employees' personal and financial wellbeing, in alignment with Italian regulatory frameworks and relevant best practices.

Wellbeing measures

To further promote employee wellbeing, the Company provides:

- **Flexible Work Models:** continued access to remote working and flexible scheduling, aligned with job responsibilities and nature of work;
- **Electronic Meal Vouchers:** provided to all eligible staff as a daily benefit;
- **Supplementary Health Insurance:** comprehensive coverage including dental care, diagnostics, specialist consultations, and maternity-related services;
- **Parental Support:** enhanced flexibility in parental leave, return-to-work planning, and childcare assistance;
- **Psychological Support Agreement**: in 2024, Stella McCartney established a partnership with Santagostino Medical Center, enabling employees to access affordable psychological care via a trusted and specialised provider network. This initiative remained in place throughout 2025, demonstrating the Company's ongoing commitment to supporting employee wellbeing and mental health through accessible and professional care services.

These welfare initiatives are not only compliant with Italian fiscal and labour law but also form part of a wider organisational culture that prioritises wellbeing, inclusion, and long-term employee satisfaction.

Welfare Platform

All Italian employees (except for executives) benefit from an annual credit through a digital welfare platform, as regulated by Art. 51 of the Italian Income Tax Code (TUIR) and Law 208/2015. The platform allows flexible, tax-exempt use of welfare credits across a wide portfolio of services, including, among others, public transport and mobility solutions, sport and fitness activities, leisure, travel, and cultural offerings, shopping and digital gift cards.

Since its launch, the welfare utilisation rate reached 94%, demonstrating strong employee engagement and the relevance of the services provided.

Privacy

To safeguard employee privacy, Stella McCartney requires each employee joining the Company to sign the following documents through Workday system:

- The employee privacy notice;
- Video surveillance notice;
- Employees of Stella McCartney Ltd can consult the following procedure via Policy Hub on Sharepoint where processing of personal data in case of whistleblowing is regulated;
- Whistleblowing procedure (only for Stella McCartney Italia employees).

Employees who process customer personal data (i.e. client advisors) also receive a specific authorisation and guidelines with instructions on how to process client personal data in a compliant way.

METRICS RELATED TO OWN WORKFORCE

Characteristics of the undertaking's employees [S1-6]

In 2025, Stella McCartney employed 461 people globally, compared to 544 in 2024. The decrease in headcount reflects changes in the organisational structure during the reporting period, while the overall composition of the workforce remained broadly consistent. The Company continued to maintain a predominantly female workforce, with women accounting for approximately three-quarters of total employees. The total number of employees

included in the Financial Report is slightly different as it counts employees on maternity leave and the temporary cover for this role as one headcount rather than two. Interns are also not included in the Financial Report.

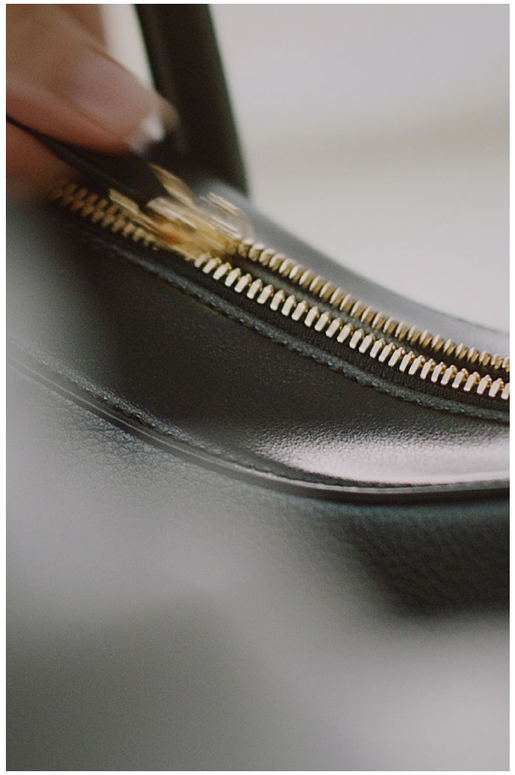
Employees remained concentrated across the Company's key operating markets, with the UK, Italy and Japan representing the largest employment hubs and together accounting for the majority of the total workforce. This distribution reflects the geographic footprint of the Company's corporate, operational and commercial activities.

The workforce profile continued to be characterised by a high proportion of permanent employment relationships, demonstrating the Company's commitment to providing stable employment opportunities across its operations. Similarly, the majority of employees remained engaged on a full-time basis, while part-time arrangements continued to represent a limited share of the workforce.

During the reporting period, Stella McCartney recorded a decrease in overall employee turnover compared to 2024. Voluntary departures continued to represent the largest component of workforce movements, while dismissals decreased significantly year-on-year. Overall, the data indicates a workforce structure that remains predominantly stable in terms of gender composition, geographical distribution and employment arrangements, despite the reduction in total headcount recorded during the year.

TABLE 20 – TOTAL NUMBER OF EMPLOYEES BY GENDER

GENDER	UOM	2024	2025
Male	n.	131	107
Female	n.	413	354
Other	n.	–	–
Not disclosed	n.	–	–
TOTAL EMPLOYEES	N.	544	461



The table below presents the countries in which Stella McCartney employees are located.

TABLE 21 – TOTAL NUMBER OF EMPLOYEES BY COUNTRY

COUNTRY	UOM	2024	2025
UK	n.	179	136
Italy	n.	169	160
Japan	n.	112	99
USA	n.	40	32
Spain	n.	14	9
Hong Kong	n.	14	9
France	n.	11	10
China	n.	5	6
TOTAL EMPLOYEES	N.	544	461

TABLE 22 – EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY GENDER*

2024	MALE	FEMALE	OTHER	NOT DISCLOSED	TOTAL
Number of employees	131	413	–	–	544
Number of permanent employees	119	384	–	–	503
Number of temporary employees	12	29	–	–	41
Number of non-guaranteed hours employees	–	–	–	–	–
Number of full-time employees	129	387	–	–	516
Number of part-time employees	2	26	–	–	28
2025					
Number of employees	107	354	–	–	461
Number of permanent employees	99	321	–	–	420
Number of temporary employees	8	33	–	–	41
Number of non-guaranteed hours employees	–	–	–	–	–
Number of full-time employees	105	321	–	–	426
Number of part-time employees	2	33	–	–	35

(*) Gender as specified by the employees themselves

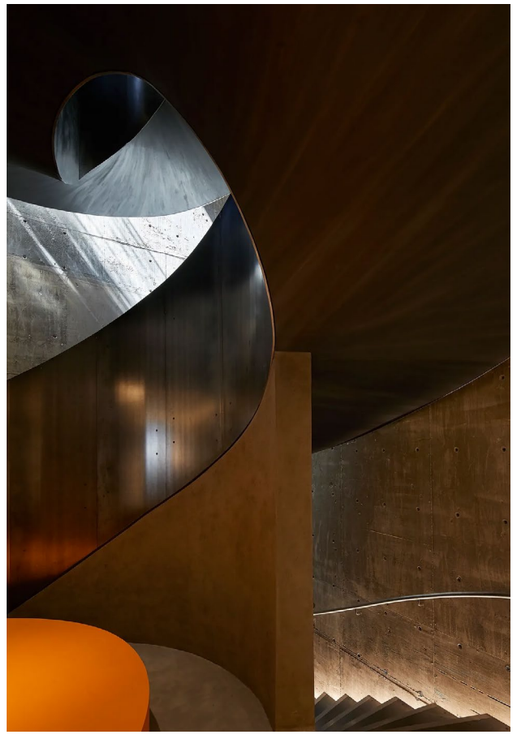


TABLE 23 – TOTAL NUMBER OF EMPLOYEES WHO HAVE LEFT AND RATE OF EMPLOYEE TURNOVER

2024					
TERMINATION OF EMPLOYMENT	MALE	FEMALE	OTHER	NOT DISCLOSED	TOTAL
Employees who leave voluntarily	29	103	–	–	132
Employees who leave due to dismissal	16	85	–	–	101
Employees who leave due to retirement	2	–	–	–	2
Employees who leave due to death in service	–	–	–	–	–
Other reasons for leaving	13	39	–	1	53
TOTAL EMPLOYEES LEAVING	60	227	–	1	288
RATE OF EMPLOYEE TURNOVER IN THE REPORTING PERIOD	45.8%	55%	0%	0%	52.9%
2025					
Employees who leave voluntarily	33	92	–	–	125
Employees who leave due to dismissal	7	11	–	–	18
Employees who leave due to retirement	–	–	–	–	-
Employees who leave due to death in service	–	–	–	–	–
Other reasons for leaving	15	62	–	–	77
TOTAL EMPLOYEES LEAVING	55	165	–	–	220
RATE OF EMPLOYEE TURNOVER IN THE REPORTING PERIOD	51.4%	46.6%	0%	0%	47.7%

The turnover rate is calculated as the percentage of employees who left the Company during the reporting period compared with the headcount as of 31 December 2025 as shown in Table 28. Data is sourced from the Workday HRIS platform. For consistency, the total workforce figure is reported as the year-end headcount, corresponding to 31 December 2025.

The high turnover rate is mainly due to Company reorganisation including store closures, resulting in a headcount decrease from 544 at the end of 2024 to 461 at the end of 2025.



Diversity metrics [S1-9]

TABLE 24 – GENDER DISTRIBUTION AT TOP LEVEL MANAGEMENT[4]

	2024		2025	
GENDER	NUMBER	%	NUMBER	%
Male	3	30%	5	56%
Female	7	70%	4	44%
Other	-	-	-	-
Not disclosed	-	-	-	-
TOTAL EMPLOYEES	10	100%	9	100%

TABLE 25 – DISTRIBUTION OF EMPLOYEES BY AGE GROUP

	2024		2025	
AGE	NUMBER	%	NUMBER	%
Under 30	103	19%	75	16%
30-50	364	67%	321	70%
Over 50	77	14%	65	14%
TOTAL EMPLOYEES	544	100%	461	100%



[4] Top management refers to the first three levels below the direction, administrative and control bodies: key person, management committee, senior executive. This is because the first two levels are made up of one person each.

Adequate wages [S1-10]

Stella McCartney is committed to providing fair and competitive remuneration. All employees are paid in line with applicable local Collective Bargaining Agreements and, where applicable, statutory minimum wage requirements. In addition, the Company undertakes a global annual review to assess alignment with market conditions and support equitable pay practices across its workforce.

Skills development metrics [S1-13]

During the year, Stella McCartney conducts two performance review moments: the Mid-Year, where no performance rating is given, and the end of year performance review, where a performance rating is assigned. The year-end review is considered the formal performance and career development review reflected in the table below.

TABLE 26 – EMPLOYEES THAT PARTICIPATED IN REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS.

2024	TOTAL
Percentage of employees that participated in regular performance and career development review	100%
Number of performance and career development review conducted per employee	1
Number of reviews in proportion to the agreed number of reviews by the management	100%
2025	**TOTAL**
Percentage of employees that participated in regular performance and career development review	100%
Number of performance and career development review conducted per employee	1
Number of reviews in proportion to the agreed number of reviews by the management	100%

Health and safety [S1-14]

The safety management system is currently under development, and no metrics are collected at a consolidated level yet. As the Company does not operate manufacturing facilities, the number of workplace accidents is usually low and of limited severity. The Company will align the system also through local audits from H&S consultancy.

During 2025, no fatalities occurred because of work-related injuries or work-related ill health. Similarly, no recordable work-related accidents or cases of work-related ill health were reported.

Entity-specific information

Cybersecurity

The Company is committed to strengthening its internal systems to address the issue of cybersecurity. In this regards, Stella McCartney adopted, among others relevant, **the Information Systems & Technology Security Policy** and the **Guidelines for Information Systems** usage. Both set out the cybersecurity strategy and behaviours that must be in place to address cyber risks, reduce vulnerabilities, respond effectively to security incidents, and ensure the cyber resilience of critical systems. The policy aims to define a framework for protecting sensitive information, in particular personal data, and the information systems themselves as critical resources. Protection must be global and able to cover all threats the business could be exposed to, whether internal or external, malicious or accidental.

The Guidelines are intended to provide guidance on the usage of the IT Tools and the Company's electronic mail and navigation services on Internet. The Guidelines indicate to employees appropriate security measures and appropriate lines of conduct for compliance and non-risk uses. The Guidelines are developed in alignment with key regulatory frameworks, including European and UK data protection laws, as well as relevant national legislation such as the Italian Workers' Statute. These principles ensure that the use of IT tools within the Company respects privacy, legal compliance, and ethical standards.

IT resources, provided exclusively for professional purposes, are subject to monitoring by the IS&T department, always in accordance with applicable privacy regulations. Any unauthorised or improper personal use may lead to disciplinary measures, outlined in the Company's internal policies and collective agreements. These documents apply to all Stella McCartney group of employees, external workers and third parties such as consultants and temporary workers.

As part of its ongoing efforts to strengthen cybersecurity practices, every year Stella McCartney Italia refreshes and divulgate the Security awareness documentation. The documentation consists of a set of training materials and proceeds with simulation campaigns to ensure all internal users are behaving correctly when facing phishing or malware attacks. Results of such simulation are then shared with the Leadership Team for taking further corrective actions.

A further mean of ensuring the perimetral security of our network devices, servers, laptop is the SOC service (Security Operation Center). The SOC is a cyber-risk monitoring service which in 2025 was provided by a dedicated tech Company, whose main mission was to alert in real time on possible attempts of access to Stella McCartney tech resources. With this service in place, the Company is assured to intervene quickly to address a potential intrusion which can lead to disrupting or stopping systems from working properly.



3.2 WORKERS IN THE VALUE CHAIN - S2

INTERESTS AND VIEWS OF WORKERS IN THE VALUE CHAIN [S2 - SBM-2]

People are central to Stella McCartney's social responsibility approach, which ensures fair and respectful treatment of all workers involved in its collections, not just direct employees, but also workers in the supply chain.

As part of its sourcing strategy, Stella McCartney takes environmental and social factors into account in its supplier relationships. Suppliers are expected to comply with the brand's requirements, maintain effective management systems, and provide evidence of compliance when requested.

The Company actively engages with stakeholders across its value chain as part of its supplier monitoring activities. During on-site audits, workers may be interviewed to support the assessment of suppliers' compliance with Stella McCartney's standards, including in relation to working conditions, the working environment and wages. Any concerns raised by workers during these interviews may provide additional insights relevant to the assessment of supplier practices and the definition of improvement actions.

Stella McCartney is committed to ensuring excellent working conditions and respect for human rights, upholding the highest labour standards and promoting the wellbeing of everyone involved in the production of its products. Special attention is given to protecting vulnerable workers in the supply chain, such as migrants or marginalised groups that may face heightened risks.

Furthermore, the Company works to build modern, traceable, and resilient supply chains that support local communities, preserve artisanal skills, provide sustainable livelihoods, and attract the next generations of workers.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [S2 - SBM-3]

Stella McCartney supply chain can be divided into two clusters:

1. Production of items sold such as clothing, shoes or bags and related product packaging, defined as "Product Supply Chain" / "Product Suppliers;"

2. Not-for-resale items such as furniture and non-product related packaging, and contractors such as logistics, transport, cleaning or security, defined as "Non-product Supply Chain" / "Non-product Suppliers."

Product supply chain

The Product supply chain is structured into the following tiers:

- **Tier 1 – Final product manufacturing and assembly:** direct suppliers and their subcontractors (indirect suppliers) carrying out sewing, cutting, printing, embroidery, packing or any other type of final assembly or finishing operations;

- **Tier 2 – Material manufacturing:** suppliers of fabrics, trims, components and other materials that go into final manufacturing and assembly of products;

- **Tier 3 – Raw material processing:** cotton ginners and spinners, pulp mills, metal smelting, etc;

- **Tier 4 – Raw material production:** farmers, harvesting, mineral extraction, forests.

Stella McCartney production activities are completely outsourced through a network of around 500 specialised partners, upon whom we rely on both for final product assembly and manufacturing (Tier 1 suppliers) and for raw materials procurement (Tier 2 suppliers).

Materials are sourced and products manufactured through a carefully selected network of suppliers located all around the world. Italy is by far the biggest sourcing country accounting for 84% of Tier 1 and direct Tier 2 Product Suppliers. Although significantly smaller, other sourcing countries include Bulgaria, France, Portugal, Romania, Spain and Turkey. In 2025, the Company worked directly with 68 Tier 1 suppliers and indirectly with 122 subcontractors, alongside around 215 Tier 2 Raw material Suppliers globally.

Non-Product Supply Chain

Stella McCartney operations are supported by a network of Non-product Suppliers and contractors who help with the day-to-day running of stores and offices. These include a range of services such as logistics, transport, logistics packaging, construction, furniture, cleaning, catering and security.

In the context of the Double Materiality Assessment, Stella McCartney has identified potential negative impacts, positive impacts and risks among workers that are involved in the upstream phases of the value chain, hence the supply chain. Although its value chain also involves workers in the downstream phase, impacts, risks and opportunities are not as significant as those present in the upstream phase.

The fashion supply chain is uniquely complex, with an intricate network of actors and processes ranging from raw material suppliers to final retailers. Unfortunately, this complexity is often accompanied by serious issues such as forced labour and other forms of exploitation, which not only compromise the social integrity of the sector but also pose a serious risk to the reputation of the companies involved. For this reason, the material negative impacts identified by Stella McCartney are common and widespread in the fashion industry. Failure to address these issues can furthermore generate significant business risks compromising consumer and stakeholder trust, as the latter are increasingly aware of the ethical implications of their purchasing choices. Furthermore, companies are exposed to legal risks, with possible sanctions and lawsuits for violating labour and human rights regulations.

To address and combat these risks, Stella McCartney has chosen to drive its business strategy, towards responsible and responsible choices. This strategy involves, first of all, a careful selection of suppliers, adopting rigorous criteria that guarantee respect for fair and responsible working conditions. Traceability plays a crucial role in ensuring that the products used are sustainably sourced, and Stella McCartney is implementing advanced systems that allow the products to be tracked. In this light, Stella McCartney is implementing a traceability platform with a specialised partner, Textile Genesis, to support its Digital Product Passport objective and progressively enable end-to-end traceability across the supply chain up to Tier 4. In 2025, the Company undertook a pilot project developing a Digital Product Passport for five bags of the Winter 25 collection, including upstream traceability details for all units of these items (around 500 units in total). Building on the results achieved, the Company is continuing to assess and develop the solution with the objective of progressively expanding its application across additional products and business units.



TABLE 27 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS IN THE VALUE CHAIN (S2)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
S2- Working conditions - Secure employment	Negative potential impact	Sourcing from countries with lower costs may result in poor worker treatment and job insecurity, negatively affecting workers' living standards and economic stability.	Short term	Upstream
S2- Working conditions - Working time	Negative potential impact	In countries with weak labour rights, unsafe and undignified working conditions can lead to excessive hours and harm workers' health and quality of life.	Short term	Upstream
S2- Working conditions - Adequate wages	Negative potential impact	Lack of regulation may result in inadequate wages, undermining workers' ability to maintain decent living conditions.	Short term	Upstream
S2- Working conditions - Social dialogue	Negative potential impact	Limited dialogue with trade unions hinders inclusive workplaces and obstructs dispute resolution and compliance with collective agreements.	Short term	Upstream
S2- Working conditions - Freedom of association	Negative potential impact	Restricting union membership and worker representation, especially in poorly regulated regions, compromises workplace dignity and safety.	Short term	Upstream
S2- Working conditions - Collective Bargaining	Positive potential impact	Enabling collective bargaining can significantly improve working conditions across the value chain.	Short term	Upstream
S2- Working conditions - Work-life balance	Negative potential impact	Unsafe and undignified conditions in poorly regulated countries can disrupt work-life balance and negatively impact health and wellbeing.	Short term	Upstream
S2- Working conditions - Health and safety	Negative potential impact	Inadequate safety measures and exposure to hazardous substances in supplier operations can seriously endanger workers' health.	Short term	Upstream
S2- Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value	Positive potential impact	Suppliers promoting gender and pay equality contribute to better conditions and empower women in local communities.	Short term	Upstream
S2- Equal treatment and opportunities for all - Training and skills development	Positive potential impact	Training and education for supplier employees, especially in areas lacking basic education, help build skills and capabilities.	Short term	Upstream
S2- Equal treatment and opportunities for all - Measures against violence and harassment in the workplace	Negative potential impact	Failure to address violence and harassment, particularly in female-dominated sectors like textiles, worsens conditions and harms workers' mental and physical health.	Short term	Upstream
S2- Equal treatment and opportunities for all - Diversity	Positive potential impact	Suppliers promoting non-discriminatory hiring improve community living and working standards.	Short term	Upstream
S2- Other work-related rights - Child labour	Negative potential impact	In countries with weak labour law enforcement, suppliers may violate human rights and employ child labour, especially in apparel manufacturing.	Short term	Upstream
S2- Other work-related rights - Forced labour	Negative potential impact	Suppliers in poorly regulated regions may use forced labour, particularly in agriculture, where gang labour is a known risk.	Short term	Upstream
RISKS AND OPPORTUNITIES				
S2- Working conditions - Secure employment	Risk	Partnering with suppliers in countries with weak regulatory enforcement may expose the Company to poor labour conditions, leading to operational delays, reputational damage, and potential investor withdrawal.	Short term	Upstream
S2- Working conditions - Working time	Risk	If suppliers fail to comply with working hour regulations, this could result in worker exploitation. Stella McCartney may face reputational harm, increased costs, reduced sales, and supply chain disruptions.	Short term	Upstream
S2- Working conditions - Adequate wages	Risk	Inadequate wages paid by suppliers may trigger worker dissatisfaction and conflict. This could delay production, damage Stella McCartney's reputation, and lead to financial losses.	Short term	Upstream
S2- Working conditions - Social dialogue	Risk	A lack of constructive social dialogue in the supply chain, particularly around wages and working conditions, can lead to worker unrest and strikes. This poses risks of delays, reputational damage, and reduced revenue for the Company.	Short term	Upstream
S2- Working conditions - Freedom of association	Risk	If suppliers restrict workers' rights to unionise or form associations, employees may feel underrepresented. This can result in conflict, operational disruption, and reputational and financial risks for Stella McCartney.	Short term	Upstream
S2- Working conditions - Collective Bargaining	Risk	Partnering with suppliers that use irregular contracts, or undeclared labour may expose the Company to reputational damage due to non-compliance with labour standards.	Short term	Upstream
S2- Working conditions - Work-life balance	Risk	Suppliers that neglect work-life balance may face strikes or protests, potentially disrupting operations and harming Stella McCartney's public image.	Short term	Upstream
S2- Working conditions -Health and safety	Risk	Inadequate health and safety measures at supplier sites can lead to accidents or illness, exposing Stella McCartney to legal liabilities and reputational risks.	Short term	Upstream
S2- Equal treatment and opportunities for all - Training and skills development	Risk	A lack of investment in worker training may compromise product quality and brand standards, resulting in reduced competitiveness and increased corrective costs.	Medium term	Upstream
S2- Equal treatment and opportunities for all - Measures against violence and harassment in the workplace	Risk	Failure to address discrimination or harassment in the supply chain may lead to human rights violations, operational disruptions, and reputational harm.	Short term	Upstream
S2- Equal treatment and opportunities for all - Diversity	Risk	Limited diversity and inclusion among supplier staff may hinder innovation and alienate socially conscious consumers, affecting brand perception.	Short term	Upstream
S2- Other work-related rights - Child labour	Risk	Any association with child labour within the supply chain poses serious legal, ethical, and reputational risks for Stella McCartney. Such links can erode consumer trust, damage brand credibility, and lead to a significant decline in sales and long-term revenue.	Short term	Upstream
S2- Other work-related rights - Forced labour	Risk	Connections to forced labour, particularly in regions with weak labour protections, can severely impact the brand's reputation and expose Stella McCartney to legal consequences. This may result in consumer backlash, reduced market confidence, and financial losses.	Short term	Upstream

Human Rights Risk Assessment

Stella McCartney has recently updated its Human Rights and Modern Slavery Risk Assessment to systematically identify, evaluate and prioritise critical risks throughout its supply chain. This comprehensive evaluation spans the entire supply chain, from final product manufacturing to raw material production, and integrates external country-level risk indicators with internal supplier-level data collected through traceability and monitoring activities, including audit outcomes.

The assessment enhances Stella McCartney's risk-based approach to supply chain governance, enabling strategic prioritisation of monitoring activities, audit planning, supplier engagement and follow-up actions, with particular emphasis on higher-risk contexts and worker vulnerabilities. It also establishes a structured framework for aligning the Company's human rights due diligence activities with its broader responsible sourcing and social compliance strategy.

Based on sector- and material-specific sources relevant to garment and footwear, cotton, wool, and viscose supply chains, Stella McCartney identified a list of 11 human rights risks: child labour; forced labour/ modern slavery; restrictions on freedom of association; gender discrimination and unequal treatment in the workplace; sexual harassment in the workplace; discrimination on ethnic, religious or other grounds; inadequate remuneration; long working hours; occupational health and safety; use of informal employment; and land rights.

Among the 11 identified, four key risks have been highlighted as a priority: (i) forced labour and modern slavery; (ii) restrictions on freedom of association; (iii) discrimination; and (iv) use of informal employment. These are the risks that emerged most prominently across the countries assessed and reflect both the sector- and material-specific risk profile of the value chains analysed and the characteristics of Stella McCartney's supplier base.

In particular, the countries that have emerged at more impacted by these risks are: Bulgaria and Turkey, for forced labour and modern slavery; India, South Korea and Turkey with reference to the restrictions on freedom of association; India, Italy and Turkey for discrimination. The risk for informal employment has emerged as less risky than the others mentioned and was identified as relevant in India, Italy, Madagascar, South Korea and Turkey.

Workers at greater risk

Through the Human Rights Risk Assessment and ongoing monitoring activities, Stella McCartney has developed a deeper understanding of the categories of value chain workers that may be more exposed to human rights risks. The assessment considered the garment and footwear, cotton, wool and viscose value chains and combined country-level risk indicators with supplier-level information, including audit findings. It identified forced labour and modern slavery, restrictions on freedom of association, discrimination, and the use of informal employment as priority risks. Against these risks, the categories potentially more exposed include migrant workers, workers engaged through subcontracting or less visible work arrangements, homeworkers, and workers discriminated based on gender or on the basis of ethnicity, religion or other personal characteristics.

Migrant workers, including internal migrants, economic migrants and refugees, may be particularly vulnerable where they depend on intermediaries or employers for access to employment, accommodation or legal status. In this context, Stella McCartney pays particular attention to indicators that may signal exploitative conditions, such as unclear contractual arrangements, retention of identity documents, withholding or irregular payment of wages, restrictions on freedom of movement and payment of recruitment fees or debt-related dependency.

In the garment, footwear and bags supply chain, informal or less visible employment arrangements may also arise through subcontracting, homeworking or other forms of work that are more difficult to capture through standard monitoring processes. Workers engaged through these arrangements may have more limited access to formal employment protections, grievance mechanisms and remediation channels. Stella McCartney has therefore strengthened its focus on maintaining visibility over subcontracted and less visible work arrangements through supplier mapping and audit activities, which include worker interviews, and a dedicated homeworker engagement approach based on structured interviews covering working arrangements, materials provided, working schedules and general conditions.

For further information on the Company's approach and commitments regarding workers at greater risk, please refer to the Modern Slavery Statement 2025, available at the following link.

Positive impacts creation

Stella McCartney contributes to generating positive impacts and prompting upskilling opportunities through activities such as training provided to suppliers on sustainability topics such as CSR & Human Rights and environment, as well as meaningful partnerships to produce Stella McCartney's products while supporting local communities through key partnerships with local suppliers for example in Madagascar. To address the four priority human rights risks identified through its risk assessment – forced labour and modern slavery, restrictions on freedom of association, discrimination, and use of informal employment – the Company implements an approach combining traceability, certified sourcing, regular audit activities, and targeted engagement initiatives, promoting a commitment to human rights protection across all supply chain tiers. For raw material sourcing, where direct oversight presents greater challenges, Stella McCartney prioritises traceability and recognised certifications, including strategic sourcing decisions such as banning cotton from countries where forced labour has been documented and giving preference to certified materials that include dedicated social welfare criteria assessed through independent audits.
Beyond individual supplier relationships, Stella McCartney engages in sector-wide collaborations that bring together expertise from several luxury fashion brands to address shared challenges. The Utthan project, launched in 2016 to support internal migrant workers and artisans in the Mumbai area, exemplifies this approach through its focus on improving working conditions and providing life skills training. The brand is part of the project board, along with other key players in the sector, and in this context, through the team representatives, it maintains regular engagement through ongoing monitoring sessions to ensure suppliers' progress and alignment with the project's social standards.

POLICIES RELATED TO VALUE CHAIN WORKERS [S2-1]

Stella McCartney's commitment to worker protection throughout the value chain is reflected in its policies developed and addressed to its suppliers.

Responsibility for developing, implementing and overseeing Stella McCartney's social compliance policies and related human rights due diligence activities lies with the Sustainability Department, specifically the CSR & Human Rights Team. The Team is responsible for defining and updating the policies, supporting their implementation throughout the supply chain, sharing the relevant documentation through the Sustainability Hub and monitoring suppliers' compliance with the standards set out therein. The CSR & Human Rights Team also collaborates with the Human Resources and Legal Departments in the review and approval of policy documents.

The Company policies and standards follow the UN Guiding Principles on Business and Human Rights and are based on the fundamental conventions of the International Labour Organisation (ILO). A set of policies and guidelines has been developed for suppliers, outlining Stella McCartney's requirements and expectations relating to social responsibility:

— Supplier Code of Conduct;

— Responsible Sourcing Guide;

— Supplier Subcontracting Policy;

— Modern Slavery Policy for Partners;

— Global whistleblowing policy for third parties contracting with Stella McCartney (SpeakUp® Policy)

Supplier Code of Conduct

Stella McCartney Supplier Code of Conduct summarises all the key requirements that its suppliers, their subcontractors and subsuppliers 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. These include indications with respect to, for instance, forced and child labour, freedom of association and collective bargaining, health and safety, compensation, hours of work, discrimination, employment relationships and harassment or abuse.

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. A list of Zero Tolerance issues is shared in the run-up to audits and available on the Stella's suppliers sustainability platform (Sustainability Hub), including those aspects which, if they were to emerge during the audit phase, would not allow further collaboration with the supplier. These issues include social and labour aspects like child and forced labour, payment of less than legal minimum wages, extreme overtime, critical health and safety issues, but also environmental and business conduct topics such as release of toxic chemicals and untreated effluent water, use of animal products and restricted substances, and unauthorised subcontracting.

Responsible Sourcing Guide

Stella McCartney's Responsible Sourcing Guide sets out the Company's social and environmental standards and provides suppliers with guidance on the values, expectations and requirements to be followed. The Guide includes sourcing standards and requirements for key materials and packaging used throughout the value chain and promotes the adoption of lower impact, recycled, recyclable and regenerative materials in line with the Company's sustainability objectives. The Guide applies to all suppliers and all Stella McCartney partners in direct business relationships with the brand, as well as their supply chains, subsuppliers, sub-subcontractors, homeworkers and any other intermediaries. The policies within the Guide equally apply to suppliers' directly owned operations (such as offices, factories or workshops), and also their service providers (such as their own security or cleaning companies), subcontractors and any intermediaries used for Stella McCartney contracted work or production along the suppliers' supply chain, and all subsuppliers and suppliers of raw materials (such as fabrics, yarns, trims or packaging). The Responsible Sourcing Guide is made available through the Sustainability Hub and applies to all suppliers across the value chain. In addition, relevant internal functions, including design, production and product development, are required to implement and follow the Guide.

For further information please refer to Chapters "2.1 Climate Change – E1" , paragraph "Policies related to Climate Change [E1-2]"; "2.2 Pollution – E2", paragraph "Policies related to pollution [E2-1]"; "2.3 Water and Marine resources – E3", paragraph "Policies related to Water and Marine resources [E3-1]"; "2.5 Resource use and Circular Economy – E5", paragraph "Policies related to Resource use and Circular Economy [E5-1]".

Supplier Subcontracting Policy

Stella McCartney's Tier 1 supply chain includes direct suppliers and, where authorised, their subcontractors, which are considered indirect Tier

1 suppliers. Direct suppliers may either produce in-house or rely on authorised third-party production sites, subject to Stella McCartney's verification and approval. Subcontractors are generally not allowed to further outsource production, except in rare cases, which may consist of laboratories involved for specific intermediate processing, because they are not carried out internally, but always subject to verification through audit and authorisation by the Company. Stella McCartney strives to maintain transparency and stability and therefore seeks to minimise subcontracting. Where subcontracting is practiced, suppliers must ensure that both their own practices and the practices of their subcontractors comply with the Stella McCartney Subcontracting Policy.

The policy is addressed to direct suppliers that need to sign it as a declaration on behalf of their subcontractors.

The policy outlines the social and environmental sustainability standards that subcontractors need to understand and comply with as well as the consequences in case of non-compliance with the document requirements. In addition, it highlights the Company's views with respect to sub-subcontracting and unauthorised subcontracting, also indicating the steps for onboarding and authorisation of manufacturing sites.



Modern Slavery Policy For Partners

Stella McCartney falls under the reporting requirements of the UK Modern Slavery Act. In this context, the Company developed the Modern Slavery Policy for Partners to set clear expectations for suppliers on the topic while providing guidance on preventing and addressing forced labour and modern slavery within its Partners' operations and supply chains.

All Stella McCartney Tier 1 and Tier 2 direct suppliers must sign and comply with the policy, which can be found on the Stella McCartney Sustainability Hub.

The policy defines "Modern Slavery" as encompassing human trafficking, slavery, forced, compulsory, bonded and child labour. It provides



guidance on relevant indicators of modern slavery, common areas of risk and due diligence measures. The Policy also outlines the steps that Partners are expected to take to prevent, monitor and address modern slavery risks. These include supply chain mapping, risk assessment, monitoring and investigation, reporting and training.

Global Whistleblowing Policy for third parties contracting with Stella McCartney (SpeakUp® Policy)

The Global Whistleblowing policy for third parties contracting with Stella McCartney (also known as SpeakUp® Policy) regulates the grievance and whistleblowing mechanism available to external stakeholders contracting with the Company, including individuals involved in Stella McCartney's product supply chain. The Policy enables concerns regarding unethical behaviour, misconduct or other potential wrongdoing to be reported confidentially or anonymously.

The CSR & Human Rights Team is responsible for sharing the Policy with suppliers through the Sustainability Hub and monitoring its signature.

Moreover, theCompany requires its suppliers to inform their workers and operations network about the Code of Conduct and the SpeakUp® Policy by:

— Posting the policies and SpeakUp® posters in a visible location on-site that is accessible to all workers;

— Communicating them in languages spoken by the workers, which may differ from the language spoken by management. Stella McCartney provides those policies in all core languages of its sourcing countries and further translations can be provided upon request;

— Sharing the document with all subcontractors and subsuppliers used for Stella McCartney production, who must also post the policies at their premises and communicate them to all workers.

PROCESS FOR ENGAGING WITH VALUE CHAIN WORKERS [S2-2]

Stella McCartney strongly supports a culture of transparency and the sharing of information, where the Company, together with its suppliers, can find solutions to common issues and challenges in fashion's supply chains. The Company commits to have a positive impact on its supply chain and always tries to build direct relationships with suppliers to create a collaborative environment in which they understand and share its values and standards, which eventually reflects on their workers and working environment.

Conscious of the importance placed in the dialogue with value chain employees to gather insights about the effective working conditions, Stella McCartney leverages its audits on-site to organise staff interviews with a number of workers present on the production site to understand their perspective in regard to working conditions, working environment, wages, and also about potential issues they would like to raise. Workers' perspectives support Stella McCartney's assessment by providing additional insights into actual working conditions and potential issues at production-site level. During audits, both migrant and non-migrant workers are interviewed to ensure equal awareness of their rights, with targeted support such as language assistance provided where needed.

Moreover, the Company has established a specialised homeworker engagement methodology designed to evaluate homeworker conditions and gather essential qualitative insights about challenges and risks they face. As mentioned, this methodology employs structured interview techniques rather than standardised questionnaires and examines key areas including work arrangements, supplier-provided materials, scheduling patterns and overall working conditions. During 2025, as part of a subcontractor audit in Colombia, Stella McCartney conducted direct engagement sessions with homeworkers participating in the production process, facilitating a comprehensive understanding of their working environment.

Stella McCartney believes that a collective approach is the most effective to address endemic and complex issues related to human rights and transparency in its supply chains, for this reason, another mean to obtain relevant information about working conditions in the value chain is through discussions with industry associations. For instance, Stella McCartney is also part of a fashion working group, which is an open table of several brand in which are discussed topics regarding social compliance, ethical behaviours, risks, challenges and opportunities of the Italian fashion industry and supply chain.

Also, since 2012 the Company has been a member of the Ethical Trading Initiative (ETI) a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights and conditions around the globe. The ETI enables brands to work together with industry experts and improve working conditions for workers in their supply chains. As a member of the Ethical Trading Initiative (ETI), commitment is made to the Member Charter, which outlines the actions, behaviours, and ways of working essential to achieving ETI's vision and mission, and to implementing all necessary measures to establish an ethical and responsible supply chain. Each year, the Corporate Transparency Framework is submitted, a report in which businesses provide evidence and examples of their adherence to ETI requirements. Moreover, since the new ETI requirements, we annually release our direct final product manufacturing and assembly suppliers (Tier 1) list on the Open Supply Hub, a non-profit organisation with the ambition to map, through a public platform, global production sites to improve supply chain transparency.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS [S2-3]

Stella McCartney aims at creating an environment where communicating issues is seen as a positive and proactive behaviour and an opportunity, rather than a risk. For this purpose, the Company 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.

Stella McCartney requires its suppliers to be compliant with its policies and standards, and in those rare cases where full compliance with the mandatory requirements is not immediately possible, particularly with deep-rooted and common industry challenges, a collaborative effort is expected from the supplier. In particular:

— Suppliers shall communicate such situations to Stella McCartney immediately, openly and proactively;

— Stella McCartney will examine the concern raised and discuss findings with the supplier. The Company asks suppliers to provide access to any information that is requested;

— Stella McCartney will collaborate with its suppliers on an improvement plan that will define the corrective actions, steps for implementation and timeline to resolve the issue;

— Suppliers shall follow the improvement plan and implement corrective actions within the agreed time frame;

— For suppliers who find it difficult to complete the remediation plan 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 with them through 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 ongoing risk.

If suppliers fail to show any progress or commitment to improvement within the agreed timeframe 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. In 2025, the Company supported specific suppliers, which had critical aspects to improve, through targeted

remediation and improvement processes, ensuring that corrective actions were effectively implemented and embedded into daily operations.

Grievance mechanisms and remediation

In addition to the remediation processes applied to issues identified through supplier monitoring activities, Stella McCartney provides value chain workers with a dedicated channel through which they can raise concerns directly. The Company makes available to workers in its value chain its SpeakUp® tool, an anonymous grievance and whistleblowing mechanism. For further information about the tool, please refer to Chapter "4.1 Business Conduct – G1", paragraph "Protection of whistleblowers [G1-1]". Concerns may also be raised through other available reporting channels, including the worker's manager or manager's manager, the local Human Resources function, a trade union or a worker representative.

TARGETS, ACTIONS AND RESOURCES RELATED TO VALUE CHAIN WORKERS [S2-4, S2-5]

Targets [S2-5]

In 2024, targets were established in relation to social compliance matters, particularly social audits. The overall target for 2024 and 2025 was to increase the number of social audits on Tier 1 and Tier 2 suppliers.

Building on the achievements related to 2024 targets, where the Company exceeded its goal by conducting 151 audits worldwide (more than doubling the 71 audits performed in 2023), in 2025 the objective was to reach 160 audits, with a 70/30 balance between Tier 1 and Tier 2 suppliers. This target was exceeded, with 162 audits conducted during the year — the highest number recorded to date — including 112 Tier 1 audits and 50 Tier 2 audits.

Looking ahead, Stella McCartney intends to maintain full monitoring of Tier 1 suppliers and subcontractors on a three-year cycle and to continue extending audit coverage to key Tier 2. By the same timeframe, the Company also intends to assess high-risk non-product suppliers, including cleaning and security contractors once the related global mapping and risk assessment activities have been completed.

The Company also aims to expand direct worker reporting and feedback mechanisms across its supply chain, with the longer-term objective of reaching further tiers, including Tier 3 and Tier 4 suppliers.

Actions [S2-4]

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 a significant role in suppliers' ability to meet good labour standards. Stella McCartney believes in knowing the factories in its value chain personally and using training and capacity building as a way to address any shortfalls against the Company's values and standards.

Suppliers' onboarding process

From 2025, the supplier onboarding process via the Sustainability Hub was updated by introducing new questions regarding production site and related subcontractors and requesting details about their workers and relevant documents which also support in the organisation of audit activities. The onboarding process was also extended to Tier 2 suppliers, with registration requested from all Tier 2 suppliers and around 170 registrations completed during 2025, gathering information about their subcontractors and subsuppliers for the first time. For further information, please refer to Chapter "4.1 Business Conduct – G1".



Suppliers' audits

With the intent of ensuring that its suppliers guarantee certain working conditions and respect the human rights of their workforce, Stella McCartney is committed to carrying out on-site audits in order to verify first-hand that this actually happens, which are essential in the choice of maintaining or terminating the supplier relationship.

Following the restructuring of the Sustainability department in 2024, including the CSR & Human Rights Team, and the reinforcement of the audit procedure, in 2025, the Company further strengthened its monitoring approach, carrying out 162 audits - and 9 supplier visits conducted by the CSR & Human Rights Team. Of the 162 audits performed in 2025, 136 were conducted in Italy (representing 84% of all audits conducted during the year), and 26 worldwide. Additionally, approximately 60 desktop reviews were conducted, requesting and assessing supporting documentation remotely to close identified non-compliances and updating the related Corrective Action Plans accordingly.

Audits are conducted by carefully selected, specialist third-party auditors trained on Stella McCartney's specific methodology and audit checklist to ensure alignment with standards. In Italy, since early 2024, the Company has engaged a dedicated specialised third-party auditor who works exclusively for Stella McCartney to monitor suppliers located in Italy. This choice allows for process continuity, common risk management, and more responsive visits to new potential partners in the short term.

To define the quarterly audit plan, the Company analyses supply chain mapping for each collection, identifying new suppliers to be audited prior to the start of production, as well as existing suppliers requiring follow-up assessments. Suppliers are required to collect and share key information through the Sustainability Hub (e.g. workforce, production processes and sites), encouraging direct engagement and reducing reliance solely on assessments. Evaluations on the sites to visit and assess, especially in terms of continuous monitoring, are done on a case-by-case approach, considering the risk assessment conducted as well as the map of suppliers involved in the production made by the CSR & Human Rights Team every production launch. From mid-2024, the Company decided to switch to mostly unannounced audits rather than announced especially for existing suppliers and existing or new subcontractors. In 2025, 92% of audits were conducted on an unannounced basis, more than doubling the share of unannounced audits previously done, particularly for subcontractors.

During on-site audits, the focus is on three aspects: facility visit, document review and worker interviews.

Audits are conducted in close collaboration with suppliers, fostering a cooperative approach aimed at analysing identified issues and driving continuous improvement. This process is designed not only to support compliance with Stella McCartney's standards, but also to help suppliers strengthen their own management systems and social compliance practices. The audit process is framed not only as an assessment tool to identify areas for improvement, but also as an opportunity for supplier engagement and capacity building. During audits, suppliers receive dedicated guidance from specialist experts, including human rights improvement approaches and on the definition and implementation of the Corrective Action Plan.

When non-compliances are identified, Stella McCartney requires remediation actions to be defined and implemented through Corrective Action Plans. The Company employs a structured evaluation framework that categorises issues across five severity levels: zero tolerance violations, critical non-compliance, major non-compliance, minor non-compliance, and observations. Following each assessment, findings are thoroughly discussed with suppliers, and remediation support is offered through tailored improvement plans that are developed for all audited suppliers, irrespective of their compliance status.

Audit reports, corrective actions, supplier progress and evidence of remediation are tracked and archived, and audit findings are used to inform the risk tool and ubsequent audit planning.

Training and capacity building

Training and capacity building are used by Stella McCartney to support suppliers and internal teams in understanding the Company's social compliance expectations and in strengthening their ability to identify, prevent and address human rights risks across the supply chain.

In 2025, Stella McCartney delivered supplier training programmes in collaboration with other brands and external sustainability experts, focusing on Corporate Social Responsibility, human rights and responsible sourcing. Separately, dedicated training sessions on human rights and due diligence are delivered by specialised auditors to suppliers in higher-risk contexts, such as India, reflecting the Company's targeted approach to capacity building.

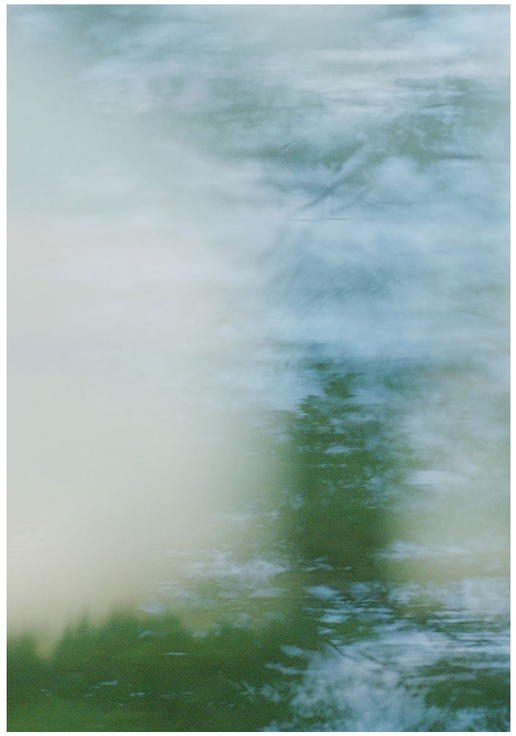
Planned actions

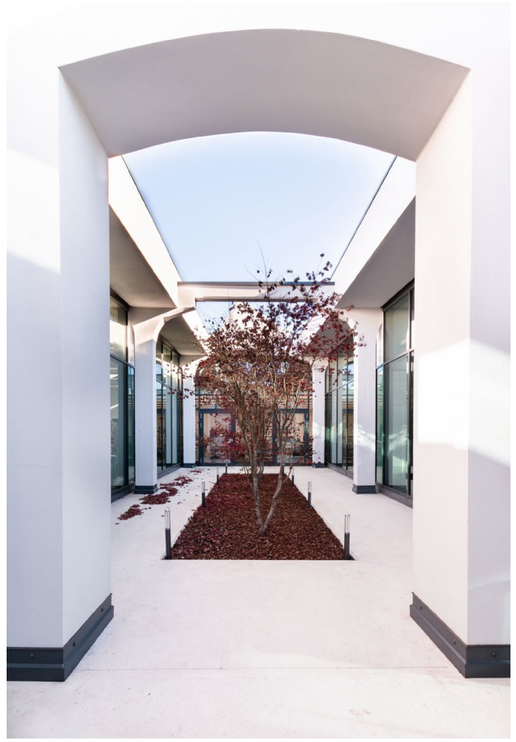
Looking ahead, Stella McCartney intends to continue strengthening its approach to social compliance through planned actions relating to supplier monitoring, training, worker voice and traceability initiatives.

With respect to supplier monitoring, the Company plans to complete the mapping and risk assessment activities required to assess high-risk non-product suppliers, including cleaning and security contractors. These activities will support the continued development of the Company's risk-based monitoring approach.

Planned training activities include extending remote training to more suppliers within 2026. Internally, activities include delivering company-wide training on sustainability, environmental, social and product responsibility topics in 2026, and continuing to provide new employees with training on modern slavery and human rights.

In parallel, Stella McCartney intends to continue enhancing supply chain visibility through its traceability initiatives, including the ongoing Digital Product Passport project. For further information, please refer to Chapter "4.1 Business Conduct – G1", paragraph "Traceability [G1-2]".





3.3 AFFECTED COMMUNITIES - S3

INTERESTS AND VIEWS OF AFFECTED COMMUNITIES [S3 - SBM-2]

At Stella McCartney, the views, interests, and rights of affected communities, including their human rights, are recognised as essential to shaping the brand's strategy and business model. The Company engages with local communities across its value chain mainly through targeted initiatives and project-based collaborations, particularly where sourcing activities involve local production, artisanal know-how or community-based supply chains.

Community action is recognised as a crucial first step in supporting local production and establishing the basis for long-term partnerships. Stella McCartney's approach includes aligning its policies with international standards such as the UN Guiding Principles on Business and Human Rights and promoting artisan-based projects within local communities, investing in local capacity-building, and adapting sourcing strategy to minimise negative impacts and enhance positive contributions.

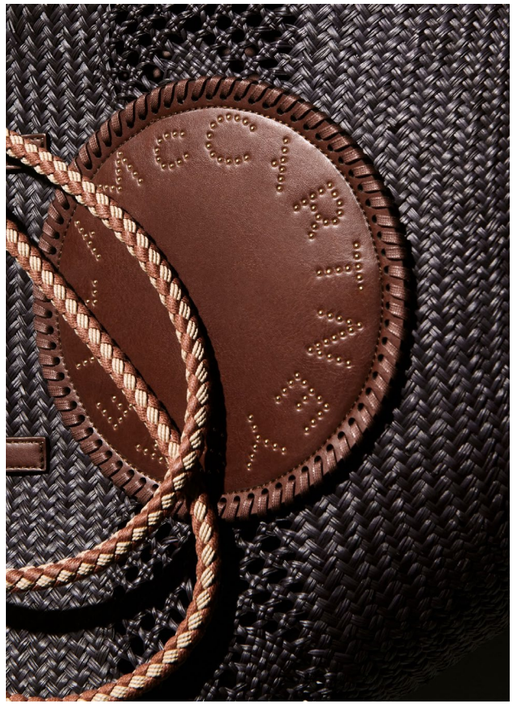
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [S3 - SBM-3]

Potential impacts on affected communities are directly connected to Stella McCartney's strategy and business model, which rely on global sourcing of raw materials and artisanal production. For example, the sourcing of agricultural and mineral inputs, may lead to water and soil pollution, which can affect the health and livelihoods of nearby communities.

The Company's strategy to work with artisanal and remote communities also implies a responsibility to prevent negative impacts, such as exploitation or inappropriate use of cultural heritage. The identification of these impacts informs Stella McCartney's sourcing approach, including the prioritisation of suppliers that demonstrate strong environmental and social compliance.

All materially affected communities are included in the scope of the disclosure. As Stella McCartney outsources its production activities, affected communities are primarily located along the upstream value chain, near suppliers' operational sites, and in the downstream value chain, rather than near the Company's own facilities. These communities may be located in both urban and remote areas and may be affected through Stella McCartney's business relationships and sourcing decisions. The main categories of affected communities include:

- Those in proximity to small and medium enterprises in Italy;
- Communities in remote areas involved in artisanal production, selected via specific projects or for their cultural and artisanal heritage;
- Communities near waste management or processing sites in the downstream value chain.



Stella McCartney has identified that certain material negative impacts on affected communities may be systemic in nature. These include environmental degradation and health-related impacts arising from upstream activities such as mining, dyeing, tanning, and the use of pesticides in agriculture. Such impacts may be particularly significant for communities located in countries or regions where environmental and social regulation is less developed or less effectively enforced, as these communities may be more exposed to water and soil pollution, hazardous chemicals and land degradation.

Indigenous communities in remote areas may face additional risks, including the potential expropriation of culturally significant territories and competition for natural resources. The Company integrates these considerations into its risk assessment and supplier selection processes, with a focus on engagement, transparency and mitigation in higher-risk contexts.

In addition to systemic impacts, individual incidents, such as transport accidents or localised pollution events, may pose acute risks to communities located near operational or processing sites.

Positive socio-economic impacts are generated through Stella McCartney's support for artisan communities and disadvantaged groups, including by providing access to economic opportunities, preserving cultural heritage and strengthening local skills. These impacts are particularly relevant in regions where traditional livelihoods are threatened by environmental and economic instability. Examples of initiatives contributing to these impacts include Stella McCartney's collaborations with organisations such as the Ethical Fashion Initiative (EFI) and Build a Nest, which are further detailed later in this document.

Stella McCartney's strategy and business model are also influenced by the risks arising from its impacts and dependencies on affected communities. Where negative impacts are not adequately prevented or addressed, they may generate reputational and operational consequences for the Company. For this reason, the Company's approach includes, on one hand, ensuring that suppliers and workers across the supply chain are aligned with established standards to foster continuous improvement and, on the other hand, implementing high-impact community support projects in close collaboration with disadvantaged communities.

The relevant risks identified are connected to impacts and include:

- Reputational risks arising from environmental violations, such as polluting water discharges, or social violations, such as poor labour conditions, within the supply chain. These impacts may trigger protests from local communities and attract media or NGO attention;
- Supply chain disruption risks, where affected communities obstruct production or logistics activities in response to unmanaged negative impacts.

These risks particularly concern local communities living near production facilities and communities located in developing countries.



TABLE 28 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES (S3)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
S3- Communities' economic, social and cultural rights - Water and sanitation	Negative potential impact	The use of chemicals and pesticides in production may pollute water sources, affecting local health and access to clean water.	Short term	Upstream
	Negative potential impact	Poor waste management can contaminate water bodies, posing health risks to nearby communities.	Short term	Downstream
S3- Communities' economic, social and cultural rights - Security-related impacts	Negative potential impact	Communities near operations or transport routes may face air pollution, endangering their health and safety.	Medium term	Upstream
	Negative potential impact	Improper waste handling may lead to soil contamination, threatening local health and human rights.	Short term	Downstream
S3- Communities Civil and political rights - Freedom of expression	Positive actual impact	Engaging with local communities helps respect their rights and ensures their needs are considered.	–	Own operations
S3- Communities Civil and political rights - Impacts on human rights defenders	Negative potential impact	Activities like mining can harm health, water access and livelihoods, impacting community rights.	Medium term	Upstream
	Positive potential impact	Job creation and investment in underdeveloped areas can improve local living standards.	Medium term	Upstream
	Positive potential impact	Promoting diversity and inclusion supports civil rights and benefits both employees and communities.	–	Own operations
S3- Particular rights of Indigenous communities - Cultural rights	Negative potential impact	Forestry and mining near indigenous lands may violate rights through environmental harm or land expropriation.	Medium term	Upstream
RISKS AND OPPORTUNITIES				
S3- Communities' economic, social and cultural rights - Water and sanitation	Risk	If suppliers in developing countries breach water management standards, local protests may arise, potentially damaging Stella McCartney's reputation and raising concerns over its sourcing practices.	Medium term	Upstream
S3- Communities Civil and political rights - Impacts on human rights defenders	Risk	Labour and human rights violations in the supply chain may lead to community backlash, indirectly harming Stella McCartney's image and prompting scrutiny of its procurement policies.	Medium term	Upstream

POLICIES RELATED TO AFFECTED COMMUNITIES [S3-1]

Although Stella McCartney does not have a dedicated policy specifically addressing affected communities, its commitment is embedded within its broader social responsibility strategy and reflected in the **Responsible Sourcing Guide**. The Company acknowledges the importance of supporting local communities throughout its value chain and aims to generate positive social impact by fostering long-term partnerships, preserving traditional skills, and enabling sustainable livelihoods.

This approach is reflected in one of the Company's core social responsibility objectives, outlined in the Responsible Sourcing Guide: responsible supply chain and positive social impact. This means developing modern, traceable, and resilient production systems that:

- Support local communities through fair and inclusive economic opportunities;
- Preserve traditional skills and cultural heritage;
- Enable sustainable livelihoods and attract future generations of workers;
- Contribute meaningfully to the Sustainable Development Goals.

Stella McCartney recognises its role as an international brand in promoting prosperity within the communities it operates in, while also encouraging biodiversity protection, animal welfare, and decent working conditions.

Within its Responsible Sourcing Guide, with respect to viscose, rayon and cellulosic fibres materials, the Company has defined wood pulp sourcing requirements that consider Indigenous people. Particularly, it prohibits sourcing from suppliers involved in illegal logging or operations that violate the rights of Indigenous people. Suppliers must respect the right of Indigenous and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before any new logging rights are granted or plantations are developed.

PROCESS FOR ENGAGING WITH AFFECTED COMMUNITIES [S3-2]

Stella McCartney recognises the importance of engaging with affected communities to understand and address impacts, particularly in regions where its sourcing and production activities may have social or environmental effects. While the Company does not yet have a formalised global process dedicated specifically to community engagement, it has implemented practices that reflect its commitment to respectful and inclusive dialogue.

The Sustainability Department, and specifically the CSR & Human Rights Team, is responsible for managing engagement with affected communities. This includes working closely with suppliers to ensure that the rights of local populations and workers are respected and aligned with Stella McCartney's standards. Recognising the diversity of cultural and social contexts across its supply chain, the Company supports suppliers and partners in understanding and implementing these requirements, and in improving practices where necessary.

Through partnerships such as Build a Nest, the Ethical Fashion Initiative and the Utthan project, Stella McCartney engages with artisan communities, women-led groups and internal migrant workers or artisans in selected sourcing contexts. These collaborations provide a practical channel for understanding local needs, supporting skills development and identifying potential risks affecting disadvantaged groups, while also contributing to more inclusive and resilient value chains.

Looking ahead, Stella McCartney is aware of the need to strengthen its engagement mechanisms and is considering the development of more formal processes to ensure that community voices are systematically integrated into its decision-making and impact management strategies.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS [S3-3]

Stella McCartney is committed to preventing and addressing material negative impacts on affected communities, in line with its broader human rights and social responsibility commitments. The Company engages with affected stakeholders, particularly through project-based collaborations, to understand concerns and support improvements.

Also, Stella McCartney provides external stakeholders, including affected communities, with access to a grievance mechanism through its SpeakUp® platform, which is governed by a dedicated SpeakUp® Policy. This mechanism allows individuals to raise concerns confidentially and securely. For further details, please refer to Chapter “3.2 Workers in the value chain – S2”, paragraph “Policies related to value chain workers [S2-1]” and to Chapter 4.1 Business Conduct – G1, paragraph “Protection of whistleblowers [G1-1]”.

While the SpeakUp® platform represents the primary grievance mechanism made available by Stella McCartney, the Company recognises that accessibility may vary across sourcing regions. For example, Madagascar is currently not included due to limitations in provider coverage.

ACTIONS AND RESOURCES RELATED TO AFFECTED COMMUNITIES [S3-4]

Actions [S3-4]

Stella McCartney is committed to supporting affected communities through a combination of philanthropic initiatives, responsible sourcing practices, and targeted community projects. The brand’s approach is rooted in the belief that fashion must be fair, inclusive, and respectful of human rights, while also contributing to the protection of nature, biodiversity and animal welfare.

Philanthropy

Stella McCartney supports initiatives that combat climate change, protect biodiversity and animal welfare, and empower communities, with particular attention to women and other groups that may face barriers to accessing fair economic opportunities. Its philanthropic efforts combine direct action with strategic partnerships to drive positive impact. These include:

- **REDD+ Forestry:** the Company supports REDD+ initiatives aimed at reducing emissions from deforestation and forest degradation, while promoting sustainable forest management and conservation and reducing environmental impacts for specific communities;

- **Advocacy for animal rights and ethical fashion**: Stella McCartney collaborates with organisations such as PETA and The Humane Society to promote animal welfare and responsible practices in the fashion industry.



Community-Conscious Material Sourcing

Stella McCartney's approach to material sourcing also considers the potential impacts that forest-based fibers may have on ecosystems and forest-dependent communities. In relation to viscose, the Company refers to its use of forest-friendly viscose, sourced from Canopy-approved suppliers and traceable back to country of origin. Through its long-standing partnership with Canopy, Stella McCartney is committed to avoiding materials sourced from ancient and endangered forests and to supporting practices aimed at preventing deforestation, maintaining forest cover, conserving biodiversity and engaging Indigenous communities. This approach is relevant to affected communities because forests provide essential ecosystem services and may support the livelihoods, cultural heritage and rights of local and Indigenous communities.

Support for Marginalised Groups

Stella McCartney has also historically used its platform to promote diversity, equity and inclusion, aligning with its broader commitment to civil rights and social justice. This includes advocacy and inclusive campaigns supporting marginalised groups and communities. Stella McCartney has also expressed support for Black and LGBTQ+ communities through advocacy and inclusive campaigns. The brand has historically used its platform to promote diversity, equity, and inclusion, aligning with its broader commitment to civil rights and social justice.

Community-Based Projects

Stella McCartney recognises that empowering communities is essential to building resilient, inclusive, and responsible value chains. Community engagement is not only a foundation for long-term partnerships, but also a way to support local production, preserve cultural heritage, and create meaningful economic opportunities.

In this context, the brand has developed targeted collaborations with high social impact, particularly in disadvantaged regions and where its value chain intersects with artisan communities, women-led groups and internal migrant workers. These projects aim to activate supply chain partnerships that directly benefit local communities while supporting responsible sourcing and positive social impact.

In India, Stella McCartney continues to collaborate with other brands through the Utthan project, an initiative launched in 2016 to support internal migrant workers and artisans in the Mumbai area. The project focuses on improving working conditions and providing life-skills training. The collaboration brings together expertise and efforts from several luxury fashion brands to address shared challenges within the sector. During 2025, the CSR & Human Rights Team maintained regular engagement in the programme through ongoing sessions aimed at monitoring suppliers' progress and alignment with the project's social standards.

In the past, Stella McCartney collaborated with partners such as Build a Nest and Ethical Fashion Initiative (EFI). Build a Nest is an NGO dedicated to fostering responsible growth and inclusive engagement within artisan communities through dedicated programmes. This partnership focused on supporting marginalised groups, including women artisans, by promoting fair access to economic opportunities, strengthening skills and encouraging more inclusive and equitable working environments within the bags supply chain. In parallel, Stella McCartney has collaborated with the Ethical Fashion Initiative (EFI) to support artisan networks in Kenya, including women-led groups, by providing training to develop technical capabilities and facilitate access to sustainable income opportunities. In addition, Stella McCartney works with specialised ethical trade partners especially in India to assess, monitor and train embroideries on fair working conditions. Together, these community-based projects are a key expression of Stella McCartney's values, demonstrating how fashion can be a vehicle for social empowerment and cultural continuity.



3.4 CONSUMERS AND END-USERS - S4

INTEREST AND VIEWS OF CONSUMERS [S4 - SBM-2]

At Stella McCartney, consumers are central to the mission of redefining luxury through sustainability, innovation, and ethics. The views, interests, and rights of stakeholders are actively listened to and taken into account through ongoing engagement, including customer feedback channels, social media interactions, and collaborations with advocacy groups focused on conscious consumption and human rights.

The Company strategy is shaped by the growing demand for transparency, cruelty-free fashion, and environmentally responsible products. This has led to the development of pioneering alternatives to animal leather, investment in regenerative agriculture, and the implementation of supply chain traceability measures. Consumer rights are respected and upheld through product safety, data privacy, transparency and responsible marketing practices.

Clients are recognised not only as buyers but also as advocates for change. Their expectations have directly influenced the business model, driving innovation in circularity, resale, and digital storytelling. Through ongoing dialogue, the aim is to build long-term trust and contribute to the development of a fashion system that respects both people and the planet.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [S4 - SBM-3]

In the context of the Double Materiality Assessment, Stella McCartney has identified relevant negative and positive impacts, as well as risks relating to consumers and end-users, which are directly connected with the Company's strategy and business model.

Potential impacts relating to consumer privacy and health and safety are linked to how the Company manages cybersecurity, customer data and chemical safety throughout its supply chain. Impacts associated with access to accurate product information and responsible marketing practices also inform the Company's approach to consumer communication and transparency. These considerations influence strategic and operational decisions, including the strengthening of supplier requirements, product safety controls, information management systems and responsible marketing practices. At the same time, material risks associated with product safety, consumer trust, regulatory compliance, data protection and transparent marketing may result in reputational, operational and financial consequences for the Company. These risks therefore drive investments in product stewardship, responsible communication, compliance programmes and information management systems.



TABLE 29 - LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS (S4)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
S4- Information-related impacts of consumers and/or end-users - Privacy	Negative potential impact	Outdated cybersecurity measures may lead to hacking and leakage of sensitive customer data.	Short term	Upstream
	Negative potential impact	The inadequacy or absence of updates to cybersecurity measures leads to the potential occurrence of hacker attacks and loss of sensitive customer data with leakage of confidential information in the Company's cloud.	Short term	Own operations
	Negative potential impact	The inadequacy or absence of data security measures in indirectly managed stores could lead to the potential occurrence of data breaches with the potential leakage of sensitive customer information, such as personal details or payment data.	Short term	Downstream
S4- Information-related impacts of consumers and/or end-users - Access to (quality) information	Negative potential impact	Lack of clear product and environmental information hinders informed consumer choices.	Short term	Own operations
	Negative potential impact	Insufficient transparency on product composition may prevent conscious purchasing decisions.	Short term	Downstream
S4- Personal safety of consumers and/or end users - Health and safety	Negative potential impact	Harmful substances in products or processes can pose serious health risks, including cancer and hormonal disruption.	Medium term	Upstream
	Negative potential impact	Choosing to use banned chemicals in fashion items may endanger consumer health.	Medium term	Own operations
S4- Social inclusion of consumers and/or end-users - non-discrimination	Positive actual impact	Inclusive collections promote representation and raise awareness on diversity and equality, fostering a more tolerant society.	-	Own operations
S4- Social inclusion of consumers and/or end-users - Responsible marketing practices	Negative potential impact	Misleading or unclear marketing can contribute to consumer misinformation.	Medium term	Own operations
RISKS AND OPPORTUNITIES				
S4- Information-related impacts of consumers and/or end-users - Privacy	Risk	Cyber-attacks on suppliers may disrupt production and expose sensitive data, potentially delaying deliveries and harming Stella McCartney's reputation and sales.	Medium term	Upstream
	Risk	Customer data breaches can damage brand reputation, disrupt operations, and lead to higher cybersecurity costs.	Short term	Own operations
	Risk	Privacy regulation compliance in third-party stores may increase costs or lead to penalties, indirectly affecting Stella McCartney's image and revenue.	Short term	Downstream
S4- Personal safety of consumers and/or end users - Health and safety	Risk	Non-compliance with Stella McCartney's chemical safety standards may result in reputational damage and loss of consumer trust.	Medium term	Upstream
S4- Social inclusion of consumers and/or end-users - Responsible marketing practices	Risk	Misleading sustainability claims across the industry can reduce customer trust, making it harder for Stella McCartney to be seen as genuinely sustainable.	Medium term	Own operations

POLICIES RELATED TO CONSUMERS [S4-1]

To address consumer-related impacts and risks, Stella McCartney has adopted policies and related practices covering product health and safety, consumer privacy and data protection, access to accurate product information, inclusive product design and responsible marketing. The following sections describe the policies currently in place.

Health and safety

Stella McCartney is committed to ensure that only safe and compliant products are offered to clients, thereby enhancing customers' trust and demonstrating the Company's commitment to sustainability objectives.

The main policy for ensuring Health and Safety for consumers is the **Product Restricted Substances List** (PRSL). PRSL helps secure a safe product for Stella McCartney clients and to align supply chain practices with stakeholder demands. Upon request the Company shares the PRSL with interested stakeholders (e.g. customer, retail clients, NGO). For further details, please refer to the chapter "2.2. Pollution – ESRS E2", paragraph "Policies related to pollution [ESRS-E2-1]".

Privacy

In order to safeguard its customers privacy, Stella McCartney has adopted a Global Privacy Policy (or Privacy Notice) pursuant to EU Regulation 679/2016 also known as the General Data Protection Regulation (GDPR). The Policy has been translated in different languages and is available on the website. An addendum to this Policy is made available: the U.S.A. Privacy Supplementary Provisions. This Policy relates to the processing of data belonging to US based consumers from certain states and it complies with California Consumer Privacy Act (CCPA).

The Privacy Notice provides information regarding rights to privacy and data processing, aiming to help employees better understand how Stella McCartney handles consumers' personal data. It includes, among other things, information regarding the purposes of data collection, the types of data gathered and processed, how the data is used. The Notice also provides clear guidance on how clients can control their information and manage their choices by outlining the contact of the Data Protection Officer (DPO) and the relevant Supervisory Authorities, as well as the steps required to revoke consent or block the sharing of certain data.

Each customer visiting Stella McCartney e-commerce website is informed of how personal data will be processed through the sharing of the abovementioned Privacy Notice. A separated notice informs customer on how the Company manages cookies also through a dedicated banner that allows users to choose their preferences accordingly.

In stores, the Company collects customer personal data via a client telling app or a Customer Card. In this case, if a customer decides to provide personal data, they acknowledge the privacy notice and may also choose whether to give marketing and profiling consent.

The processing of personal data for marketing activities is based upon consent, so customers can choose whether they want to receive marketing communications from Stella McCartney. A customer can always revoke the consent provided at any time.

Non-discrimination

Collection development at Stella McCartney is based on range plans established by the Merchandising Team. Where relevant, the Company may develop shared or gender-neutral products as part of specific collections or collaborations, including the Yoshitomo Nara (Spring 2023 and Fall 2026) and Sorayama Spring 2024 collections.

Although such initiatives may contribute to a more inclusive product offering, they do not form part of a formal non-discrimination or inclusive design policy. No policies specifically addressing non-discrimination through design activities were in place during the 2025 reporting period.

Responsible marketing practices

There are no official policies on responsible marketing practices. However, in the first months of 2026 different transparent sustainability marketing practices have been implemented, such as highlighting ethical labour standards and traceable material sourcing in communications, including percentages of recycled material composition, organic materials, and water reduction facts alongside the products in social media roll outs and on the e-commerce website, as well as in any press assets delivered to external publications.

PROCESS FOR ENGAGING WITH CONSUMERS [S4-2]

Stella McCartney recognises the fundamental role its customers play in the success of the business. Their satisfaction and loyalty are essential, and the Company is committed to understanding their needs and expectations by providing high-quality products and services. Stella McCartney engages with its audience through a range of social media platforms, including Instagram, TikTok, Facebook, LinkedIn, Pinterest, YouTube, WeChat, Weibo, RED, LINE and X. These channels enable customers to share their experiences and feedback openly. The Company monitors these interactions and, where appropriate, investigates negative comments or concerns in order to better understand customer expectations and identify opportunities for improvement.

In addition to maintaining contact with customers, social media is also used to share news about Stella McCartney, such as innovations in product creation and the development of collections that reflect its sustainability engagement and objectives.

Alongside this ongoing digital engagement, the Retail Department is responsible for sending a survey to all purchasing clients for the purpose of gathering information about their in-store experience, including whether the store staff effectively communicated Stella McCartney's sustainability and cruelty-free values, and what drove their decision to visit the store (for instance sustainability, quality, innovation, fashion, etc.).

The survey serves as a basis for calculating the Net Promoter Score (NPS), a customer experience metric. In 2025, the Company obtained a score of 84, exceeding the internally defined objective of achieving a score of 80. The response rate of consumers was approximately 9%. This allowed the Company to identify the key characteristics that make up the brand perception in the eyes of clients as well as the decision drivers that led to the purchase. In detail, 29% choose the brand for its product quality and innovation, 22% for its luxury fashion design, 13% for Stella McCartney herself, and 9% for sustainability as a value.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS TO RAISE CONCERNS [S4-3]

Stella McCartney actively encourages its customers to send direct feedback to its Retail customer service Teams through various channels, including the online customer support form, available on the Company's website and through mobile and telephone contact options. By maintaining accessible and responsive customer service channels, Store and Customer service Teams can address concerns or suggestions promptly, thereby supporting customer satisfaction and ultimately enhancing the overall customer experience.

Ensuring that consumers have access to safe and confidential channels to express concerns is a key part of Stella McCartney's commitment to transparency and accountability. For this reason, the Company also makes available to consumers a confidential and secure mechanism to raise concerns: the SpeakUp® platform. For further information about the tool, please refer to Chapter "4.1 Business Conduct – G1", paragraph "Protection of whistleblowers [G1-1]".

TARGETS, ACTIONS AND RESOURCES RELATED TO CONSUMERS [S4-4, S4-5]

While Stella McCartney has not yet established a comprehensive set of formalised quantitative targets and related action plans for this topic, the Company has already implemented a number of initiatives and actions aimed at managing

the associated impacts, risks, and opportunities. Existing commitments and ongoing actions are described below.

Targets [S4-5]

Health and safety

With respect to health and safety in products, Stella McCartney has set a near-term target to integrate an additional document into the Company's compliance management: "Product Compliance Management Process," in place by the end of 2025.

The introduction of the above document is expected to strengthen product safety oversight, minimise safety-related non-conformities, and facilitate the timely implementation of corrective measures, linked to Stella McCartney products. Consequently, it should results in fewer aftersales complaints, benefiting both consumers and the business while supporting compliance with the relevant guidance requirements.

Privacy

Stella McCartney is committed to maintaining the highest standards of privacy and data protection. The Company will continue to enhance its existing privacy compliance system. Ensuring that all business initiatives, including the adoption of new technologies like artificial intelligence, are designed and implemented in accordance with privacy by design principles. The Company aims to promote transparency, comply with evolving legal and regulatory requirements, and align with guidance issued by privacy authorities through the regular review and update of its privacy policies and practices, taking into account changes in legislation, regulatory expectations, and industry best practices.

Access to quality information – Retail Activities

Through product training activities, sales associates are provided with information about the ongoing collection, its inspiration, materials, and craftsmanship, which enrich storytelling and enhance the product presentation to clients.

For this reason, the objective of the Retail training Team is to ensure that sales associates receive information on 100% products and categories directly managed and distributed through Stella McCartney's stores. This objective is recurring, as it is set annually and achieved through preparatory activities for course organisation, carried out in close synergy with other internal functions. While the target does not extend to licensed product categories, the Company seeks to ensure comprehensive training coverage across the product categories within its direct retail scope.

Non-discrimination

In the Ready-to-wear design process, Stella McCartney seeks to promote inclusivity through a number of design considerations. Among these, the Company considers a wide range of skin tones when selecting colours, with the objective of choosing shades that resonate with as broad a global customer base as possible.

In the design of certain product categories, including T-shirts, knitwear, tailoring, and outerwear, garments may also be conceived and encouraged to be worn as unisex, supporting greater versatility and inclusiveness. In addition, when lining sheer fabrics, neutral tones are selected where possible in order to suit a broader range of skin tones. The Company also incorporates diversity into its design and fitting process by collaborating with models from a variety of backgrounds.

Actions [S4-4]

To address the identified impacts and risks, the Company has developed a range of targeted initiatives designed to protect consumer interests, strengthen consumer trust, and enhance the overall customer experience, in line with its broader sustainability and ethical commitments.

Health and safety

During 2025, the actions carried out by Stella McCartney to guarantee the health and safety of products have followed two main directions:

— **General Product Safety Regulation (Gpsr) Project**

Stella McCartney's Compliance Team has worked closely with Product Safety consultants on implementing all requirements from General Product Safety Regulation (EU) 2023/988. This initiative has strengthened product safety management and supports the Company in ensuring that all products Stella McCartney places on the market are safe. Compliance with GPSR helps prevent harm to health of consumers from dangerous or defective products and requires assessment of risks and understanding of intended use of the product, with the ultimate purpose to protect customers. The GPSR project scope is very broad, and many teams are involved. Indeed, all product business units, the Legal Team, Finance Team, Aftersales Team, and Licensee Team have been consulted. Within the project, the first activity has been the performance of a gap analysis. The gap analysis has allowed to understand the current processes and to prioritise the activities required by the GPSR to achieve compliance. Subsequently, product risk assessment templates have been released for every product category and a document defining the general process in regards of Product Compliance: "Product Compliance Management Process;"

— **Material testing**

Testing all components for all product categories on PRSL compliance directly relates to the sustainability objective of protecting consumers and environmental health. Testing is an ongoing process repeated annually or whenever required, as the validity of a passing test report is one year. All material components are tested in accredited laboratories in the EU and China. 100% of materials components used for Ready to Wear, Shoes, and Non-Leather Goods have been tested for compliance with the PRSL in laboratories such as Normlink in China, Test & Innovation Lab, and UL Lab in Italy. From the tests results it has been possible to confirm material compliance of all T1 and T2 suppliers.

All product compliance activities at Stella McCartney aim to guarantee product integrity and customer safety. Where product safety or product compliance may be at risk, for example when a production material fails a compliance test, a risk assessment and recommendations are prepared by the Product Compliance Team. The matter is then escalated to the relevant Business Unit and Senior Management, which make the final decision with consumer safety and regulatory compliance as primary considerations. In case of safety and quality complaints received from clients, the Aftersales Team is responsible for implementing appropriate and adequate responses and remedies. The Quality Team is responsible for overseeing product testing, supplier compliance, regulatory alignment and issue escalation. The Product Compliance Team manages a budget and invests in third party lab testing, particularly for PRSL compliance and safety risk evaluation.

Privacy

To safeguard customers' personal data, in previous years Stella McCartney has established a procedure enabling data subjects to exercise their rights. For example, customers who no longer wish to receive marketing communications can withdraw their consent by contacting the Company through a dedicated email address.

Where third-party service providers process customers' personal data on behalf of Stella McCartney, the Company enters into specific data processing agreements governing the relevant processing activities and defining the respective responsibilities and obligations of the parties involved.

No customer data breaches occurred in 2025.

Access To Quality Information – Retail activities

With the aim of enabling Stella McCartney clients to access information about the products they are interested in or purchasing, the Retail team, composed mainly by in-store sales associates, are adequately trained to convey key messages.

The training mainly covers topics like the brand identity, its values and the products available in boutiques.

Training project

With the aim of providing customers with all the information necessary to make informed choices and understand the characteristics, especially the responsible ones, of Stella McCartney products, the Retail Department organises Retail training sessions. These training sessions are addressed to the retail store teams, including Store Management and Clients Style Advisors. This training is also provided to wholesale partners and franchise stores.

The training can be distinguished into seasonal, permanent or iconic training sessions, as well as operations training.

The **Seasonal Training** comprises different activities:

- **Seasonal Kick Off calls:** training made available online to all the store teams worldwide to introduce the new collection. Offering dedicated focus on inspiration, key themes, key looks, and sustainability information related to products;
- **YOOBIC/e-learning:** creation of dedicated, in-depth seasonal product training on each category (e.g., handbags and accessories, Shoes, Ready-To-Wear) to allow each store team member to continue their learning journey;
- **In-store/online training:** dedicated product training on the seasonal collection, based on the individual store buying trends and strategy;
- **Styling Contest:** monthly contest by region, based on a specific scenario, to continue practicing of the seasonal product training knowledge and sustainability facts;
- **Ambassador's weekly in-store training:** each store has a training ambassador who organises a weekly in store training. The ambassador works on dedicated focus on store needs, to continue training the teams about the storytelling, sustainability, inspiration, and unique selling points.

The **Permanent or Iconic training** consists of a dedicated training with the aim to provide regular updates, also through e-learnings, on permanent products, for instance the iconic bag Falabella. Sustainability-linked information is highlighted and promoted to store teams.

The **Operations training** refers to structured learning sessions provided to retail staff to ensure consistent knowledge of store procedures, digital tools, and customer service standards.

TABLE 30 – METRICS ON PRODUCT AND OPERATIONS TRAINING

2024			
INFORMATION	UOM	IN-STORE TRAINING	VIRTUAL TRAINING
PRODUCT TRAINING (SEASONAL AND PERMANENT)			
EMEA, US and Hong Kong	n.	15	28
	Hours	18	40.5
Japan	n.	22	16
	Hours	22	13.5
OPERATIONS TRAINING			
EMEA and US	Hours	76	60.5

2025			
INFORMATION	UOM	IN-STORE TRAINING	VIRTUAL TRAINING
PRODUCT TRAINING (SEASONAL AND PERMANENT)			
EMEA, US and Hong Kong	n.	10	122
	Hours	40	160
Japan	n.	53	40
	Hours	103	40
OPERATIONS TRAINING			
EMEA and US	Hours	0	0

TABLE 31 – METRICS OF TRAINING TO RETAIL STORE STAFF

INFORMATION	UOM	2024
Courses completed on the e-learning platform (from each team member - in total 250 accounts on YOOBIC/ e-learning platform in 2024 and 200 accounts in 2025)	n.	4,500
Courses uploaded on the e-learning platform (in English and Japanese)	n.	18
Store teams trained (e-learning/virtual)	%	100%

INFORMATION	UOM	2025
Courses completed on the e-learning platform (from each team member - in total 250 accounts on YOOBIC/ e-learning platform in 2024 and 200 accounts in 2025)	n.	4,400
Courses uploaded on the e-learning platform (in English and Japanese)	n.	22
Store teams trained (e-learning/virtual)	%	100%

Product information

On each product page available on the website, consumers can find all available sizes and colours, as well as a description and the composition of the item. In addition, it is possible to zoom in on the product image to see all its details. The Company is also working on providing a Digital Product Passport (DPP) in order to provide comprehensive information about product manufacturing steps, compositions, and sustainability data. For further information about the brand's DPP project, please refer to Chapter "4.1 Business Conduct – G1", paragraph "Traceability [G1-2]".

Non-discrimination

Stella McCartney is aware of the importance of creating collections that are inclusive, while enhancing the identity of each person and the uniqueness of each body shape. This commitment spans the Company's offering, from ready-to-wear pieces, including tailoring and expertly crafted denim, to iconic vegan accessories and artisan-crafted cruelty-free shoes.

Within the Ready-to-wear offering, the Company seeks to reflect on a broad range of body types through inclusive design considerations, including a size range extending from size 34 to size 50. The Company aims to reflect and embrace the characteristics of its customers by providing garments that can accommodate different body shapes and skin tones, such as bodysuits available in different colours and shades.

The commitment to inclusive design also extends to accessories and bag lines, where the Company offers specific genderless luxury products as well as selected capsule collections. Examples include the Falabella GO Backpack in nylon, introduced in Fall 2016, and the Logo North South Tote in Gainy, introduced in Fall 2023. These pieces embody the brand's commitment to timeless, versatile and inclusive design. This approach continued in Fall 2025, with additional unisex styles incorporated into the regular collection offering, further reinforcing the Company's commitment to inclusive and versatile design.

Looking ahead, the Company has also developed a new genderless Yoshitomo Nara capsule, expected to reach stores in November 2026.

Responsible Marketing Practices

The following are the main responsible marketing initiatives carried out by the Company.

Sustainability support through marketing

Stella McCartney views sustainability, innovation, and cruelty-free practices as a key element of its brand image and supports its brand identity in different ways through the following marketing channels:

- **Social media content:** the vast majority of Instagram posts feature a sustainability or cruelty-free fact. Most content is confirmed

by scientific evidence and studies made by different institutions and organisations like PETA (People for the Ethical Treatment of Animals), and support this messaging through dedicated visual content, including campaigns photoshoots for Earth Month and Innovation Stories videos highlighting innovation partners and products;

— **Paid media:** the Company supports key innovation content through boosted posts on social media, as well as messaging in paid media content with strong sustainability messaging;

— **Viral Marketing:** the Company repurposes materials wherever possible in its window displays and uses store screens to showcase sustainability content globally;

— **Public Relations:** Stella McCartney sends dedicated press releases to journalists and publications featuring details on innovations and sustainability facts within each collection launched. An Eco Fact Sheet supplement is sent out in addition to the press releases, detailing the Company's legacy in sourcing the most sustainable materials possible and latest innovations in each collection.

— **Events:** the Company hosts speaker series in its stores and events with sustainable leaders and innovators to platform their work on responsible supply chains and materials. The Company also attends climate events and covers them on its digital channels, such as United Nations Climate Change Conference of Parties, NY Climate Week, London Climate Week and more.

Innovator support through marketing

Stella McCartney features innovators in its collections and supports them through any related marketing and communications activities. For instance, when the Company launched FEVVERS at its 2025 September show as part of the Summer 2026 collection, it received a dedicated press release explaining the issues surrounding traditional feathers manufacturing and the process of how this innovation is made with a plant-based substitute that limits any animals being harmed in the manufacturing of the material. Marketing assets such as an Innovation Story video were shared on the Company's social channels and website. There was a dedicated article published on Stella's World, the Company editorial platform.

Stella herself also speaks about all new innovation materials during interviews, events and public speaking engagements.

Upcoming Initiatives

Marketing activities at Stella McCartney will continue to support sustainability and innovation storytelling in the upcoming years. The Company is planning to include further activities with this aim, including:

— Developing a sustainability-focused series educating wider audiences on the YouTube channel;

— Platforming sustainable materials and innovations in new store openings, as well as a dedicated area within the stores for displaying these materials and solutions;

— Reaching younger audiences through dedicated TikTok video content, as well as additional partnerships with purpose-led creators.



ENTITY-SPECIFIC INFORMATION

Licensees

Stella McCartney collections include a range of licensed product categories. The Company has regular and direct communication with its licensees to verify that their processes and practices are in line with Stella McCartney monitoring systems and standards for social compliance. Indeed, it is essential for the Company to understand its partners social compliance approach including audit activities and yearly plans, while having an open dialogue with them. Certainly, the licensees are responsible to monitor their own supply chain, but ultimately it is up to Stella McCartney to ensure that they apply the correct rules.

In addition to the contract, license partners are required to read and adhere to the social compliance policies, which outline Stella McCartney's standards.

The products licensed in 2025 include:

— **Kidswear:** which include kids and baby clothing, bags, footwear, and accessories;

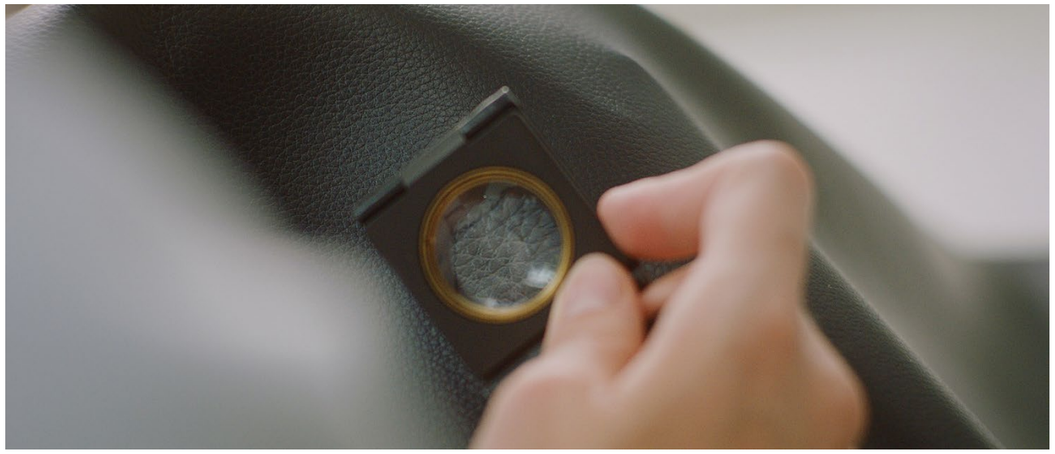
— **Eyewear:** sunglasses and prescription optical frames for men and women; and skiing goggles for kids;

— **Adidas by Stella McCartney:** launched in 2005, this partnership offers versatile women's sport performance products. Additionally, the collections are complemented by lifestyle and outerwear pieces that are not sport performance products, all positioned in Adidas' best and highest price segments. The sport performance apparel and footwear designed and marketed through this partnership are intended for use during sports activities including running, yoga, tennis, and swimming.

During 2025, the Company initiated the development of a more formalised procedure for the engagement and monitoring of licensee partners from both a social and environmental perspective.

Aftersales

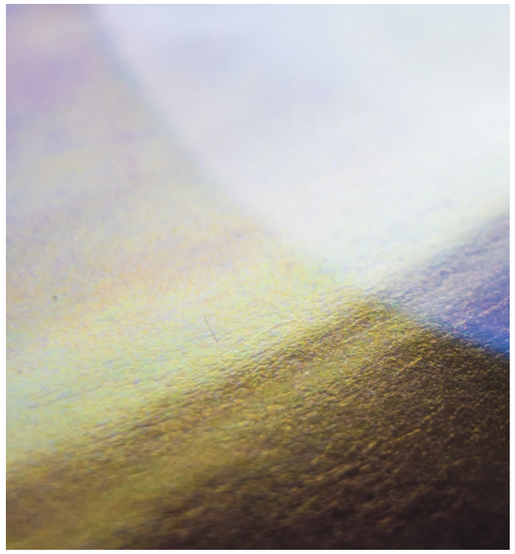
Stella McCartney provides aftersales support to customers across its product categories. The service includes repair, replacement, or refund solutions for defective items covered by warranty, provided free of charge. For products that are no longer under warranty, repair services may still be offered on a fee-paying basis, subject to the availability of replacement parts. Customers may access aftersales support through the Company's directly operated stores, through multi-brand retailers where Stella McCartney products are available, or via the official website. In 2025, Stella McCartney's aftersales service repaired 381 out-of-warranty items.



4. Governance Information

4.1 BUSINESS CONDUCT - G1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES [G1 - IRO-1]



The Double Materiality Assessment has identified business conduct priorities as key drivers of material impacts, risks, and opportunities. In particular, relevant impacts characterised the upstream value chain and own operations, as well as risks, while opportunities emerged for the own operations.

The ethics and compliance committee activities as well as the policies and systems in place also aim at addressing the material IRO that the Company and its value chain could create or be exposed to.

TABLE 32 - LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT (G1)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
G1 - Corporate culture	Positive actual impact	Promoting ethics, transparency, and human rights across all levels fosters a responsible business culture, benefiting both the Company and its community.	–	Own operations
G1 Protection of whistleblowers	Positive actual impact	Protecting whistleblowers encourages ethical reporting and strengthens trust within the Company, supporting a transparent and accountable environment.	–	Own operations
G1 Animal Welfare	Positive potential impact	Using animal-free and responsibly sourced materials (e.g. wool from ethical farms) helps reduce animal exploitation and supports Stella McCartney's values.	Medium term	Upstream
	Positive actual impact	Choosing cruelty-free materials and promoting ethical sourcing ensures animal welfare and reinforces Stella McCartney's brand identity.	–	Own operations
G1 Political engagement and lobbying activities	Positive actual impact	Advocating for cruelty-free fashion and legislative change enhances awareness and supports sustainable industry practices, strengthening the Company's positioning.	–	Own operations
G1 Management of relationships with suppliers including payment practices	Positive potential impact	Collaborating with suppliers on environmental and social issues improves working conditions and reduces environmental impact, aligning with Stella McCartney's ethical standards.	–	Upstream
	Negative potential impact	Delayed payments may destabilise small suppliers financially, affecting their workforce and potentially disrupting Stella McCartney's supply chain.	Medium term	Own operations
G1 Corruption and Bribery	Positive potential impact	Training suppliers on ethical conduct and corruption prevention raises awareness and helps reduce unethical practices, protecting the Company's reputation.	Medium term	Upstream
	Negative potential impact	Unethical practices among suppliers (e.g. corruption, abuse of office) can harm communities and reflect negatively on Stella McCartney's brand.	Medium term	Upstream
	Positive potential impact	Internal training on ethics and corruption prevention strengthens employee awareness and helps maintain a responsible corporate culture.	Medium term	Own operations
	Negative potential impact	Unethical conduct within the Company can damage community trust and workforce well-being, undermining Stella McCartney's values and reputation.	Medium term	Own operations
RISKS AND OPPORTUNITIES				
G1 Corporate culture	Opportunity	The fashion industry's shift toward eco-design and sustainable logistics is an opportunity for Stella McCartney, whose early commitment to sustainability strengthens its market position and may expand its customer base.	Long term	Own operations
	Risk	Competitors with stronger investment capacity and sustainability messaging may challenge the Company's ability to maintain its competitive edge and attract conscious consumers.	Short term	Own operations
	Risk	If licensees engage in partnerships misaligned with Stella McCartney's values, it could harm brand reputation, reduce customer trust, and lead to lower sales.	Short term	Own operations
	Risk	Outsourcing key activities may reduce control over compliance with Stella McCartney's standards, increasing the risk of reputational damage and potential license termination.	Short term	Own operations
G1 Animal Welfare	Opportunity	Rising consumer awareness of animal welfare presents an opportunity for Stella McCartney to grow its customer base and increase revenues.	Short term	Own operations
G1 Management of relationships with suppliers including payment practices	Risk	Payment delays between supply chain tiers can disrupt product availability, potentially causing delays and reputational risks for Stella McCartney.	Medium term	Upstream
	Risk	Lack of supply chain transparency may expose the Company to operational, ethical, and compliance risks, threatening its reputation and customer loyalty.	Medium term	Own operations
	Risk	Dependence on unique suppliers (e.g. for eco-packaging or cloud services) may lead to business disruptions and financial instability for the Company.	Short term	Own operations
G1 Corruption and Bribery	Risk	Supplier involvement in corruption or bribery could result in legal and reputational consequences for Stella McCartney, damaging brand credibility.	Medium term	Upstream

POLICIES RELATED TO BUSINESS CONDUCT [G1-1]

At Stella McCarney, there is a commitment to operate as an ethical, transparent, and responsible business. Actions are guided by core values, with the aim of ensuring a fair and consistent approach to the enforcement of conduct standards across the Company.

In order to ensure and promote its corporate culture, Stella McCartney has equipped itself with internal regulations with the aim of providing maximum transparency and correctness.

All the below mentioned policies are made accessible to employees by the Human Resources Department on the Policy Hub and through the external SpeakUp® platform.

Code of Ethics

The Stella McCartney Code of Ethics outlines the ethical principles on which the brand was founded and sets the standards of conduct expected from employees. The Code of Ethics is approved by the CEO and the Ethics & Compliance Committee.

The Code defines the standards of professional behaviour as well as a summary of the environmental commitment of the Company with respect to climate, waste, water, and chemicals.

As highlighted in the document, Stella McCartney recognise the importance of engaging with civil society to learn about and understand the root causes of major environmental and human rights risks present in regions where the business and supply chains operate, therefore, the Company pays close attention to the concerns expressed by international institutions, non-governmental organisations (NGOs) and civil society representatives wishing to foster open dialogue with them. Stella McCartney commits to adhering to internationally recognised standards, frameworks and initiatives, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) conventions, and the OECD Due Diligence Guidance for Responsible Supply Chains. The Company also engages in collaborative initiatives such as the Ethical Trading Initiative (ETI), through which it works with industry peers, trade unions and NGOs to promote respect for workers' rights and improve working conditions across its supply chain.

Anti-Bribery and Corruption Policy

The Anti-bribery and Corruption Policy outlines Stella McCartney's zero-tolerance approach to all forms of bribery and corruption and list the cases in which this type of behaviour could occur with third parties and foreign public officials.

The policy includes detailed examples of bribery, facilitation payments, and ample space is given to explaining how to handle cases of gifts and hospitality invitations, given the nature of Stella McCartney's business, therefore, the principles and the behaviours to be followed in the event they occur are explained.

The policy identifies key corruption indicators and risky behaviours in functions that deal with:

— Procurement, tendering, and contracting;

— Interactions with government officials;

— Third-party management, such as suppliers, agents, and intermediaries;

— Specific risk areas including payments, gift/hospitality approvals, and contracting decision-makers;

— Roles in sourcing, legal, sales/business development, and finance are implied as high-risk.

This policy aligns with the principles of the United Nations Convention against Corruption, it applies to all employees, as well as anyone performing services for or on behalf of Stella McCartney. It reflects the UK Bribery Act; however, it applies irrespective of which county the Company is doing business in. It is approved by the CEO, the Ethics & Compliance Committee and the Board of Directors.

Whistleblowing-related policies

Stella McCartney presents several documents that address the topic of Whistleblowing:

— Global Whistleblowing Policy and Global Whistleblowing Policy for third parties contracting with Stella McCartney;

— Whistleblowing Procedure, applicable to Stella McCartney Italia Grievance Policy, applicable to Stella McCartney Ltd in UK.

Global Whistleblowing Policy and Global Whistleblowing Policy for third parties

The Global Whistleblowing policy applies comprehensively to internal stakeholders including employees, agency workers, contractors and interns, while the Global Whistleblowing Policy for third parties applies to external stakeholders including all third parties contracting with Stella McCartney. This unified framework provides a consistent mechanism for reporting information relating to malpractice, illegal actions, and omissions at work that would be within the public interest. The policy and related posters in the production sites were reviewed in 2024, and the update was completed in 2025, while also revising the access modalities to the mechanism. All updated materials have been published to all suppliers through the Sustainability Hub. All suppliers had then the obligation to share and cascade relevant information to workers subcontractors and subsuppliers involved in Stella McCartney production.

The Global Whistleblowing Policy, as well as the Stella McCartney Italia Whistleblowing Procedure, is based on Italian Legislative Decree 179/2017 that transposed the Directive (EU) 2019/1937, explicitly protect employee anonymity or confidentiality of the identity of the whistleblower throughout and after the process.

The policy aligns with national whistleblowing laws (e.g., UK Public Interest Disclosure Act, French Sapin II Law, U.S. OSHA whistleblower protections).

External authorities such as the UK's CMA (Competition and Market Authority), France's AFA (Agence Française Anticorruption), or US OSHA (Occupational Safety and Health Administration) are considered as escalation channels if needed.

The People & Culture Team holds primary responsibility for managing the Global Whistleblowing Policy, while serious cases are escalated to Senior Management or the Ethics & Compliance Committee.

The Policy, which takes a proactive, stakeholder-centric approach, offering anonymous, multilingual reporting options, aims to:

— Encourage the reporting of suspected serious wrongdoing and misconduct with respect to Stella McCartney's ethical values;

— Provide clear, confidential, and transparent information about the process for dealing with concerns;

— Guarantee protection against retaliation, even if the report proves inaccurate, as long as it was made in good faith;

— Address material impacts such as corruption, environmental violations, health and safety risks, and regulatory non-compliance;

— Reinforce the Code of Ethics, anti-corruption policy, and other CSR-related commitments of the Company;

— Ensure oversight by the Ethics & Compliance Committee or senior management, with a formal investigation process and systematic reporting.

The Grievance Policy, available to the workforce through the internal SharePoint, provides employees with a clear framework for raising personal employment-related concerns. The process remains available after employment has ended.

For personal grievances such as harassment, discrimination or matters related to employment or labour law, Stella McCartney has established other dedicated policies detailed below and in chapter "2.1 Own workforce – S1".

In addition to the internal framework, Stella McCartney has developed specific provisions for external stakeholders, particularly those in the supply chain who may be more vulnerable to exploitation. The Global Whistleblowing Policy or third parties contracting with Stella McCartney aims to provide everyone who is contracted to work for and at Stella McCartney with a mechanism and forum to report information relating to malpractice, illegal actions, and omissions at work that would be within the public interest. The policy is shared with all new suppliers during onboarding, along with related posters that suppliers are required to display at their production sites and cascade the information through the Stella McCartney supply chain.

To operationalise the Global Whistleblowing Policy framework, since 2021, Stella McCartney has implemented the SpeakUp® Platform, a dedicated reporting mechanism accessible via dedicated link and phone number. The SpeakUp® Platform ensures that the identity of the person making the report, the person named in the report as well as the content of the report and related documents, remain confidential. Once a report is submitted, SpeakUp® will forward it to the Company. The reporting individual can also choose to submit a report completely anonymously. Please refer to Chapter "Business Conduct – G1", paragraph "Protection of whistleblowers [G1-1]".



Whistleblowing Procedure – Stella McCartney Italia

The policy establishes the procedures through which a report can be made regarding unlawful or illegal conduct or behaviour, whether by act or omission. Such conduct may constitute, or induce the commission of, a violation of the Group Code of Ethics adopted by the Company, or of the policies and rules governing corporate processes.

It also covers violations consisting of administrative, accounting, civil or criminal offences, as well as breaches of specific national and European provisions. Furthermore, the policy ensures a working environment in which employees and internal collaborators can easily and confidently report violations within the Company.

The recipients of the policy are the members of the corporate bodies, shareholders and persons with administrative, management, control, supervisory or representative functions, all employees, self-employed workers and internal collaborators, volunteers and trainees, even after the termination of the employment relationship, and all those who perform their activities at the Company or carry out works for it.

Grievance Policy

At Stella McCartney, there is a commitment to fostering a workplace environment that values open communication, fairness, and the well-being of employees. A central part of this is addressing concerns and resolving disputes in a timely and effective manner.

The Grievance Policy has been designed to provide a structured framework for the fair and impartial resolution of workplace grievances, including but not limited to the allocation of work, working environment or conditions, and opportunities to career development. The policy is applicable to UK employees.

231 Model

Stella McCartney Italia has adopted the requirements of Italian Legislative Decree 231/2001 concerning administrative responsibility of legal entities by establishing an Organisation, Management, and Control Model designed to prevent and address the risk of committing offences outlined in the Decree. The Model identifies potential risk areas within Company activities and seeks to:

- Establish a prevention and control system to reduce the risk of crimes related to business activities;
- Ensure that all individuals acting on behalf of the Company, particularly those involved in "high-risk activities", are aware of their responsibilities;
- Ensure that all individuals working with the Company understand that violations of the model's provisions will lead to specific penalties, up to the termination of the contractual relationship;
- Reinforce that the Company does not tolerate illegal behaviour of any kind.

In particular, the Model consists of a "General Part", which contains its core principles, and several "Special Parts", in which for each category of crime listed in the Decree 231, a brief description is given and an indication of the Areas at Risk of Crime.

The Company's goal is to ensure that the recipients of the Model have a proper understanding of the contents and obligations of the Decree. For the effective implementation of this Model, training and information are managed by the Supervisory Body along with responsible Company functions involved in applying the Model. Specifically:

- **Initial Communication:** All employees are informed about the adoption of the Model, with copies available at the Company. New hires receive the Code of Ethics and the Model, which are also on the Company website. Employees acknowledge and commit to the content by signing a form, while the Special Part relevant to Risk Areas is shared with applicable Senior and Subordinate Subjects.
- **Specific Training Activity:** Ongoing mandatory training is provided through IT tools (such as update emails, the Company website, and self-assessment tools) and regular training meetings. The content and delivery methods vary based on recipients' qualifications, the risk level of their area, and their representative roles within the Company.

Stella McCartney also provides the Model to persons who have collaborative relationships with the Company. The corporate functions involved from time to time provide Third Parties all the relevant information.

The task of supervising the functioning and observance of the Model as well as ensuring its updating has been entrusted to the Supervisory Body (also named "Organismo di Vigilanza" or "OdV"), equipped with autonomous powers of initiative and control.

Responsible Sourcing Guide

The Responsible Sourcing Guide offers comprehensive instructions to suppliers across the entire supply chain to help them comply with the Code of Conduct and other policies, setting out in detail all the principles and behaviours to be adhered to. The guide communicates values and expectations, ensuring that suppliers comply with the Company policies, standards and procedures on social welfare and environmental management. In addition, this document is of paramount importance as it explains the audit and supply chain procedures and monitoring process.

The Guide also identifies the respect for animals as a fundamental principle. In particular, it explains the animal welfare policy by indicating the point of view as a vegetarian and cruelty-free brand and outlining the five freedoms that all suppliers (including subcontractors and subsuppliers) of animal-derived fibres need to respect for their animals, for instance freedom from hunger and thirst, form discomfort

and from pain. The document also highlights the animal welfare standards for each animal-based fibre used in the collections. Please refer to Chapters “2.1 Climate Change – E1” , paragraph “Policies related to Climate Change [E1-2]”; “2.2 Pollution – E2”, paragraph “Policies related to pollution [E2-1]”; “2.3 Water and Marine resources – E3”, paragraph “Policies related to Water and Marine resources [E3-1]”; “2.5 Resource use and Circular Economy – E5”, paragraph “Policies related to Resource use and Circular Economy [E5-1]”; “3.2 Workers in the value chain – S2”, paragraph “Policies related to value chain workers [S2-1]” for further information.

Supplier Subcontracting Policy

Stella McCartney adopted the Supplier Subcontracting Policy, which outlines the social sustainability standards that subsuppliers and subcontractors need to comply with. The policy requires that all subcontracting activities be fully disclosed and approved in advance, ensuring transparency and control over all production sites. Suppliers must register subcontractors on the Sustainability Hub, comply with the same social and environmental standards, and be responsible for monitoring their practices. Unauthorised subcontracting is strictly prohibited, as it undermines traceability, oversight and the effective management of supply chain risks. Please refer to Chapter “3.2 Workers in the value chain – S2”, paragraph “Policies related to value chain workers [S2-1]” for further information.

Modern Slavery Policy for Partners

In line with its obligations under the UK Modern Slavery Act, Stella McCartney has established comprehensive supplier management frameworks that address both environmental and social risks. The Modern Slavery Policy for Partners serves as a foundational document that establishes clear expectations for suppliers regarding forced labour and modern slavery prevention. This policy, which all direct suppliers must sign and comply with, encompasses human trafficking, slavery, forced labour, and child labour, providing guidance on best practices and risk management. The policy development reflects Stella McCartney’s collaborative approach with partners and alignment with international standards. Please refer to Chapter “3.2 Workers in the value chain – S2”, paragraph “Policies related to value chain workers [S2-1]” for further information.

PROTECTION OF WHISTLEBLOWERS [G1-1]

As presented within the section “Policies related to business conduct [G1-1]”, Stella McCartney has implemented an anonymous grievance and whistleblower protection reporting system called SpeakUp®, to report any concerns related to the Company’s own operations. The tool is accessible to employees and suppliers, is available 24/7 and is managed by the People & Culture Team.

The SpeakUp® platform is provided by People Intouch, experts in misconduct reporting. Training was provided to Stella McCartney staff, suppliers and workers on how to use the tool. An internal monitoring committee was set up to oversee the mechanism and ensure it operates in line with the criteria defined by the UN Guiding Principles on Business and Human Rights. Following the initial implementation, each time a new supplier is onboarded, the SpeakUp® Policy is shared along with the related posters, which are requested to be displayed at the supplier’s production sites.

The SpeakUp® Platform ensures that the identity of the person making the report, the person named in the report as well as the content of the report and related documents, remain confidential. Once a report is submitted, SpeakUp® will forward it to the Company. The reporting individual can also choose to submit a report completely anonymously.

There are two ways to use the SpeakUp® system: by leaving a voice message on the phone or by typing up a message via the website, in all languages. Subsequently, People Intouch processes the message including transcription and translation where needed and provide it to the Stella McCartney teams that could ask for additional information or clarification from the reporter and, after an investigation and remediation process, provide a reply. In 2025, no cases have been reported through the SpeakUp® tool.

Moreover, Stella McCartney Italia Whistleblowing Procedure outlines protective measures provided to guarantee privacy to avoid the occurrence of retaliatory behaviour and, also, the measures to protect against retaliation of workers who are whistleblowers. In the first instance, the protection of the confidentiality of the whistleblower is guaranteed by adopting suitable methods of handling the report, disclosure or complaint which allows the identity of the whistleblower to be protected and kept confidential. In the second instance, protection is implemented through the possibility of reporting to ANAC (National Anti-Corruption Authority) in case of alleged retaliation, through which a procedure is initiated to ascertain the connection between the report and the retaliation. In the event of an anonymous report, the subsequently identified reporter can as well inform ANAC and benefit from the protection that the decree guarantees against retaliatory measures.

Beyond following up on reports by whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937, Stella McCartney has further procedure to investigate business conduct incidents, managed by the Grievance Policy.

The procedure is used in case of labour related complaints, and the policy outlines the process adopted in those cases. Particularly, it is recommended, if the parties involved agree, to take the path of mediation through the appointment of a third-party mediator, who will discuss the issues raised by the grievance with all of those involved and seek to facilitate a resolution.

Where mediation is not feasible, the People & Culture Team will investigate the grievance, arrange a meeting and find a resolution to the grievance. Individuals can also appeal, and the hearing will be held by an independent hearing chain and attended by an HR representative, as soon as is reasonably practicable.



Animal welfare

Since the establishment in 2001, Stella McCartney has maintained a cruelty-free, vegetarian approach, a groundbreaking position at both its foundation and present day, a revolutionary stance both then and now. As a lifelong vegetarian, for a moral and ethical choice, Stella McCartney consistently avoids using leather, fur, skins, feathers or animal-based glues in her collections (including collaborations or licensed products), setting a standard for the use of cruelty-free alternative materials. Initially, this was a unique position in the fashion industry, but now many others adopt similar practices, which ultimately highlights the influential role of Stella McCartney within the fashion industry.

The commitment to prioritising 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.

The Company will persist in its efforts to foster a fashion industry that is nature-positive and cruelty-free. Stella McCartney will utilise her voice and the brand's platform to advocate against regulations that impede or excessively tax vegan alternatives.

Despite having banned leather, fur, feathers that are animal-derived, as well as virgin cashmere, mohair and camel, animal fibres like sheep and alpaca wool, silk, and recycled cashmere are utilised in Stella McCartney's products.

However, the brand rejects association with animal cruelty or any practices that cause harm to animals, therefore, considerable attention is paid to the breeding practices from which these materials come, to ensure that the animal's welfare is guaranteed first and foremost.

In particular:

— Alpaca wool comes only from Inca Tops, a Peruvian company leader in the processing and production of alpaca wool yarns, as Stella McCartney considers its methods to be reliable, additionally they are certified RAS (Responsible Alpaca Standard);

— Silk is entirely Global Organic Textile Standard (GOTS)-certified;

— Recycled cashmere comes from pre-consumer waste or industrial waste and is certified GRS (Global Recycling Standard);

— From 2024 only certified wool is used, either RWS (Responsible Wool Standard), and NATIVA™ or Q which apply regenerative farming practices.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY [G1-3, G1-4]

Stella McCartney has implemented a structured and comprehensive framework to prevent, detect, and respond to incidents of corruption and bribery, enforced by the Anti-bribery and corruption Policy.

Prevention

— The brand enforces a zero-tolerance policy on bribery and corruption applicable globally, regardless of jurisdiction;

— Clear guidelines are provided on gifts, hospitality, facilitation payments, and interactions with third parties;

— Employees must seek approval for offering or accepting gifts/hospitality and are prohibited from offering monetary or inappropriate personal benefits;

— Risk indicators and red flags are outlined to guide employees in identifying potentially corrupt behaviours in business dealings;

— Due diligence is implied in third-party engagements, including suppliers and public officials.

Detection

Employees are encouraged to report concerns or suspicions of corruption via several channels:
—Their Line Manager;

—The People & Culture Team;

— The Speakup® platform.

Response and Investigation

Reports are managed through People & Culture or Ethics & Compliance functions, with investigations conducted objectively. While the policy does not designate a formal investigating committee, reports are managed by functions independent from the operational chain of command involved in the matter, ensuring a degree of structural independence to investigations and protection against bias or conflict of interest. Should a member of the committee that handles and investigates be involved in the case, a back-up person is defined. The policy ensures that privacy and confidentiality are respected throughout the investigation process.

The anti-bribery and corruption Policy is made available through the Policy Hub, an online platform, and a dedicated communication sent by email.

In 2025, as in 2024, Stella McCartney was not involved in any convictions for violations of anti-corruption and anti-bribery laws and, therefore, did not register any related fines.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES [G1-5]

Stella McCartney plays a vital role in guiding transformations in mindsets, actions, and lifestyles among the diverse customer base and within the fashion sector. Advocacy lies at the heart of Stella McCartney as a brand, with a strong commitment to serving as a catalyst for constructive change within the fashion industry and beyond. The platform is leveraged as an educational resource to raise awareness about key concerns, which include preserving the planet for future generations, promoting a world without cruelty, and ensuring the well-being of the individuals within the supply chain.



Activism

In 2008, the brand's commitment towards sustainable fashion was furthered by the introduction of organic cotton, supporting a more compassionate approach within the fashion industry – one that respects both humanity and the planet.

The brand's attitude and stance are encapsulated in the core values that form the foundation of its marketing and communication strategy, particularly:

— A cruelty-free ethos;

— Living in harmony with mother earth by supporting regenerative practices that respect natural resources;

— Promotion of circularity and waste reduction;

— Conservation and protection;

— Pioneering material innovations, including supporting the next generation of visionaries.

Stella herself is the key ambassador and advocate the brand's core values. The Company also partners and collaborates with innovators, next-generation activists and organisations that share its own values and principles.

In order to have a positive impact, Stella McCartney leverage its influence to work with public and private leaders to transform policies, practices and legislation. In addition, it actively participates in important global events such as the United Nations' COP Climate Change Conferences.

Stella McCartney was not engaged in any political influence or lobbying work in 2025.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS AND PAYMENT PRACTICES [G1-2, G1-6]

Suppliers' management [G1-2]

Experience has shown that a collective and holistic approach to addressing the complex issues surrounding human rights and the environment is the most effective. A better understanding of supply chain risks allows for more concrete preparation and prevention of potential issues. For this reason, environmental and human rights risks within the supply chain are regularly assessed to the best of the brand's ability, considering external factors such as local politics and climate change. The Company focuses on engaging local stakeholders and experts to ensure awareness of the current trends in its sourcing regions and to increasingly predict and prevent human rights risks as well as assess and address them.

Moreover, mapping and understanding the supply chains beyond direct relationships is one of the Company's key priorities. Stella McCartney, before starting a collaboration with a new supplier, takes into account social and environmental criteria in its selection. Indeed, the Company requires all product manufacturing sites to be assessed against Company's standard and approved before production can begin. Please refer to Chapter "3.2 Workers in the value chain – S2", paragraph "Actions [S2-4] for further information".



In particular, Stella McCartney performs different type of assessments and audits, based on the risk assessment previously conducted, to make sure they are in line with brand's standards and values.

The Company maintains close relationships with the majority of its suppliers, recognising that direct collaboration is essential for consistently meeting brand standards. Stella McCartney values honest and transparent relationships with its suppliers above all. The Company 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 is working to achieve 100% traceability of its supply chain across all tiers, especially down to the farm level.

By providing Stella McCartney with accurate information about the supply chains, 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 to all its direct Tier 1 and Tier 2 suppliers to share details regarding the manufacturing sites involved in Stella McCartney production (including factories, subcontractors, homeworkers and subsuppliers), as well as locations and supplier contact information. Moreover, it is requested to suppliers to share evidence of monitoring labour and environmental standards of the manufacturing sites listed and any available documentation related to sustainability commitment, such as third-party certifications. This process has been implemented in the Sustainability Hub from 2025 in order to move toward the supply chain digitalisation. Investments in such a digitalised system will progressively prevent disruptions to business operations from a sustainability risk management perspective within the supply chain.

After a first trial test in 2024, in 2025, an internal system for rating suppliers has been fully implemented and operated throughout the year. The scoring system is fed by the Sustainability and Operations Teams, who evaluate all direct product and raw materials suppliers at every collection launch. The evaluation considers different sustainability aspects, including social performance based on audit results, environmental performance, traceability and communication effectiveness.





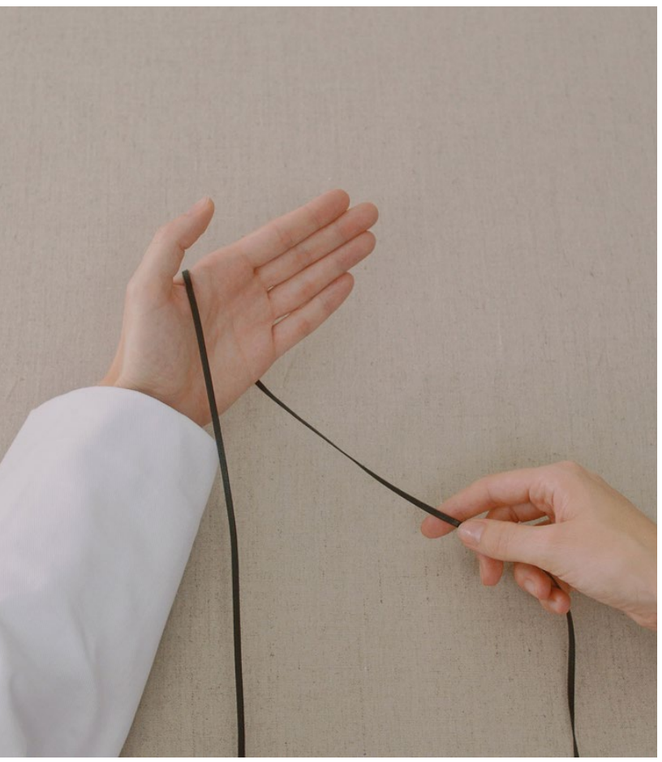


TABLE 33 - PERCENTAGE OF SUPPLIERS WITH A BREAKDOWN BY COUNTRIES FOR TIER 1 AND TIER 2

COUNTRY	UOM	2024	2025
Italy	%	84%	84%
Spain	%	3%	7%
Portugal	%	4%	2%
Romania	%	1%	2%
Bulgaria	%	< 1%	1%
France	%	1%	1%
Turkey	%	1%	1%
Others*	%	3%	2%

The remaining 2% of 2025 Tier 1 and 2 product suppliers, reported in the category “Other” is split between Albania, Australia, Colombia, Hungary, India, Madagascar for Tier 1 and Japan and South Korea for Tier 2. All these countries account for less than 1% each. In 2024, the “Others” category was composed of 3% of Tier 1 and Tier 2 suppliers, split between Albania, Australia, Bulgaria, Colombia, Hungary and Madagascar in Tier 1, and Austria, China, Peru, South Korea and the USA in Tier 2, each accounting for less than 1%; the remaining 3% was composed of India, Japan and Poland, each accounting for 1%.

TABLE 34 - NUMBER OF TIER 1 AND TIER 2 SUPPLIERS

TIER	UOM	2024	2025
Tier 1 direct suppliers	n.	69	68
Tier 1 indirect suppliers	n.	155	122
Total Tier 1 suppliers	n.	224	190
Tier 2 suppliers	n.	237	215

Sustainability Hub

In 2019, Stella McCartney introduced its Sustainability Hub for suppliers. The Hub is an online platform and the main instrument for communicating and exchanging information with suppliers on social perspective, with the aim to progressively integrate also the environmental information. Indeed, suppliers can submit information about their own facilities, their subcontractors and raw material suppliers. Additionally, the Hub provides a space for direct suppliers to read and sign policies. This helps ensure that the supply chain mapping can be updated on a continuous basis and to have a full picture of it and its associated risks.

Throughout 2024 and 2025, significant work has been done to strengthen and update the Sustainability Hub by implementing new sections that would allow the Company to take important steps toward the digitisation and traceability of the supply chain.

In particular, supply chain mapping by collection has been integrated, supported by enhanced data analysis capabilities. This allows the identification of the suppliers, subcontractors, subsuppliers and factories involved in the production of each collection, as well as the number of suppliers by business unit. From 2025, the relevant business units provide the list of suppliers involved in each collection, based on which active Tier 1 and Tier 2 suppliers are tagged within the platform. These suppliers are notified, via dedicated communication sent through the Sustainability Hub, that a new collection has been added to the platform and are asked to complete collection-specific information separately, including details relating to subcontracting. Reminder notifications are sent where needed to ensure completion.

Additional platform enhancements were implemented in 2025, the introduction of digital signing (e-signature) for relevant policies, including the product compliance policies such as the Product Restricted Substances List (PRSL), directly through the platform. As a result, the Sustainability Hub now supports a more structured and active monitoring approach, rather than functioning solely as a repository of information.

Given the changes made and progressive enhancement of the platform, as well as for raising awareness in all Business Units regarding social aspects main risks, Stella McCartney has internally trained its staff on the Sustainability Hub updates in 2025.

Traceability

Throughout 2025, Stella McCartney worked on a pilot project aimed at progressively align to the Digital Product Passport (DPP) framework and increased traceability of its products value chain. These efforts are done not only to align with and anticipate the regulatory requirements of the Eco-design for Sustainable Products Regulation (ESPR), but also because the DPP is seen as an opportunity to enhance the brand’s communications around its value chain and the customers’ awareness on the traceability journey Stella McCartney is leading. In this context, the DPP is also positioned as a strategic tool to communicate the full sustainability value of products to clients, going beyond single product claims and enabling a broader understanding of the brand’s practices. More broadly, the DPP initiative is positioned as a company-wide transformation requiring alignment across multiple functions, allowing Stella McCartney to keep its position of leader and pioneer in sustainable fashion.

Stella McCartney’s traceability journey began in 2022 with a blockchain pilot conducted alongside the United Nations Economic Commission for Europe (UNECE) and regenerative cotton supplier SÖKTAŞ. The initiative aimed to assess blockchain’s potential to improve cross-border trade and supply chain transparency by streamlining the exchange of key documents such as certificates of origin and customs declarations. Through UNECE’s “transparency evidence” platform, the pilot provided verifiable proof of production practices, supported by authorised certifications from standard-setting bodies.

The Snog-a-Log Regenerative Cotton T-Shirt served as the pilot case, enabling full traceability across the value chain, from farm to retail. Following the pilot, a Classic Cotton Shirting product was developed using regenerative cotton sourced from SÖKTAŞ.

Throughout 2025, Stella McCartney worked further to increase its traceability efforts through a four-fold approached across 5 product codes from the Winter 2025 Collection.

1. **Physical traceability.** In 2025 Stella McCartney worked on integrating RFID (Radio-Frequency Identification) technology (UHF long distance reading and NFC short distance reading) physically in Stella McCartney products. The UHF (Ultra-High Frequency) tags are used to support inventory management across logistics and retail, with the NFC (Near Field Communication) integrated with the Digital Product Passport to be read by customers upon scanning. This pilot project allowed the brand to understand the most appropriate placement of the tags within its products across its business units of Ready-to-Wear, Bags, and Shoes, and the hardware integrations with suppliers for the encoding of the tags. Therefore, the pilot implementation relied on a dual-tag system combining embedded UHF tags for internal traceability and logistics with external NFC cards enabling customer interaction, authentication, and digital warranty activation.

2. **Logical traceability**. The brand made progress, together with its suppliers, to obtain product sustainability and supply chain data to test full integration of logical traceability from data collection of 5 selected Stella McCartney SKUs (from the Bags business unit) and corresponding suppliers to be ready for publishing results for alignment with AGEC (France Anti-Waste Law for a Circular Economy) and DPP requirements on a dedicated DPP integration. The information collected included, but was not limited to, product description and composition, and especially value chain traceability information, in terms of locations of operations of manufacturing and material processing phases, up to the highest tiers of the supply chain... This workstream combined brand-level product data collection and supplier mapping for key materials, forming the main information to feed the DPP data framework.

3. **Digital Product Passport.** Following the proof of concept completed in 2024, Stella McCartney explored how it could leverage a DPP platform to create Digital Twins for each individual product unit, along with dedicated customer experience. This includes access to sustainability and traceability information, product authentication, ownership claims, and potential circular initiatives. In 2025, the brand moved from concept to testing by implementing the DPP on 500 units, covering 5 different product codes within the bags category. The pilot enabled Stella McCartney to test the functionality of the solution under real market conditions and assess its potential to support both traceability objectives and customer engagement. Building on the results of the pilot, Stella McCartney is currently progressing the expansion of the Digital Product Passport across its product portfolio.

4. **Blockchain**. As part of the overall pilot project, the last step is also the use of the blockchain technology for data storage, credibility, and guarantee, to further ensure the Digital Product Passport reliability. In this context, in 2025, the provider selected for the development of the DPP digital twin also provided the blockchain technology used as a secure infrastructure for DPP data management and traceability verification, which is automatically implemented on every DPP produced.

The full roll-out of the traceability platform supporting the Bags category is expected by the end of 2026, while the Digital Product Passport, including the use of blockchain technology, is planned to be fully implemented across all Bags products during the first half of 2027. Ready-to-Wear and Shoes are expected to follow, with onboarding activities on the traceability platform scheduled to begin in September 2026 and DPP roll-out planned throughout 2027.

TABLE 35 – NUMBER OF UNITS INCLUDED IN THE TRACEABILITY PROJECTS

TRACEABILITY PROJECTS		UOM	2024	2025
Physical Traceability	RFID technology into Stella McCartney products	Number of product codes (SKUs)	4	5(502 UNITS)
Logical Traceability	Product value chain traceability and sustainability data	Number of product codes (SKUs)	12	5(502 UNITS)
Digital Product Passport	Implementation and pilot deployment of a DPP associated to products, including the use of blockchain technology	Number of product codes (SKUs)	4	5(502 UNITS)

PAYMENT PRACTICES [G1-6]

As part of its commitment to maintaining timely and responsible payment practices including to SMEs, Stella McCartney records the agreed payment terms when creating supplier master data in the SAP system. These terms are automatically applied to determine invoice due dates and support the efficient management of the payment process. SAP aging reports are generated on a bi-weekly basis to monitor upcoming and overdue payments, categorised by payment method and terms. In addition, reminders received via the dedicated email inbox are regularly reviewed and followed up. As a significant proportion of invoices fall due at month-end, the Company is able to plan payment activities more effectively and support timely settlement.

The average time Stella McCartney takes to pay an invoice, calculated from the date on which the contractual term of payment begins, was 49 days during the 2025 reporting period.

The Company standard payment terms are generally 60 days end of month for production suppliers (raw materials and finished goods) and 30 days for service providers. Production invoices represented 57% of the total number of invoices received and accounted for 68% of the total invoice value. Of these invoices, 74% were subject to 60-day payment terms. Approximately 75% were paid on time, while a further 10% were settled within 30 days of the due date. Service-related invoices represented 43% of the total number of invoices and accounted for 32% of the total invoice value. Of these invoices, 65% were subject to 30-day payment terms. Approximately 50% were paid on time, while 36% were settled within 30 days of the due date.

There are currently no legal proceedings outstanding related to late payments.

The payment practices metrics were calculated on the full set of 2025 invoices, categorised by goods and services and by applicable payment terms, without making use of sampling techniques. The Company monitors invoice aging reports and the value of overdue invoices as key metrics to evaluate performance in relation to payment practices. The metrics above disclosed are based on invoice data extracted from the Company's ERP system. Invoices were categorised by type (goods or services) and by agreed payment terms. Payment timeliness was assessed by comparing the invoice due dates with the actual payment dates recorded in the system. The measurement of the metric is not validated by an external body.

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ESRS E1	Climate Change	E1-8	Internal carbon pricing	Stella McCartney does not currently apply a formal internal carbon pricing system. However, the Company is actively exploring the integration of internal carbon valuation mechanisms as part of its broader climate strategy. The intention is to better align decision-making processes - particularly around sourcing, materials innovation, and investment in nature-based solutions - with the true environmental cost of greenhouse gas emissions. In the future, internal pricing may also serve as a tool to incentivise low-carbon choices across the organisation and support the implementation of climate-related objectives.	Not disclosed

STANDARD	DESCRIPTION	DISCLOSURE REQUIREMENT		NOTES	PAGE NUMBER
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ESRS E2	Pollution	E2-4	Pollution of air, water and soil	The Disclosure Requirement requests information on own operations; however, the related topics were found not to be relevant for the own operations. Therefore, this requirement has not been disclosed.	Not disclosed
ESRS E2	Pollution	E2-5	Substances of concern and substances of very high concern		Not disclosed
ESRS E2	Pollution	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities		Not disclosed
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ESRS E3	Water and marine resources	E3-2	Actions and resources related to water and marine resources		54-55
ESRS E3	Water and marine resources	E3-3	Targets related to water and marine resources		53
ESRS E3	Water and marine resources	E3-4	Water consumption	The Disclosure Requirement requests information on own operations; however, the related topics were found not to be relevant for the own operations. Therefore, this requirement has not been disclosed.	Not disclosed

STANDARD	DESCRIPTION	DISCLOSURE REQUIREMENT		NOTES	PAGE NUMBER
ESRS E3	Water and marine resources	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities		Not disclosed
ESRS E4	Biodiversity and ecosystems	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		60-61
ESRS E4	Biodiversity and ecosystems	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		59
ESRS E4	Biodiversity and ecosystems	IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities		57-58
ESRS E4	Biodiversity and ecosystems	E4-2	Policies related to biodiversity and ecosystems		59-60
ESRS E4	Biodiversity and ecosystems	E4-3	Actions and resources related to biodiversity and ecosystems		61-62
ESRS E4	Biodiversity and ecosystems	E4-4	Targets related to biodiversity and ecosystems		61
ESRS E4	Biodiversity and ecosystems	E4-5	Impact metrics related to biodiversity and ecosystems change	The Disclosure Requirement requests information on own operations; however, the related topics were found not to be relevant for the own operations. Therefore, this requirement has not been disclosed.	Not disclosed
ESRS E4	Biodiversity and ecosystems	E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities		Not disclosed
ESRS E5	Resource use and circular economy	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		64-65
ESRS E5	Resource use and circular economy	E5-1	Policies related to resource use and circular economy		67
ESRS E5	Resource use and circular economy	E5-2	Actions and resources related to resource use and circular economy		68-75
ESRS E5	Resource use and circular economy	E5-3	Targets related to resource use and circular economy		67-68

STANDARD	DESCRIPTION	DISCLOSURE REQUIREMENT		NOTES	PAGE NUMBER
ESRS E5	Resource use and circular economy	E5-4	Resource inflows		75-77
ESRS E5	Resource use and circular economy	E5-5	Resource outflows		77-79
ESRS E5	Resource use and circular economy	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Not disclosed
ESRS S1	Own workforce	SBM-2	Interests and views of stakeholders		80
ESRS S1	Own workforce	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		80-82
ESRS S1	Own workforce	S1-1	Policies related to own workforce	With regard to the following topics: secure employment, adequate wages, social dialogue, freedom of association, collective bargaining, the Company has not defined specific policies, however certain issues are covered through the relevant national collective agreements.	83-86
ESRS S1	Own workforce	S1-2	Processes for engaging with own workers and workers' representatives about impacts		86-87
ESRS S1	Own workforce	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		87
ESRS S1	Own workforce	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		88-91
ESRS S1	Own workforce	S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	With respect to the own workforce, Stella McCartney has not set specific targets yet.	87-88
ESRS S1	Own workforce	S1-6	Characteristics of the undertaking's employees		91-95
ESRS S1	Own workforce	S1-7	Characteristics of non-employee workers in the undertaking's own workforce		Not disclosed
ESRS S1	Own workforce	S1-8	Collective bargaining coverage and social dialogue		Not disclosed
ESRS S1	Own workforce	S1-9	Diversity metrics		95
ESRS S1	Own workforce	S1-10	Adequate wages		96
ESRS S1	Own workforce	S1-11	Social protection		Not disclosed
ESRS S1	Own workforce	S1-12	Persons with disabilities		Not disclosed
ESRS S1	Own workforce	S1-13	Training and skills development metrics		96
ESRS S1	Own workforce	S1-14	Health and safety metrics		96
ESRS S1	Own workforce	S1-15	Work-life balance metrics		Not disclosed
ESRS S1	Own workforce	S1-16	Remuneration metrics		Not disclosed
ESRS S1	Own workforce	S1-17	Incidents, complaints and severe human rights impacts		Not disclosed
ESRS S2	Workers in the value chain	SBM-2	Interests and views of stakeholders		98
ESRS S2	Workers in the value chain	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		98-103
ESRS S2	Workers in the value chain	S2-1	Policies related to value chain workers		103-106
ESRS S2	Workers in the value chain	S2-2	Processes for engaging with value chain workers about impacts		106-107
ESRS S2	Workers in the value chain	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		107-108
ESRS S2	Workers in the value chain	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers and effectiveness of those action		108-111
ESRS S2	Workers in the value chain	S2-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities		108
ESRS S3	Affected communities	SBM-2	Interests and views of stakeholders		112

STANDARD	DESCRIPTION	DISCLOSURE REQUIREMENT		NOTES	PAGE NUMBER
ESRS S3	Affected communities	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		112-114
ESRS S3	Affected communities	S3-1	Policies related to affected communities		115
ESRS S3	Affected communities	S3-2	Processes for engaging with affected communities about impacts		115
ESRS S3	Affected communities	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns		117
ESRS S3	Affected communities	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		117-118
ESRS S3	Affected communities	S3-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	With respect to the affected communities, Stella McCartney has not currently set specific targets.	Not disclosed
ESRS S4	Consumers and end-users	SBM-2	Interests and views of stakeholders		120
ESRS S4	Consumers and end-users	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		120-121
ESRS S4	Consumers and end-users	S4-1	Policies related to consumers and end-users		122-123
ESRS S4	Consumers and end-users	S4-2	Processes for engaging with consumers and end-users about impacts		123
ESRS S4	Consumers and end-users	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		123
ESRS S4	Consumers and end-users	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end users and effectiveness of those actions	The Company has not currently developed any specific and formalised policies with respect to consumers and end-users' relevant topics including access to quality information, non-discrimination, and responsible marketing practices.	124-128

STANDARD	DESCRIPTION	DISCLOSURE REQUIREMENT		NOTES	PAGE NUMBER
ESRS S4	Consumers and end-users	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	The Company has not currently identified and set targets related to the following relevant topics: non-discrimination and responsible marketing practices.	124
ESRS G1	Business Conduct	GOV-1	The role of the administrative, supervisory and management bodies		5-6
ESRS G1	Business Conduct	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		130-131
ESRS G1	Business Conduct	G1-1	Business conduct policies and corporate culture	Despite the topics of political engagement and lobbying activities turned out to be relevant from the Double Materiality Assessment conducted for the purpose of this report, the company has not currently equipped itself with specific policies to manage the sustainability matter.	132-138
ESRS G1	Business Conduct	G1-2	Management of relationships with suppliers		140-145
ESRS G1	Business Conduct	G1-3	Prevention and detection of corruption and bribery		138-139
ESRS G1	Business Conduct	G1-4	Confirmed incidents of corruption or bribery		138-139
ESRS G1	Business Conduct	G1-5	Political influence and lobbying activities		139-140
ESRS G1	Business Conduct	G1-6	Payment practices		145

ANNEX II

LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

DISCLOSURE REQUIREMENT AND DATAPOINT	REGULATORY REFERENCE	DOUBLE MATERIALITY RESULT	PAGE NUMBER
ESRS 2 GOV-1 21, d)	SFDR, Indicator number 13 of Table #1 of Annex 1 Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		4
ESRS 2 GOV-1 21, e)	Delegated Regulation (EU) 2020/1816, Annex II		4
ESRS 2 GOV-4 30	SFDR, Indicator number 10 Table #3 of Annex 1		8-9
ESRS 2 SBM-1 40 d) i.	SFDR, Indicators number 4 Table #1 of Annex 1 Pillar III, Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk Delegated Regulation (EU) 2020/1816, Annex II		Not disclosed
ESRS 2 SBM-1 40 d) ii.	SFDR, Indicator number 9 Table #2 of Annex 1 Delegated Regulation (EU) 2020/1816, Annex II		Not disclosed
ESRS 2 SBM-1 40 d) iii.	SFDR, Indicator number 14 Table #1 of Annex 1 Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not disclosed
ESRS 2 SBM-1 40 d) iv.	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not disclosed
ESRS E1-1 14	Regulation (EU) 2021/1119, Article 2(1)	Relevant	28
ESRS E1-1 16 g)	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity. Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	Relevant	28
ESRS E1-4 34	SFDR, Indicator number 4 Table #2 of Annex 1 Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics. Delegated Regulation (EU) 2020/1818, Article 6	Relevant	28-31
ESRS E1-5 37	SFDR, Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1	Relevant	34
ESRS E1-5 38	SFDR, Indicator number 5 Table #1 of Annex 1	Relevant	Not disclosed
ESRS E1-5 40-42	SFDR, Indicator number 6 Table #1 of Annex 1	Relevant	35
ESRS E1-5 43	SFDR, Indicator number 6 Table #1 of Annex 1	Relevant	Not disclosed
ESRS E1-6 44	SFDR, Indicators number 1 and 2 Table #1 of Annex 1 Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	Relevant	35-42
ESRS E1-6 53-55	SFDR, Indicators number 3 Table #1 of Annex 1 Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics Delegated Regulation (EU) 2020/1818, Article 8(1)	Relevant	Not disclosed
ESRS E1-7 56	Regulation (EU) 2021/1119, Article 2(1)	Relevant	Not disclosed
ESRS E1-9 66	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	Relevant	Not disclosed
ESRS E1-9 66 (a) ESRS E1-9 66 (c).	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.	Relevant	Not disclosed
ESRS E1-9 67 (c)	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	Relevant	Not disclosed
ESRS E1-9 69	Delegated Regulation (EU) 2020/1818, Annex II	Relevant	Not disclosed
ESRS E2-4 28	SFDR, Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1	Relevant	Not disclosed
ESRS E3-1 9	SFDR, Indicator number 7 Table #2 of Annex 1	Relevant	53
ESRS E3-1 13	SFDR, Indicator number 8 Table 2 of Annex 1	Relevant	Not disclosed
ESRS E3-1 14	SFDR, Indicator number 12 Table #2 of Annex 1	Relevant	Not disclosed
ESRS E3-4 28 (c)	SFDR, Indicator number 6.2 Table #2 of Annex 1	Relevant	Not disclosed
ESRS E3-4 29	SFDR, Indicator number 6.1 Table #2 of Annex 1	Relevant	Not disclosed
ESRS E4 SBM-3 16 (a) i.	SFDR, Indicator number 7 Table #1 of Annex 1	Relevant	Not disclosed
ESRS E4 SBM-3 16 (b)	SFDR, Indicator number 10 Table #2 of Annex 1	Relevant	59

DISCLOSURE REQUIREMENT AND DATAPOINT	REGULATORY REFERENCE	DOUBLE MATERIALITY RESULT	PAGE NUMBER
ESRS E4 SBM-3 16 (c)	SFDR, Indicator number 14 Table #2 of Annex 1	Relevant	59
ESRS E4-2 24 (b)	SFDR, Indicator number 11 Table #2 of Annex 1	Relevant	59-60
ESRS E4-2 24 (c)	SFDR, Indicator number 12 Table #2 of Annex 1	Relevant	59-60
ESRS E4-2 24 (c)	SFDR, Indicator number 15 Table #2 of Annex 1	Relevant	59-60
ESRS E5-5 37 (d)	SFDR, Indicator number 13 Table #2 of Annex 1	Relevant	Not disclosed
ESRS E5-5 39	SFDR, Indicator number 9 Table #1 of Annex 1	Relevant	Not disclosed
ESRS S1 SBM-3 14 (f)	SFDR, Indicator number 13 Table #3 of Annex I	Relevant	80-82
ESRS S1 SBM-3 14 (g)	SFDR, Indicator number 12 Table #3 of Annex I	Relevant	80-82
ESRS S1-1 20	SFDR, Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	Relevant	Not disclosed
ESRS S1-1 21	Delegated Regulation (EU) 2020/1816, Annex II	Relevant	Not disclosed
ESRS S1-1 22	SFDR, Indicator number 11 Table #3 of Annex I	Relevant	Not disclosed
ESRS S1-1 23	SFDR, Indicator number 1 Table #3 of Annex I	Relevant	Not disclosed
ESRS S1-3 32 (c)	SFDR, Indicator number 5 Table #3 of Annex I	Relevant	87
ESRS S1-14 88 (b), (c)	SFDR, Indicator number 2 Table #3 of Annex I Delegated Regulation (EU) 2020/1816, Annex II	Relevant	96
ESRS S1-14 88 (e)	SFDR, Indicator number 3 Table #3 of Annex I	Relevant	96
ESRS S1-16 97 (a)	SFDR, Indicator number 12 Table #1 of Annex I Delegated Regulation (EU) 2020/1816, Annex II	Relevant	Not disclosed
ESRS S1-16 97 (b)	SFDR, Indicator number 8 Table #3 of Annex I	Relevant	Not disclosed
ESRS S1-17 103 (a)	SFDR, Indicator number 7 Table #3 of Annex I	Relevant	Not disclosed

DISCLOSURE REQUIREMENT AND DATAPOINT	REGULATORY REFERENCE	DOUBLE MATERIALITY RESULT	PAGE NUMBER
ESRS S1-17 104 (a)	SFDR, Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	Relevant	Not disclosed
ESRS S2 SBM-3 11 (b)	SFDR, Indicators number 12 and n. 13 Table #3 of Annex I	Relevant	102
ESRS S2-1 17	SFDR, Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1	Relevant	Not disclosed
ESRS S2-1 18	SFDR, Indicator number 11 and n. 4 Table #3 of Annex 1	Relevant	103-106
ESRS S2-1 19	SFDR, Indicator number 10 Table #1 of Annex 1 Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) Delegated Regulation (EU) 2020/1816, Annex II	Relevant	Not disclosed
ESRS S2-4 36	SFDR, Indicator number 14 Table #3 of Annex 1	Relevant	110
ESRS S3-1 16	SFDR, Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1	Relevant	112
ESRS S3-1 17	SFDR, Indicator number 10 Table #1 Annex 1 Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Relevant	Not disclosed
ESRS S3-4 36	SFDR, Indicator number 14 Table #3 of Annex 1	Relevant	Not disclosed
ESRS S4-1 16	SFDR, Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	Relevant	Not disclosed
ESRS S4-1 17	SFDR, Indicator number 10 Table #1 of Annex 1 Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Relevant	Not disclosed
ESRS S4-4 35	SFDR, Indicator number 14 Table #3 of Annex 1	Relevant	Not disclosed
ESRS G1-1 10 (b)	SFDR, Indicator number 15 Table #3 of Annex 1	Relevant	132
ESRS G1-1 10 (d)	SFDR, Indicator number 6 Table #3 of Annex 1	Relevant	Not disclosed
ESRS G1-4 24 (a)	SFDR, Indicator number 17 Table #3 of Annex 1 Delegated Regulation (EU) 2020/1816, Annex II)	Relevant	138-139
ESRS G1-4 24 (b)	SFDR, Indicator number 16 Table #3 of Annex 1	Relevant	Not disclosed

STELLA McCARTNEY