STELLA McCARTNEY

SUSTAINABILITY STATEMENT 2024

Message from Stella

“At Stella McCartney, from day one, we refused leather, fur, feathers, and skins. We’ve worked with spider silk spun in labs, grown handbags from mushrooms, and turned apple waste into shoes. We’ve saved hundreds of millions of animal lives, protected forests, and kept countless tons of waste out of landfills. And we’ve proven you don’t have to sacrifice craft, fit, or style to do the right thing.

But this is bigger than fashion. It’s about people. The same hidden industries that exploit animals also endanger workers, pollute communities, and strip away dignity. When we talk about sustainability, we must talk about human welfare too.

Fashion is not just about what we wear. It is about the health of our planet, our people, and our future. We need to rethink fashion. Support conservation. Believe that change is possible—because it is.”

- STELLA MCCARTNEY, CREATIVE DIRECTOR

Message from our CEO

“At Stella McCartney, we are changing the future of fashion. We are pioneering a better tomorrow for all, today – showing Our industry that you can celebrate women and create effortless desirability, without compromising on sustainability. We are uniquely creating collections that consumers want from the conscious materials our planet needs, and I hopeother brands will follow in our lead.”

- TOM MENDENHALL, CHIEF EXECUTIVE OFFICER

Message from our CSO

“Our commitment to sustainability is our driving force – at the very core of our design, innovation, and creativity. In line with this purpose and our core values, this year we are presenting a new report that represents a transition towards a more structured approach to sustainability reporting. A step ahead to reinforce our contribution to the harmonization of the ESG disclosures across the whole industry, knowing that a transparent and effective communication with all stakeholders is key. Together, and with Stella’s leadership, we continue to invest in crafting a new legacy of conscious and sustainable business, where transparency and responsibility walk hand-in-hand.”

- 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 Sustainability Statement 2024 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.

The qualitative and quantitative information presented in this Statement refers to the performance of Stella McCartney Group for the financial year ending 31 December 2024 and are inspired by the European Sustainability Reporting Standards (ESRS).

This Statement represents a transitional and voluntary disclosure between the previously published annual Impact Report and the future statements that will progressively align with the CSRD legislative requirements.

The reporting scope also includes the upstream and downstream value chain, to the extent permitted by available information. 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 to product end-life. These aspects are explored 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.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES [BP-2]

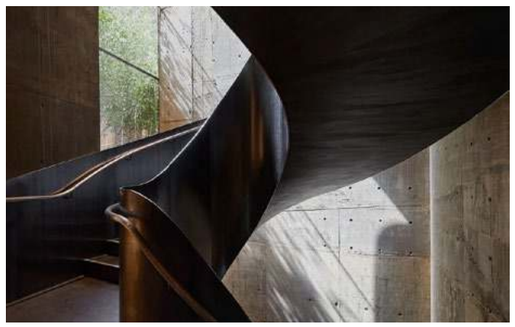
Stella McCartney has established time horizons divided into short, medium, and long term in the context of the Double Materiality Assessment, based on the guidelines provided by the ESRS Standards, in particular ESRS 1, section 6.4, paragraph 77, as follows:

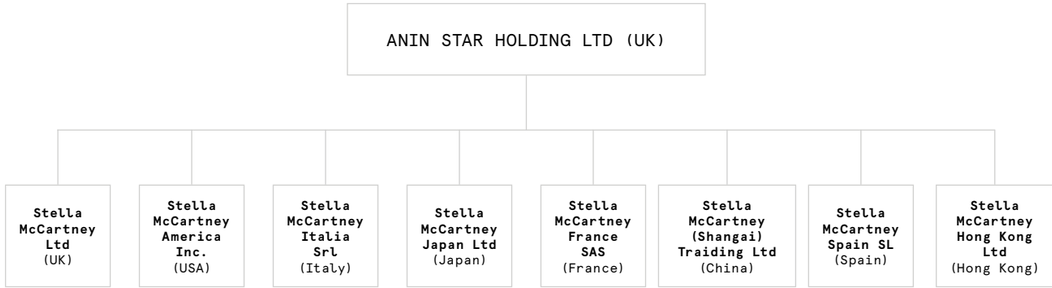
- **Short-term horizon:** the financial reporting period, one year,
- **Medium-term horizon:** from 1 to 5 years,
- **Long-term horizon:** more than 5 years.

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, in particular for the calculation of Scope 3 emissions. These metrics includes estimates using indirect upstream and downstream value chain data. The methodology and accuracy level are described in chapter "2.1 Climate Change - E1".

Comparative data from previous years is provided for certain metrics, mainly environmental ones, however, no discrepancies between current and prior-year data are registered.





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

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. Being a holding company, no management or supervisory bodies are present, 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 management's 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 in 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 amongst 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 2024

LEGAL ENTITY	COMPOSITION OF THE BOD	NUMBER OF MEMBERS	MEMBER IDENTITY
Anin Star Holding Ltd	Executive members	5	· Stella Nina Willis · Helen Newman · Divesh Makan · Jean-Jacques Guiony · Antonio Belloni
	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	· Amandine Ohayon · Serena Cova
	Non-executive members	1	· Helen Newman
Stella McCartney America, Inc.	Executive members	2	· Amandine Ohayon · Helen Newman
	Non-executive members	0	

All the Boards of Directors mentioned above have 100% non-independent members.

Other Stella McCartney Group subsidiaries are composed by a sole director, in particular:

- **Stella McCartney Japan Ltd:** Kazuyuki Ozawa is the sole director.
- **Stella McCartney France SAS:** Helen Newman is the sole director.
- **Stella McCartney Spain SL:** The sole director was Elise Paroche, an experienced Group CFO based in the UK, replaced in June 2024 by Olivier Girardon as the new Group CFO, also based in the UK.
- **Stella McCartney Hong Kong Ltd:** Before May 2024, the company was characterised by a Board of Directors, then Amandine Ohayon became the sole director.
- **Stella McCartney Shanghai Trading Ltd:** Before April 2024, the company was characterised by a Board of Directors, then Helen Newman became the sole director.

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

TABLE 2 – BOARD OF DIRECTORS GENDER DIVERSITY

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

TABLE 3 – SOLE DIRECTORS GENDER DIVERSITY

LEGAL ENTITY	GENDER	NUMBER OF MEMBERS	%
Stella McCartney Japan Ltd	Male	1	100%
	Female	0	0%
Stella McCartney France SAS	Male	0	0%
	Female	1	100%
Stella McCartney Spain SL	Male	1	100%
	Female	0	0%
Stella McCartney Hong Kong Ltd	Male	0	0%
	Female	1	100%
Stella McCartney Shanghai Trading Ltd	Male	0	0%
	Female	1	100%

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

The Group has established a governance framework that aligns with the company's characteristics and operational conditions to promote a robust 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 directing the sustainability agenda, ensuring that environmental and social values are embedded in every aspect of the brand. It is her personal commitment to bring this message forward through her company.

As far as the Internal governance is concerned, at the highest level, the responsibility to meet both environmental and social responsibility, as well as human rights requirements, sits 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 on one side by the Sustainability Team and on the other by a dedicated body, the Ethics & Compliance Committee.

Sustainability Team

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

The Sustainability Team is in charge of monitoring ESG topics linked to both the company and its value chain. The department is split 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 in the Head Office (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 (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. The 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 created with the mission to ensure that the company operates with integrity by overseeing ethical standards and compliance with laws and internal policies. Among the committee's areas of intervention are the fight against corruption and bribery; the compliance with anti-money laundering laws; the duty of care and human rights; the compliance with international sanctions programs; and data protection.

The Ethics & Compliance Committee is currently composed by 4 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 rollout of the Ethics & Compliance programme and the implementation of the actions established to achieve each objective, and to encourage practice sharing between departments.

The Committee is supported by Ethics & Compliance correspondents, whose role is coordinate the roll-out of the compliance program, overseeing training and awareness, 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 BoD.

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 weekly in short sessions and monthly in more in-depth meetings. 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 with it. 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 (IROs) identified through the company's Double Materiality Assessment (DMA). These identified IROs 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 the 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 has planned the development of 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 under consideration relates to the Chief Sustainability Officer and Sustainability Team, whose performance are more directly assessed against specific sustainability-related targets and impacts, due to the nature of their roles and responsibilities, as well, experimentally (with the aim of checking the method for future extensions to a wider group of executives), 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 except for the Chief Sustainability Officer and the Sustainability Team. Nonetheless, 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 4 – 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, collaborating with local communities along the supply chain and improving responsible sourcing practices. The brand designs and sells consciously crafted luxury products, while all manufacturing is outsourced to external suppliers.

Recognising the importance of biodiversity and the ecosystem; as a fashion brand dependent on natural resources, Stella McCartney seeks to minimise 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. Since Stella McCartney considers sustainability to be crucial and rooted in its identity, it has identified five key pillars:

- **Materials and innovation:** Sustainability starts with the product and materials, this is why Stella McCartney puts particular attention to the materials used. This is reflected by the company's strong emphasis on material circularity and use of innovative next-generation materials.
- **Emissions control:** The company pays special attention to the environment and its emissions, carrying out an annual carbon footprint that allows it to monitor progress towards its goals, validated by the Science Based Target Initiative (SBTi). In particular, Stella McCartney is committed to achieve net-zero emissions by 2040 in line with the latest climate science and the Paris Agreement.
- **Traceability:** Traceability is a core pillar of Stella McCartney's Sustainability strategy. This matter requires significant commitment and close collaboration with suppliers to ensure traceability of products throughout each step of the supply chain, up to the origin of the raw materials.
- **Biodiversity:** Stella McCartney is strongly focused on the protection of biodiversity, as demonstrated by its commitment to supporting and encouraging Regenerative Agriculture, an approach to support biodiversity, for several years.
- **Social compliance:** The company has a very thorough approach when it comes to social compliance by ensuring that it operates in conformity with regulations and by strictly controlling its supply chain, on which it carries out regular audits. It has defined a specific evaluation process that has to be carried out before starting to work with a new supplier and a strict control regarding the respect of human rights along 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 as well as work done on this working area is exposed into the annual Modern Slavery Statement (last disclosure available here).

Stella McCartney's products

Stella McCartney offers a range of luxury fashion products that are conciously designed to drive awareness of sustainability and ethical sourcing topics. 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 like leather, fur and feathers. Instead, the company embraces vegan and plant-based alternatives, including fungi-based alternative to leather or material derived from grapes. Bags and accessories, including the iconic Falabella bag, as well as footwear are designed using, among others, recyclable materials or bio-based components, offering cruelty-free options and incorporating disassembly-ready 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 significantly shapes and supports its sustainability mission. Its key markets include Western Europe (especially the UK, France and Italy), North America (notably the US) and rapidly growing interest in Asia, particularly Japan and South Korea. These regions are not only fashion-forward but also increasingly driven by environmental and ethical concerns.

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 engages customers who value longevity and innovation in fashion.

Stella McCartney delivers tangible outputs through its innovative, lower impact product lines, which offer customers high-quality, cruelty-free fashion that aligns with their environmental and ethical values. For investors, the brand's leadership in sustainable innovation enhance 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, Japan and rest of Asia to manage retail operations, regional marketing and sustainability initiatives globally.

TABLE 5 - TOTAL EMPLOYEES BY GEOGRAPHIC AREA

GEOGRAPHIC AREA	NUMBER OF EMPLOYEES
Europe	373
Japan and APAC	131
US	40
TOTAL EMPLOYEES	544

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; instead, it relies on a network of carefully selected external partners for manufacturing. As such, internal functions are focused 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 sustainable 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, digital, 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 in ensuring compliance with international standards and local regulations.

Upstream

This phase covers all activities within the product supply chain. The process begins from key raw materials used by the brand, including wool, cotton, wood and derivatives, metals and plastics, including bio plastics. The chain continues with raw materials transformation and processing across defined tiers, arriving at final product assembly.

In details:

- **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 (design, quality control, procurement and sustainability) and include both direct suppliers and their subcontractors and sub-suppliers that are indirect suppliers for the company.
- **Tier 2 – Materials manufacturing:** this tier involves suppliers who 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 textile 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 – what 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 delivering the brand's sustainable vision to the market. Products are sold through a combination of owned retail stores, which are however part of the core operations, franchise partners, wholesale partners, such as department stores and multi-brand 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, offering transparency about materials, production methods and care instructions.

Following 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 minimise 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 adopts 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 gather stakeholder perspectives on sustainability-related topics in order to integrate them into the company's Double Materiality Assessment, which supports this Sustainability Statement. The results of the engagement process are considered for potential refinement of the internal materiality assessment. The company applies a direct engagement methodology, involving stakeholders through different approaches. In particular, Stella McCartney developed and organised:

- **Online survey:** distributed to selected stakeholder groups.
- **Online focus groups:** conducted both with stakeholder of the upstream and downstream value chain.
- **In-person focus group:** held during a full-day event that served as a platform for open dialogue on sustainability across the fashion sector.

The outcomes of the engagement were aggregated and analysed as part of the company's impact, risk and opportunity assessment. 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 helped Stella McCartney deepen its understanding of stakeholder interests, particularly regarding ethical sourcing, innovation in sustainable materials, circularity, transparency and the broader role of fashion in addressing climate and social challenges.

TABLE 6 – 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, ...).	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 in order to address issues affecting the fashion industry (e.g. labour conditions, environmental issues, ...)	
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	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, ...)	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.

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 Statement. Specifically, the ESRS reporting standards introduced by the CSRD Directive (EU 2022/2464) require 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

The understanding of the context, 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, internal context analysis was conducted based on company's documentation, while external context analysis included benchmarking against competitors, institutional sources and the regulatory framework. This encompassed 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 organizations 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. Additionally, 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 results of its stakeholder engagement conducted, both survey and 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 matters, 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 7 – 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**	✓	✓	

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, own stores, 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 transitional risks.

TABLE 8 – 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 ano 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.

Stella McCartney initiated to structure a climate resilience analysis in 2024, with the support of external experts, with the aim to assess both physical and transition risks related to climate change and strengthen the resilience of its business model. In addition, this analysis will support the company in planning more effectively, reducing risks and strengthening its adaptive capacity.

The analysis incorporates a preliminary application of climate scenario analysis, referencing Intergovernmental Panel on Climate Change (IPCC) pathways (e.g., Shared Socioeconomic Pathways - SSPs - and Representative Concentration Pathways - RCPs).

Multiple time horizons are being adopted in the ongoing resilience analysis, to ensure consistency with both climate science and the company's strategic planning:
- Short to medium term (up to 2030): this 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 IPCC climate scenarios 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, such as offices and stores assessing climate-related risks and opportunities to transition toward a more sustainable model;
- The value chain, especially suppliers involved in raw material and finished product manufacturing, with whom Stella McCartney collaborates on decarbonisation and regenerative practices;
- The geographic areas where the company operates, focusing on potential impacts from extreme weather events.

As the resilience analysis is still ongoing, the results, including those from scenario analysis, are not yet available. Once the process is completed, they will be shared and integrated into Stella McCartney's strategic planning.

The company is, nonetheless, gradually strengthening its ability to adapt its strategy and business model to climate change.

Current efforts include a shift to renewable energy, product innovation, supplier engagement and internal training.

POLICIES RELATED TO CLIMATE CHANGE [E1-2]

Stella McCartney has not yet adopted a formal standalone policy specifically addressing material sustainability matters such as climate change mitigation, adaptation and energy. 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 by active collaboration between the Board of Directors and the Leadership Team and are monitored through internal tools and 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 will be further integrated into the company's formal policy upon its development.

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, the approach to managing climate-related impacts, risks and opportunities will be formalised in a dedicated policy.

Although at this time there is no specific policy, the commitments with respect to climate change are summarised in a specific section of the **Responsible Sourcing Guide**, aimed at making suppliers aware of the company's main guiding principles in this area, 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, calculate 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 still has a substantial environmental impact. As the industry is expected to expand further due to population growth and increased consumption patterns, it is crucial for fashion industry leaders to accelerate the process of decarbonisation throughout the sector.

Stella McCartney recognises the importance of acting against climate change, for this reason greenhouse gas (GHG) emissions control has been included as one of the pillars of its strategy and the company is developing and implementing its first Transition Plan for climate change mitigation.

In 2020, Stella McCartney committed to establish targets that align with the Science Based Targets initiative (SBTi). This initiative offers a clear framework for companies to decrease their greenhouse gas (GHG) emissions, thereby mitigating the severe consequences of climate change. When targets are deemed "science-based," they adhere to the latest climate science's recommendations for achieving the objectives outlined in the Paris Agreement, which aims to limit global warming to 1.5°C above pre-industrial levels.

Stella McCartney GHG emissions reduction targets were submitted to SBTi in 2022 and were validated in 2023, confirming their alignment with the 1.5°C global warming limit set by the Paris Agreement.

Decarbonisation levers

To achieve its targets, Stella McCartney is currently implementing a comprehensive internal decarbonisation plan, part of the broader transition plan, and supports annual offsetting projects to compensate for residual emissions that cannot yet be reduced.

This is a work in progress, but we aim to provide transparency by disclosing the main categories of action identified and discussed to date. These include conducting Life Cycle Assessments (LCA) for key raw materials with the goal of obtaining increasingly accurate emissions factor (EF); increasing the use of lower-impact raw materials and packaging solutions; progressively shifting logistics operations towards lower environmental impact solutions; and 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, it does not fall within the scope of EU Paris-aligned Benchmarks. Additionally, Stella McCartney operates within the fashion and luxury sector, which 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 on the next page outlines these climate-related targets and the progress achieved as of 2024.

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.

TABLE 9 - GHG EMISSIONS TARGETS

TARGET	TYPE	TARGET YEAR	TARGET VALUES	2024 VALUES
Near-term	Reduce absolute Scope 1 and 2[1] GHG emissions	2030	-75%	-57%
Near-term	Increase renewable electricity sourcing (from 57% in 2019)	2030	100%	83%
Near-term	Reduce absolute Scope 3 GHG emissions	2030	-46.2%	-51%
Long-term	Reduce absolute Scope 1, 2 and 3 GHG emissions	2040	-90%	-51%

[1] Scope 2 calculated using the market-based approach.

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. A recalculation and update of the 2019 baseline is currently underway with the objective to ensure full methodological alignment, as the emissions calculation approach has evolved and been refined over time. This process will help guarantee greater accuracy and consistency with group-level reporting and international standards.
- **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 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 and Operations, 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 are global in scope, local implementation considers regional regulatory requirements and availability of renewable energy sources.

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, are integral to the Transition Plan.

Stella McCartney continuously monitors its performance against sustainability targets through key environmental performance indicators such as Scope 1, 2 and 3 GHG emissions (measured in tCO_2e), renewable energy sourcing and the use of lower impact materials. Targets are reviewed annually by the Sustainability team, in collaboration with Operations to ensure alignment with evolving regulations, scientific and business development, as well as stakeholder expectations.

The progress is generally in line with the initial plan, with notable achievements including a steady increase in renewable energy sourcing reduction of GHG emissions. However, some challenges in Scope 3 emissions data collection and regulatory changes have led to minor adjustments, but corrective actions are in place to keep the 2030 targets on track.

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 continuously monitor these factors to adjust its strategy as needed, which remains flexible, allowing to adapt to emerging trends and ensure that the targets are achievable under different future climate conditions.

While the existing targets are already in place and form an integral part of the decarbonisation strategy, starting from 2030, target values will be defined every five years to ensure continuous monitoring of progress and to evaluate the introduction of more detailed and measurable targets alignment with future global sustainability and climate goals.

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. Below are a few examples:

- **Scope 1:** Stella McCartney is focusing on reducing direct emissions, primarily through the progressive electrification of the car fleet and improving the efficiency of natural gas usage, with the aim of gradually phasing it out.
- **Scope 2:** for the indirect emissions from purchased energy, initiatives include the installation of photovoltaic systems, the replacement of light with 100% LED technology and the adopting of smart management systems to optimise electricity usage, reduce waste and improve overall energy efficiency.
- **Scope 3:** in addition to supporting initiatives such as Clean by Design (CbD) and the Carbon Target Setting (CTS) program with the Apparel Impact Institute (Aii), Stella McCartney is focusing on shifting away from air freight toward lower-impact transport method, such as sea freight and on increasing the use of raw materials with lower environmental impacts.

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.

Operational Initiatives

- **Consolidation of offices:** Stella McCartney has centralised its workforce into larger, more energy-efficient spaces, such as relocating teams in Novara (Italy), thereby reducing energy consumption and associated emissions.
- **Energy efficiency measures:** the company is transitioning to 100% LED lighting across all facilities and has initiated projects to install photovoltaic systems to harness renewable energy.
- **Renewable energy procurement:** in alignment with its goal to achieve 100% renewable electricity by 2030, Stella McCartney has revised energy contracts in key markets, including Italy and the UK, to source electricity through Energy Attribute Certificates (EACs).

- **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:** Stella McCartney continued its collaboration with SÖKTAŞ cotton producer in Turkey and the United Nations Economic Commission for Europe (UNECE) on regenerative cotton farming projects. The farming practices allow to enhance the capacity of soil to sequester atmospheric carbon. It has been estimated that the project has 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 have been compensated through soil sequestration directly on its farm, with an additional 13.81 tons of CO2 (eq)/ha/year being absorbed from the atmosphere. Further details in the chapter "2.5 Resource use and circular economy – E5".
- **Innovative Materials:** Stella McCartney has pioneered the use of lower impact alternative materials, such as MIRUM that enable the reducing of environmental impact.
- **Life Cycle Assessments (LCAs):** the company commissioned the first-ever LCA for man-made cellulosic fibres to evaluate the environmental performance of various raw material sources, guiding sustainable sourcing decisions.
- **Supplier Engagement:** Through the Carbon Target Setting (CTS) program, in collaboration with the Apparel Impact Institute (Aii), Stella McCartney supports suppliers in developing and implementing decarbonisation plans.

Continuous Improvement

- **Methodology Refinement:** the company continuously refines its methodologies for measuring and managing emissions, ensuring alignment with international standards and best practices.
- **Climate Risk Assessment:** Stella McCartney also addresses adaptation to climate change and the mitigation of physical risks through new analysis, 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 be already highlighted that Stella McCartney has reduced its total emissions compared to 2023 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 academic institutions, with a growing focus on collaborative projects and training initiatives to support sustainability objectives across the value chain.

The implementation of climate-related actions is undoubtedly a strategic priority for Stella McCartney, as sustainability is deeply embedded in the company's DNA. However, the availability and allocation of resources is currently a relevant and impactful factor, particularly considering the broader economic and structural challenges facing the fashion industry today.

While the company remains committed to its environmental objectives, the pace and scale of certain initiatives may depend on evolving financial and operational conditions.

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

Energy consumption and mix [E1-5]

Stella 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 company premises.

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

As of today, Stella McCartney does not yet engage in on-site energy generation. However, the company is in the process of installing a photovoltaic system at its Novara (Italy) facility. Starting next year, Stella McCartney will begin to partially self-generate electricity from renewable sources, marking a first step toward greater energy autonomy and a tangible reduction in its carbon footprint.

In 2024, **83% of Stella McCartney's electricity consumption was classified as renewable.**This result was achieved through a combination of renewable energy purchases—via contracts with energy suppliers providing Energy Attribute Certificates (EACs), such as Guarantees of Origin (GOs).

This milestone represents a significant advancement toward the company's goal of sourcing 100% renewable electricity by 2030, in line with its science-based targets approved by the SBTi. It is the outcome of sustained and structured efforts across the business to decarbonise operations and reduce emissions associated with energy use.

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 international best 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[2]; 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. In 2024, the data collection process has been refined to ensure accuracy and consistency in reporting, in order to improve the year-to-year comparability of reported GHG emissions.

Our 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 and emission factors related to materials used in the supply chain. 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 gas and electricity consumption of shops, offices and distribution sites and, according to the GHG Protocol, are referred to as Scope 1 and 2 emissions.

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

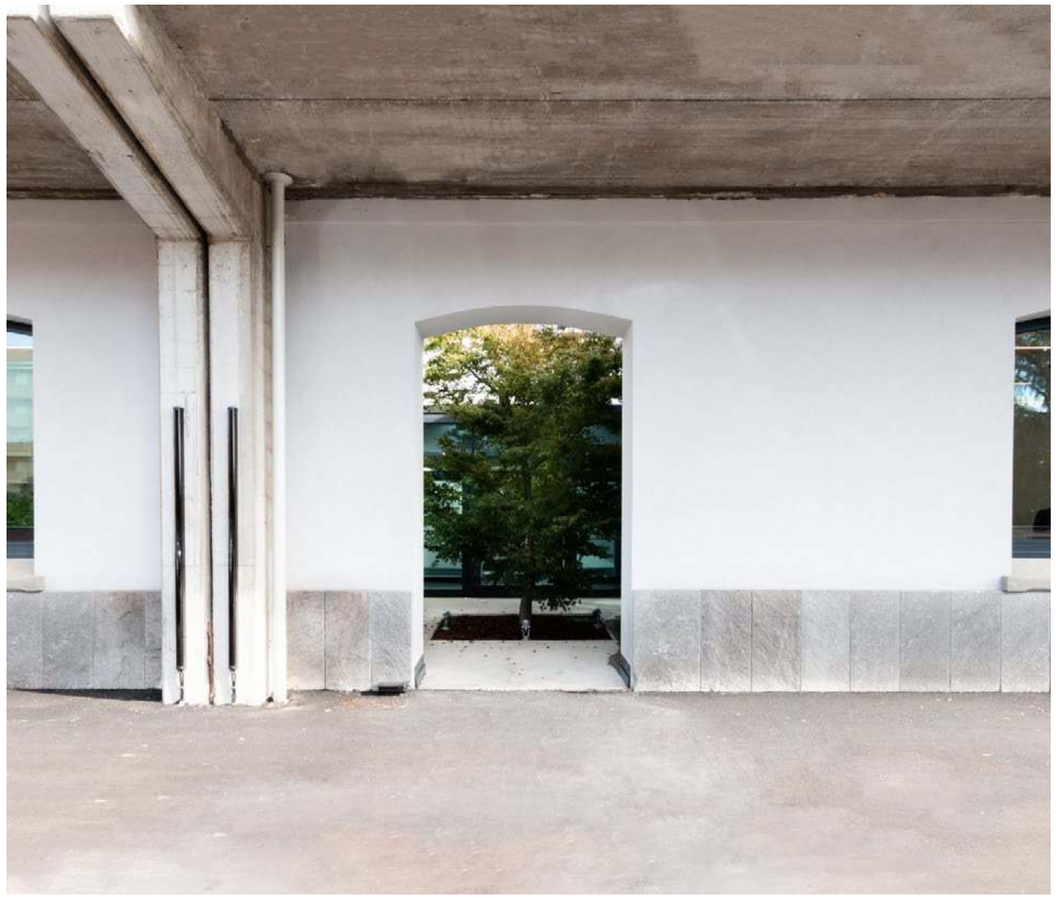
TABLE 10 - ENERGY CONSUMPTION

ENERGY CONSUMPTION AND MIX	UOM	2024
Fuel consumption from coal and coal products	MWh	–
Fuel consumption from crude oil and petroleum products	MWh	950
Fuel consumption from natural gas	MWh	292
Fuel consumption from other fossil sources	MWh	–
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	353
Total fossil energy consumption	**MWh**	**1595**
Share of fossil sources in total energy consumption	***%***	***45%***
Consumption from nuclear sources	**MWh**	**39**
Share of consumption from nuclear sources in total energy consumption	***%***	***1%***
Fuel consumption for renewable sources, including biomass	MWh	–
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources*	MWh	1907
The consumption of self-generated non-fuel renewable energy	MWh	–
Total renewable energy consumption	**MWh**	**1907**
Share of renewable sources in total energy consumption	***%***	***54%***
Total energy consumption	**MWh**	**3541**

*Of which 1,874.50 MWh sourced through Energy Attribute Certificates (EAC) Renewable Electricity.

TABLE 11 – SCOPE 1 AND 2 GHG EMISSIONS

			RETROSPECTIVE		
GHG EMISSIONS (SCOPE 1 AND 2)	UOM	BASE YEAR 2019	2023	2024	%YOY
Scope 1 GHG emissions					
Gross GHG Emissions of Scope 1	tCO_2eq	258	353	308	-13%
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	n/a	649	–
Gross market-based Scope 2 GHG emissions	tCO_2eq	981	108	224	+107%



Methodology and changes

The Scope 1 emissions calculation are based on DEFRA 2024 emissions factors and include:

- **Stationary combustion:** the quantity of fuel consumed, associated with the fuel combustion at stationary sources owned or operated by Stella McCartney, is determined by obtaining natural gas invoices, where available, or by making certain assumptions for those sites with low data quality.
- **Fugitive emissions:** the emissions which arise from the leakage of refrigerants from heating, ventilation, air conditioning or refrigeration systems owned or used by Stella McCartney. They are obtained by considering the floor area per site, the average cooling capacity and average specific annual leakage rate, deducible by combining data from different consulting engineers as well as IPCC, ICF and BSRIA.
- **Mobile combustion:** the emissions from fuel combustion in vehicles owned by Stella McCartney. For its calculation was also used the Carbon Dashboard Initiative (CaDI) International Electricity Emission Factors 2024.The amount of fuel consumed was identified punctually from the available data, while, where no fuel information was available, consumption was estimated through expenditure data for each fuel.

The Scope 2 emissions calculation include the **purchased electricity** and rely of different emissions factors according to the method:

- **Location-based method:** it is based on DEFRA 2024 emissions factor, Carbon Dashboard Initiative (CaDI) International Electricity Emission Factors 2024 and US EPA Data Explorer 2023.
- **Market-based method:** it is based on Supplier-specific emission factors, Carbon Dashboard Initiative (CaDI) International Electricity Emission Factors 2024 Residual Factors, US EPA Data Explorer 2023, EAC redemption certificates.

To obtain the annual electricity consumption, electricity invoices were gathered or assumption was made for those sites where consumption was unknown. It is worth noting that in the Scope 2 emissions is also included electricity use of electric vehicles owned by Stella McCartney.

Compared to the previous year, there have been certain changes related to the closure and opening of offices and stores. Notably, all stores in China have closed, as well as the Italian offices replaced by the opening of a centralised office in Novara (Italy), leaving the Milan location still open as office and showroom. Additionally, there has been the opening of several Shop in Shop (SIS) stores in Japan.

The boundary of the reporting undertaking has been carefully managed as part of the updated mapping of the perimeter to ensure accuracy and consistency in the emissions reporting.

Scope 3 Emissions

Our Scope 3 emissions refer to those emissions that are beyond the company direct control, as outlined by the GHG Protocol. These emissions from the value chain, accounting for 97% of the total emissions (market-based), predominantly arise from activities such as sourcing and production of raw materials, production of finished goods operations, business travel and transportation.

TABLE 12 – SCOPE 3 GHG EMISSIONS

GHG EMISSIONS (SCOPE 3)	UOM	BASE YEAR 2019	2023	2024	%YOY
Significant Scope 3 GHG emissions					
Total Gross indirect (Scope 3) GHG emissions	**tCO_2eq**	**39,482**	**25,146**	**19,437**	**-23%**
1. Purchased goods and services	tCO_2eq	27,662	18,297	13,999	-23%
2. Capital goods	tCO_2eq	1,520	1,221	433	-65%
3. Energy and fuel related activites (not included in Scopes 1 and 2)	tCO_2eq	254	211	202	-4%
4. Upstream transport and distribution	tCO_2eq	4,321	2,438	1,245	-49%
5. Waste generated in operations	tCO_2eq	2	7	5	-29%
6. Business travel	tCO_2eq	1,537	910	1,304	+43%
7. Employee commuting	tCO_2eq	524	408	271	-34%
8. Upstream leased assets	tCO_2eq	172	141	403	+186%
9. Downstream transportation and distribution	tCO_2eq	109	645	1,350	+109%
10. Processing of sold products	tCO_2eq	n/a	n/a	n/a	-
11. Use of sold products	tCO_2eq	1,866	98	25	-74%
12. End-of-life treatment of sold products	tCO_2eq	16	139	158	+14%
13. Downstream leased assets	tCO_2eq	25	n/a	n/a	-
14. Franchises	tCO_2eq	1,474	631	42	-93%
15. Investments	tCO_2eq	n/a	n/a	n/a	-

Methodology

To conduct the Scope 3 carbon footprint, several databases were used to obtain emissions factors related to Stella McCartney activities, including EcoInvent and Base Carbone – ADEME.

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

TABLE 13 – 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 per raw materials have been collected. 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. However, actual consumption data is used to calculate emissions from water supply where available.
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, it has been obtained the weight of goods transported, mode of transport, origin cities, destination countries and origin countries (when the origin or destination is not provided, an assumption is made). Then, the distance travelled is calculated from the origin to the destination. Some emission data is obtained from UPS carbon emission report for Stella McCartney. These figures are included without further processing.
Category 5: **Waste generated in operations**	Waste management includes waste generated across sites that are under Stella McCartney's operational control. Water waste treatment is also included. Data of waste for 2024 has been estimated on the previous year's data, assuming that all waste is sent to landfill. Water consumption data is available for some sites and estimated considering the floor areas for the remaining sites where no data is available. Also, it has been assumed that water discharge is the same as water consumption.
Category 6: **Business travel**	Emission data is obtained from travel agency carbon emission report for Stella McCartney. These figures are included without further processing. Some other data has been provided in monetary amounts, from employee's expenses. These were calculated with monetary emission factors.
Category 7: **Employee commuting**	A survey was conducted among Stella McCartney employees to collect the distance and transportation mode for commuting. 35% of the pota dis tangos, per Ansportaon mostion factors were applied to the total distances, per transportation modes.
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.
Category 9: **Downstream transportation and distribution**	Weight of goods transported, mode of transport, origin cities, destination countries and origin countries are provided for all the 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 is not provided, assumptions are made to estimate the associated emissions. It has been assumed that the weight and distance travelled is the average distance travelled of comparable routes where the weight and distance are available. It has been assumed that the mode of transport is road when the shipments are within the same country and that the mode of transpori for returns is road and air if the shipments are within Europe anc outside of Europe, respectively. If the precise start and end point are not available, it has been assumed it is the midpoint of the city or country.
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's goods consume energy. An emission factor of washing, dying and other care of textile products over their lifetime is available. This emission factor is applied to the quantity of products sold in the reporting year.
Category 12: **End-of-life treatment of sold products**	In order to calculate this category, the total kg of packaging, raw materials and franchises products was taken. Based on a survey conducted in 2014, it has been assumed 80% of studied products have a second life, while the remaining 20% are incinerated. This allowed to divide the quantity of products between recycling/second life and incineration. Then, it was assigned an emissions factor to the weight of goods sold, split by assumed disposal method.
Category 13: **Downstream leased assets**	This category is not calculated since it is assumed the consumption of the only site owned by Stella McCartney is already accounted for in Scope 1 and 2.
Category 14: **Franchises**	Franchises are a significant part of Stella McCartney's business model. Emissions were calculated based on the net sales of products sold by Stella McCartney partners, with the percentage of royalties received used to attribute emissions. Then, number and/or weight of sold products was collected. All franchises provided quantities in kg of sola products and the composition of raw materials in kg per material. Main changes in the calculation refers to a discontinuity of certain licenses with respect to 2023, in particular Cole & Son and ISA are no longer in place, while Simonetta, Adidas and Thelios remains active.
Category 15: **Investments**	This category is not applicable since Stella McCartney has no investment to report.

TOTAL GHG EMISSIONS

TABLE 14 – TOTAL GHG EMISSIONS

TOTAL GHG EMISSIONS	UOM	BASE YEAR 2019	2023	2024	%YOY
Total GHG emissions (location-based)	tCO_2eq	n/a	n/a	20,394	-
Total GHG emissions (market-based)	tCO_2eq	40,721	25,607	19,969	-22%

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

Although Stella McCartney does not currently account for the removals of greenhouse gas emissions within its own carbon inventory, the company actively supports projects that contribute to GHG absorption and carbon storage along its value chain, particularly through sustainable land use and regenerative agricultural practices. A key example is the regenerative agriculture initiative developed in collaboration with SÖKTAŞ. Preliminary assessments based on scientific modelling suggest that these practices lead to a meaningful increase in carbon storage in soils over time, though the company does not formally subtract these from its total carbon inventory. The impact is expected to grow as the program expands across more hectares of cotton farmland. This project exemplifies how Stella McCartney contributes to nature-based climate solutions through partnerships within its supply chain, enabling long-term climate resilience, soil regeneration and Scope 3 emissions reduction, demonstrating a commitment to transforming agricultural supply chains into climate-positive systems.

To measure and offset its greenhouse gas emissions for the year 2024, Stella McCartney adopted a methodology based on the use of certified carbon credits, in line with internationally recognised standards for calculating carbon dioxide equivalent (tCO_2eq). The credits used, known as Verified Carbon Units (VCUs), are generated through projects that verifiably remove or avoid emissions, with validation provided by independent third-party bodies as part of international standards like Verra (Verified Carbon Standard - VCS) and Gold Certified Standard. Each credit represents the reduction or removal of one metric ton of CO_2 equivalent. The credits purchased by Stella McCartney were officially retired, meaning they can no longer be sold or transferred, ensuring that the emissions reductions are solely attributed to the company.

In total, 2,153 VCUs - equivalent to 2,153 tCO_2e - were retired on behalf of Stella McCartney to offset its 2024 emissions.

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.

TABLE 17 – CARBON CREDITS CANCELLED IN THE REPORTING YEAR

CARBON CREDITS CANCELLED IN THE REPORTING YEAR	UOM	2023	2024
Total	tCO_2eq	2,019	2,153
Share from removal projects	%	100%	100%

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 released 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 initiatives such as the Chyulu Hills REDD+ project and regenerative agriculture programmes within its value chain, Stella McCartney contributes to the long-term sequestration of carbon in natural systems. The company is committed to selecting only high-quality offsets that demonstrate environmental integrity and contribute to real, measurable climate benefits. The credibility of the credits used is assessed based on the principles of additionality, permanence and third-party verification. These efforts align with the company's commitment to science-based targets and a future net-zero trajectory, where high-quality removals will play a role in addressing hard-to-abate emissions. The approach to residual emissions neutralisation will be clarified as part of the ongoing strategic review.

All carbon credits supported by Stella McCartney through removal projects are currently associated with biogenic sinks, such as forest ecosystems and agricultural soils. These include credits from the Chyulu Hills REDD+ project and regenerative agriculture initiatives. The company does not presently 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 depth the activities it carries out as well as those in its value chain, defining that, since the production activities are not in-house, such impacts are specific to the upstream and downstream phases.

Differently, risks and opportunities have been identified in the upstream value chain but also risks could emerge from regulations that can impact the company. It has been defined, instead, that there are no risks and opportunities that can emerge in the sectors characterising the downstream 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]".

TABLE 18 – 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]

Trend shows that customers demand for more sustainable materials and transparency in environmental claims. Stella McCartney's customers expect its product to be the lowest environmental impact compared with other luxury fashion brands. The company therefore requires its supply chain to embrace its ambition to phase out hazardous chemicals in its product.

Stella McCartney, with the aim to manage relevant impacts, risks and opportunities related to pollution, has equipped itself with the policies below explained.

Product Restricted Substances List

The Product Restricted Substances List (PRSL) is intended to secure a safe product for Stella McCartney customers, by requiring its supply chain to have a chemical management system in place and ensure that hazardous substances are not present in finished products. PRSL provides clear chemical guidelines and standardises compliance expectations across supply chain. It has implications on preventing and controlling pollution across water, air and soil, and it sets limits or bans out hazardous chemicals.
PRSL restrictions are generally based on existing compulsory global regulations, however, in some cases, the company has chosen to impose stricter limitations where there is evidence that certain substances may present safety risks to end-users and the environment. Each year the PRSL is revised to make sure it is up to date with the newest requirements.

By way of example, in the PRSL, PFAS (Perfluoroalkyl substances) are banned in all chemical products used to process and manufacture Stella McCartney finished goods. These substances shall not be intentionally used in the supplied products as they are considered "forever chemicals" meaning that they do not break down in the environment and can accumulate in the human body over time. PVC (polyvinyl chloride) is also banned in 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 content of PRSL. Compliance is monitored by regular testing and keeping suppliers accountable for in case of test failure.

Suppliers are contractually bound to the PRSL through a specific clause. Additionally, the PRSL is part of the suppliers onboarding documents and is made available on the digital supplier platform, i.e. the Sustainability Hub, where the company requires all its raw material suppliers (including third party that supply strass, hotfix and suppliers that apply finishes) and finished product suppliers to register and sign the document. Thanks to the portal all Tier 1 and Tier 2 suppliers are committed to the Product Restricted Substances List.

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 topic of substances use and chemical management, as well as insights into the choices of materials also considering the potential impacts in terms of water and air pollution.

The Guide lists international regulations and legislation that Stella McCartney supports and complies with including REACH regulation 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 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, it is outlined the commitment of Stella McCartney to phasing out hazardous chemicals across its supply chain through the adherence to PRSL, and the chemical management in case at suppliers' venues are anyway used possible chemicals and hazardous substances.

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

Target [E2-3]

By the end of 2025, Stella McCartney has set itself the objective to complete an assessment of the supply chain to identify potential impacts of implementation of a Manufacturing Restricted Substances List (MRSL). The target level to be achieved is still being defined as the feasibility is being assessed in terms of resources, management and supply chain's willingness to apply the MRSL under current supply chain.

Actions [E2-2]

As far as pollution is concerned, Stella McCartney implements different actions, both addressed to the upstream and downstream value chain. Stella McCartney's main action targeting downstream value chain actors is the Clevercare initiative, launched in 2014. It promotes sustainable garment care by encouraging customers to wash clothes less often, reducing their carbon footprint. Clevercare includes a care label, website and campaign focused on five key areas: washing, temperature, drying, ironing and dry cleaning.

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 must not use potassium permanganate or sodium hypochlorite to reduce water use and prevent water pollution.

Stella McCartney has also planned some actions to be completed in the near future including:

- **Update the PRSL** to incorporate the latest global chemical limit standards, ensuring alignment with current regulatory and brand requirements. Keep the PRSL up to date on latest regulations results in proactive compliance and helps us to control risk in a better and timely way.
- Complete an assessment of the supply chain to **identify potential use of the Manufacturing Restricted Substances List (MRSL) and set up a pilot.** Unlike the Product Restricted Substances List (PRSL), which only addresses substances present in the final product, the MRSL takes a more holistic and preventive approach by targeting chemicals used throughout the entire manufacturing process. By adopting the MRSL, all wet processing activities would be required to comply with the ZDHC Wastewater Guidelines, eliminate specific hazardous substances already being phased out, support the adoption of closed-loop dyeing technologies and undergo third-party monitoring and verification. This approach not only enhances environmental protection, addressing water, soil and air pollution at the source, but also ensures that final products remain PRSL-compliant. In contrast, the PRSL has limited impact on upstream pollution, as it does not prevent the use of harmful substances during production stages such as dyeing and finishing. Therefore, transitioning to MRSL-based controls represents a more effective strategy for reducing the environmental footprint of the supply chain.

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 one of the most critical resources for the fashion industry, which is among the most water-intensive manufacturing sectors globally. According to the World Bank, the textile industry is responsible for approximately 20% of global industrial water pollution[3], due to dyeing and finishing processes. Additionally, producing just one kilogram of cotton can require up to 10.000 litres of water[3], making fibre cultivation a key pressure point for water availability, especially in already water-stressed regions.

Given these challenges, sustainable water management is a key environmental priority for the sector, and Stella McCartney recognises 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 mapping and monitoring water consumption across its supply chain. This approach aims to identify high-risk areas and enable targeted action to reduce water impacts and promote responsible practices.

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 type of operations performed internally, water is not considered a natural resource on which the company directly impacts, instead its impact is indirectly present through the outsourcing of its production. Whereas Stella McCartney can impact 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, the company 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]”.

[3] “Quick Guide to Organic Cotton”, Textile Exchange, 2017.

TABLE 19 – 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, specifically addressed to those activities like 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 d uring processing.
- Engaging in initiatives aimed at improving water efficiency, such as the Clean by Design programme.

The company is working toward strengthening its framework and introducing clearer targets and monitoring mechanisms in the near future. The responsibility for overseeing related sustainability matters - including supplier engagement, material sourcing practices and participation in initiatives like Clean by Design - falls under the Sustainability team responsibility, 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. This is due to the ongoing environmental risk assessment and broader sustainability alignment process currently underway. Defining clear targets is a priority for the next phase of the strategy and will be based on the results of this assessment, ensuring they are relevant, credible and actionable across 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 allow to better define 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 resource management.

In parallel, the company is conducting an environmental risk assessment that will map water-related risks across the value chain and identify regions exposed to water stress, enabling a more targeted and proactive risk management approach.

Despite not having a defined actions plan, during 2024, Stella McCartney focused on the following key initiatives, primarily focused on 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 involves Tier 3 and 4 suppliers, include the collaboration with cotton suppliers like SÖKTAŞ, as well as the sourcing of certified raw materials like GOTS (Global Organic Textile Standard) organic cotton that guarantee compliance with environmental criteria including water use and wastewater treatment. Also, Stella McCartney enhances innovative materials that allow for a minor use of water, among these is VEGEA, an alternative to leather material that produces no wastewater since the water used during production process is recirculated, offering a drastically lower impact compared to traditional animal leather; and BioPuff®, 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. In particular, the Company participates in the Clean by Design (CbD) programme, led by the Apparel Impact Institute (Aii), which targets production facilities across the supply chain.

Through Aii and with the support of experts, Stella McCartney assists its suppliers in conducting a comprehensive assessment of water use. This includes measuring water consumption, evaluating machinery and production processes, reviewing water management infrastructure and identifying potential inefficiencies or leakages in metering systems. Upon completion of the assessment, technical recommendations are provided to improve water management, which may include fixing leaks, upgrading equipment and reusing cooling and grey water streams.

The Clean by Design programme continues into the implementation phase, delivering a final report with validated water and energy savings after an 18-month period. This process enables suppliers - primarily Tier 1 and Tier 2 - to achieve practical, measurable improvements in water and energy efficiency.

In parallel, Stella McCartney also promotes the Carbon Target Setting (CTS) Program to its suppliers, a six-month technical initiative led by Aii and supported by leading industry experts. The program is designed to help facilities define measurable carbon, water reduction targets and develop a customised 3-5-year action plan. This plan includes qualitative and quantitative elements, such as investment needs, return on investment (ROI), environmental benefits and financial savings, with a focus on energy efficiency, renewable energy and thermal process optimisation.

At the end of the CTS program, participating facilities receive a decarbonisation roadmap to guide medium- and long-term decision-making and unlock investments aligned with industry-wide decarbonisation goals.

Together, Clean by Design and Carbon Target Setting represent two key pillars of Stella McCartney's implementation strategy, reinforcing the company's commitment to building a more resilient, efficient and climate-aligned supply chain—founded on collaboration, technical innovation and shared responsibility.

Planned actions

In addition, the company is planning to implement following actions:

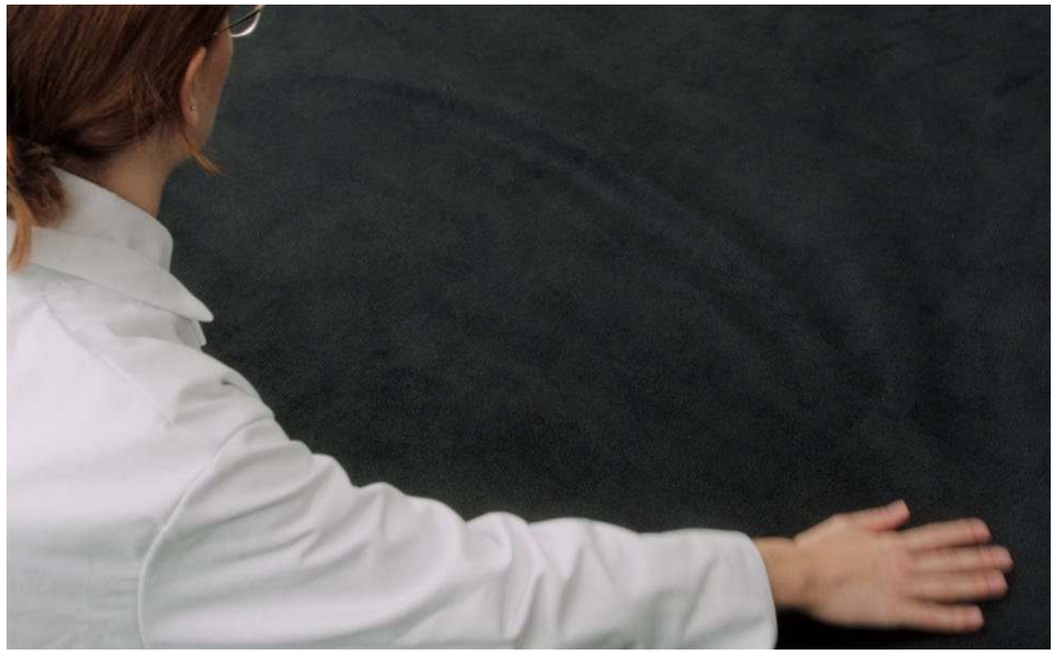
- Use assessment results to prioritise high-risk areas and define clear, actionable goals for water stewardship.
- Expand material trials and partnerships to scale the use of low water-impact materials.
- Ongoing investment in material R&D, supplier training and third-party technical guidance to strengthen water-related practices.

Downstream value chain, although not being the main focus, is also indirectly addressed by Stella McCartney's contributions in order to reduce water use in 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 the 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 by monitoring supplier practices, setting clear expectations on water use and working with technical partners to support corrective actions when needed.

Stella McCartney does not report on metrics related to the topic of Water and marine resources, 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 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 that compose Stella McCartney products are chosen considering where they may drive pressures such as soil degradation, deforestation, exploitation of plants and animals across different stages of the value chain. Given the brand'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.

However, as part of its ongoing biodiversity risk assessment, the company is mapping dependencies and potential impacts across its upstream value chain, including the geographic location of sourcing activities. This process will allow the company to better understand any potential overlaps with biodiversity-sensitive areas and assess related risks accordingly.

Relevant mitigation and sustainability initiatives, including responsible sourcing and material innovation, already contribute to reducing potential negative impacts. Stella McCartney has not yet formally concluded whether specific biodiversity mitigation measures are required. However, the company acknowledges the relevance of this topic and is currently carrying out a biodiversity risk assessment to identify potential impacts and areas where mitigation may be necessary.

TABLE 20 – 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 has 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:
  - Fully traceable viscose from responsibly managed forests.
  - Global Organic Textile Standard (GOTS) cotton and organic linen, which avoid synthetic inputs and support soil health.
  - Recycled polyester (GRS-certified), reducing dependence on virgin resources.
  - Innovative non-animal alternatives such as Mylo™ (mycelium-based), MIRIUM® offering lower-impact options for conventional materials.

Additionally, the regenerative cotton project in collaboration with SÖKTAS actively contributes to reversing land degradation through practices that enrich soil, increase biodiversity and promote 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 sustainable 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. However, the company is actively working on a biodiversity risk assessment, which will be able to address the company strategic choices on biodiversity and to the creation of targeted policies in the future.

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 lower impact 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.
- **Global Recycled Standard (GRS):** the company prioritises the use of recycled materials, reducing the need for virgin resources and minimising environmental impact.
- **Global Organic Textile Standard (GOTS):** the company uses GOTS-certified organic cotton, promoting sustainable farming practices that preserve soil health and protect biodiversity.
- **Science Based Targets Initiative (SBTi):** 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.

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

1. Contributing to direct impact drivers on biodiversity loss by minimising impacts caused by land-use change through careful sourcing of raw materials.
2. Reducing pressure on species by excluding animal-based materials and supporting habitat protection initiatives.
3. Improving the condition of degraded ecosystems by supporting 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 by human activity.
4. Contributing to ocean conservation through its use of materials made with recycled polymers removed from marine environments 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]

[ESRS E4 E4-1 13(a)] Stella McCartney's business model, grounded in a cruelty-freeand ecologically conscious 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 material production impacts such asland-use change and environmental degradation.

A Biodiversity Risk Assessment is currently underway to identify and evaluate physical, transition and systemic risks related to biodiversity loss. Preliminary insights highlight exposure to risks such as soil degradation, deforestation and climate-related disruptions in key sourcing regions.

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

The ongoing Biodiversity Resilience Analysis covers 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 analysis 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 targets or policies in place:** risk management in this area is currently being strengthened and represents a strategic focus for future development.

At this stage, Stella McCartney has not yet adopted formal time horizons for analysing the resilience of its strategy and business model in relation to biodiversity and ecosystems. However, increasing awareness of nature-related risks is prompting internal discussions on how to integrate short, medium and long-term perspectives into future strategic planning and risk management processes.

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 ongoing biodiversity risk assessment and will focus on key material sustainability matters, including biodiversity conservation, carbon sequestration and sustainable sourcing.

Stella McCartney's biodiversity and ecosystem-related targets are being 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 specific action plan with respect to biodiversity and ecosystems-related topics since the company is currently conducting a Biodiversity Risk Assessment, which will inform the future adoption of targeted actions. These actions will be carefully evaluated to ensure they align with Stella McCartney's long-term sustainability goals.

Nevertheless, in the reporting year, Stella McCartney focused on the following key actions:

- **Regenerative cotton farming with SÖKTAŞ:** an initiative that enhance soil health and biodiversity. For further details refer to chapter "2.5 Resource use and circular economy – E5".
- **Biodiversity risk assessment:** the company is working on identifying risks and opportunities for biodiversity protection across the supply chain.

For the future, it plans to:

- **Expand lower impact 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 first on avoiding biodiversity impacts through ecologically conscious sourcing and regenerative practices, followed by minimising unavoidable impacts through careful management and monitoring. Restoration efforts, such as the regenerative cotton project, further contribute to restoring impacted ecosystems.

Additionally, Stella McCartney has implemented the Chyulu Hills carbon offset project in Kenya, which helps offset environmental impacts and supports biodiversity conservation. This project serves as an example of biodiversity offsets with the primary goal to restore and protect the ecosystems of Chyulu Hills, enhancing both biodiversity and carbon sequestration, as previously detailed in chapter "2.1 Climate Change – E1".

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 conservation projects.

Additionally, Stella McCartney is working towards compliance with the European Deforestation Regulation (EUDR). Under the EUDR 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. Therefore, it is crucial tracking back to the source of the product and verifying 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

The materials used are the cornerstone of the commitment to sustainability. They serve as the foundation for promoting positive practices for nature 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 fashion industry holds the potential to be revolutionised.

Stella McCartney has been a cruelty-free brand since its foundation and firmly maintained its commitment to never use animal leather, feathers, furs or skins. Currently most animal-alternative materials are made of synthetic materials. While these alternatives are cruelty-free, working with synthetic materials carries other risks, such as dependence on fossil fuels and end of life concerns. To this end, efforts have been made to reduce the company's use of materials derived from virgin fossil fuels – transitioning instead to recycled and/or biobased alternatives and 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]

In the context of the Double Materiality Assessment, resource use and circular economy were identified as particularly relevant by key stakeholders involved in the materiality assessment and through fashion trend analysis.

Impacts arise across every phase of the garment production value chain. Stella McCartney's own operations do not include garment production, however garment design choices can influence the ultimate impacts of production. In particular, impacts have emerged, with respect to the topic resources inflow, resources outflow and waste, in all phases of the value chain.

Although Stella McCartney's own operations do not include the production of collections, these topics are significant with regard to the design choices of the garments. Furthermore, risks or opportunities have also emerged in each phase of the value chain.

TABLE 21 – 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, optimising 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 alternative to 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 explains the company's environmental standards that its suppliers are required to know and respect and outline the objective that the guide wants to meet. With respect to the **resource use** the aim is to ensure the highest environmental standards in the supply chain by supporting the sourcing of raw materials and processes that lower Stella McCartney's environmental impacts and also innovate regenerative, circular materials, as well as ensure 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 refers also to packaging materials.

With this end, the Responsible Sourcing Guide includes sourcing standards and requirements for the following 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. Particularly, for each material, a summary is provided with reference to the key principles underlying the use and sustainable procurement of the material, the standards and requirements to be respected, and the aspirational standards, providing all the information needed to align production with the company's strategy. Among the principles and standards indicated, depending on the material and its respective characteristics, the guide explicitly states the intention to favour recycled and recyclable materials, as in the case of synthetic fibres, sometimes to prohibit the use of virgin materials, as in the case of cashmere, and to favour materials from regenerative agriculture.

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

The policy is addressed to all suppliers and available through the Sustainability Hub. Also, Stella McCartney internal function including design, production and product developers 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]

PRODUCTS

Stella McCartney has set the target of achieving 100% responsible collections. To be considered responsible, each collection must be made by at least 50% responsible materials, this means that each product must be composed by either regenerated or recycled wool/cotton, organic cotton, Responsible Wool Standard (RWS), Global Recycled Standard (GRS) recycled synthetics and other certified fibres.

The company is aiming for 100% responsible collection, although recognising that this would not mean the totality of the materials used are 100% responsibly sourced. This parameter guides responsible sourcing decisions at item level by the design team and requires measurement of the percentage of responsible materials used in each collection.

In 2024, our Ready-to-Wear collections had 90% of responsible sourced materials. In addition, Stella McCartney is committed to completely phase out conventional cotton from 2025, while increasingly favouring recycled, organic and regenerative cotton. From the 2025 collections onwards, only certified cotton will be used. In 2024, only 18% of the total cotton used was conventional, indicating that the 2025 target is on track to be achieved. The sustainability team works very closely to key stakeholders in Design, Production and Product Development to ensure 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 by 2025.
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 by 2025.

WASTE

At present, the company has not established specific targets related to waste management, particularly concerning the waste directly generated through its own operations. While general environmental considerations are integrated into broader sustainability efforts, a structured approach to setting measurable goals for operational waste remains to be developed.

Actions [E5-2]

RESOURCE USE – PRODUCT MATERIALS

With respect to resource use, Stella McCartney focuses on sourcing lower impact and recycled materials and on the development and research of new and innovative alternatives to revolutionise the future of the fashion industry.

Current materials

Bio-based polyurethane

The company has been working to transition its alternatives to leather from conventional polyurethane to new materials with a higher content of bio-based polyurethane.

Recycled materials

During the year, dust bags for shoes and bags were replaced with ones made by recycled cotton. Looking ahead, the focus is on increasing the use of recycled fibres, particularly those sourced from post-consumer materials.

Regenerative cotton with SÖKTAŞ

In 2024, continued the collaboration with SÖKTAŞ, a family-owned cotton producer based in Turkey, started in 2019. The SÖKTAŞ regenerative project focuses on transitioning from conventional cotton farming to regenerative practices that restore soil health and enhance its capacity to sequester atmospheric carbon. During these years, the regeneratively farmed land has grown continuously, rising from 5 hectares in 2019 to about 93 in 2023.The intention is to keep expanding the field to support Stella McCartney in increasing regenerative cotton in their collections, as well as inspiring and educating other local farmers about these methods.

Regenerative farming is a holistic approach that consists in minimal disturbance to see improvements and developments on a yearly basis. Through little to no disturbance, reducing synthetic fertiliser, the carbon and water cycle and storage will improve and water holding capacity is maintained, requiring less irrigation.

The initiative includes:

- 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 fertilizers and reduce emissions.
- Ongoing soil carbon monitoring, following international standards (e.g. IPCC Tier 2), supported by on-site soil scientist, the renowned Dr. David Johnson. Indeed, a robust monitoring system is in place to verify the impacts of the farming and carbon sequestration, as well as soil health, through methods that include direct soil measurements, in-depth soil analysis and satellite imagery.

More recently, Stella McCartney has begun to work with the United Nations Economic Commission for Europe (UNECE) to improve the measurements and verification surrounding the project and implement blockchain traceability across the supply chain, proving and verifying every step.

From the 2022 harvest season, all SÖKTAŞ cotton that follows regenerative farming practices will carry the RegenAgri® certification. This collaboration with SÖKTAŞ will contribute to Stella McCartney's goal to use 100% regenerative, recycled or organic cotton in all collections by 2025.

Viscose – Canopy Project

Stella McCartney and Canopy have been partners since 2014. Canopy is a not-for-profit environmental initiative 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.

Wool – Regenerative wool, NativaTM and ZQ

Even in 2024, Stella McCartney continued its partnership with NATIVA™, a branded wool fibre, developed by Chargeurs Luxury Materials, which guarantees the sourcing of wool farmed using a regenerative approach prioritising high standards of social and environmental responsibility and animal welfare. Using their unique blockchain technology, all NATIVA™ wool is traceable all the way back to the farm and follows a strict NATIVA™ Protocol - which certifies and verifies the supply chain right from the farm level, enabling to know that NATIVA™ wool used always comes from two certified farms in Australia.

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

ZQ wool is another regeneratively farmed wool that is 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 engages in extensive research and development to discover new materials with minimal environmental impact, including pioneering fibres and plastic substitutes.
The brand excels in innovation and product development and continues to lead in this field launching new innovations, scaling up usage of fibers farmed regeneratively and phasing out fossil fuel-based synthetics. The company's ultimate goal is to identify alternative options of the highest quality and lowest environmental impact, thus traditional resource intensive materials. This research necessitates significant effort and collaboration with innovators, involving extensive testing and trials to achieve low impact innovation within the luxury market.

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

Also, the company has produced and launched products with new materials, in particular:

- **Grape-based alternative to animal leather in partnership with Veuve Clicquot.** The Summer 2024 collection included six accessories made from waste by-products, like grape vines, seeds and powdered grape, from the harvest of Veuve Clicquot's vineyards and also from their recycled cork collected.
- **Algae Black™ made by Living Ink.** In the Spring 2024 collection, Stella McCartney launched its first garment printed in algae-based ink developed by Living Ink. The pigment Algae Black™ is made algal biomass alternative to the conventional Carbon Black pigment which is derived from fossil fuels.
- **Kelsun™, kelp-based yarn produced by Keel Labs.** In 2024, Stella McCartney launched its first runway and commercial looks made with Kelsun™. Kelsun™ is a versatile low impact fiber made from an abundant biopolymer found in seaweeds like Kelp.
- **Fungi-based alternative to leather by Hydefy.** In its Summer 25 runway show, Stella McCartney launched the world's first handbag made with Hydefy, a fungi-based alternative to leather. The material is made using Fy™, a fungi material which is grown through a proprietary fermentation process, Fy is combined with sugarcane waste-derived inputs to create a versatile biomaterial—entirely vegan, cruelty-free, and thoughtfully designed to reduce dependence on finite resources.
- **Piñayarn® pineapple leaf-based fibres by Ananas Anam.** In 2024 Stella McCartney designed an edition of its S-wave Trainers to be made with Piñayarn®. Piñayarn® is a plant-based, recyclable and biodegradable textile solution made from pineapple leaf fibres thus offering an alternative to petroleum-based products and resource-intense virgin fibres. The material is made from the agricultural waste of commercial pineapple farming thus requiring no extra land or water to grow.
- **BioCir® Flex: Compostable, recyclable, biobased plastic alternative by Balena.** BioCir® Flex is a non-toxic, compostable, recyclable and biobased alternative to conventional elastomers featured in 2024 in Stella McCartney's **S-Wave Trainers** 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 **offering lower impact alternative material for shoe soles.**
- **Airlite®.** Airlite® is an innovation coating that Stella McCartney first used on 2 Iconic Falabella Tiny totebags in its Winter 2024 runway collection Airlite® actively purifies the air and eliminates odours. The coating works through photocatalysis to break down common air polluntants and eliminate bacteria and viruses. Falabellas with an Airlite® coating have become a carry over piece featured across Stella McCartney's recent collections.
- **YATAY M.** YATAY M is a pioneering vegan alternative to animal skins – innovated using fungi mycelium and recycled materials, hand-finished with the same processes as leather. This article is made using biobased polyurethane from mycelium and 1st generation biomass. Mycelium is the root-like structure of fungi, growing mycelium actively captures carbon from the atmosphere.

In addition, in 2024 Stella McCartney continues to incorporate the following innovative materials into its products:

- **MIRUM®.** Stella McCartney continued its use of MIRUM® an alternative to leather made entirely without petroleum derived materials by Natural Fibre Welding (NFW). An LCA compared MIRUM® with conventional bovine leather demonstrating that the production of MIRUM® requires significantly less water and has a lower impact on freshwater ecotoxicity (-99%) and eutrophication (-99%) compared with bovine leather.
- **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 and produced by Mable Industries and Frumat since 2014, now part of Coronet Group.
- **BANANATEX®.** Stella McCartney continued its partnership with Bananatex®, a canvas fabric made entirely from abacá banana plants cultivated in the Philippines. Cultivated without pesticides or fertilisers, abacá grows within

a regenerative permaculture environment, nourished by natural rainfall. This approach restores biodiversity, supports reforestation and strengthens local ecosystems, benefiting rather than harming the land and communities that sustain it. At the same time, it provides stable livelihoods for small-scale farmers.

RESOURCE USE – PACKAGING

Our commitment to sustainable packaging materials, both for customers and used during logistics operations, focuses on minimising its use and, at the same time, maximising the recycled, reusable and recyclable contents 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 and progress on removing all plastic from operations and recycled plastic used. The results of the annual report are publicly published and benchmarked against the Global Commitment's 2025 target.

RESOURCE OUTFLOW – CLOTHING

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 in development. A reuse and recycling strategy is also being developed to offer enhanced take-back schemes and end-of-life solutions. In addition, potential recycling partners are being explored and the most efficient logistics 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 initiative currently in place include the **Clevercare initiative**, a garment labelling system aims to encourage individuals to care for their clothes properly, prolonging their lifespan by promoting less frequent washing and wearing them more.

With regard to production waste, priority is given to sourcing recycled materials over virgin ones, with a preference for post-consumer rather than pre-consumer sources. Production primarily involves 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 implemented internal waste segregation practices across both 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 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, limiting the organisation's ability to monitor and evaluate waste performance effectively.

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

Incoming resource flows [E5-4]

The materials used form the cornerstone of the brand's commitment to sustainability. Priority is given to the use of certified materials to ensure full traceability, transparency and the protection of animals. Preferred materials include those that are recycled post-consumer, recycled pre-consumer, regenerative agriculture and organic.

Recently, research efforts have been directed towards minimising the use of plastic and plastic-derived materials.

Polyester and Other Synthetics

Stella McCartney prioritises the use of circular and certified synthetic materials by sourcing recycled polyester, which meets the Global Recycled Standard (GRS) for social and environmental responsibility. Recycled polyester reuses plastic waste, diverting it from landfills and reducing the need for new oil extraction, thus consuming fewer resources and having a smaller carbon footprint than virgin polyester. While it helps combat plastic pollution and maintains garment quality, recycled polyester still poses some environmental issues, such as microfibre release during washing.

Polyurethane

Polyurethane remains the primary leather alternative used in bags and shoes, although its usage declined in 2024, 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 and starts its life in the soil. Highly toxic substances such as fertilisers, pesticides and herbicides are applied to most conventionally grown cotton today, resulting in 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 cotton production systems based on 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.

Aware of the impact of harvesting and production of this crop, Stella McCartney is committed to reducing the use of conventional cotton in favor of recycled, organic and regeneratively farmed cotton.

In terms of sourcing certified cotton, Stella McCartney prefers regenerative cotton certified to the 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 in products and packaging are sourced from certified sustainable sources to prevent the destruction of ancient and endangered forests and their associated impacts. Deforestation leads to devastating consequences for the planet, wildlife and people, including greenhouse gas emissions, biodiversity and habitat loss, soil degradation and land displacement for Indigenous communities.

Our forest-friendly viscose and acetate is responsibly sourced, fully traceable and never from ancient or endangered forests – verified by the CanopyStyle Audit.

Wool

At Stella McCartney, the significant environmental impact of animal fibres such as wool is acknowledged, particularly in relation to land use and emissions. To address these issues, wool is sourced with a commitment to ensure better treatment of sheep and workers, prioritising options bearing animal welfare certifications like the Responsible Wool Standard (RWS) and banning wool from sheep that undergo mulesing, a surgical procedure that cuts away strips of skin to prevent flystrike but causing great pain to the sheep.

Although virgin wool is still in use, preference is given to sources certified to regenerative standards, such as NATIVA™ or ZQ, or wool verified by the Responsible Wool Standard (RWS) and GRS recycled wool.

As described in the SÖKTAŞ, NATIVA™ and ZQ case studies, regenerative practices are increasingly being adopted in both 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, contributing to climate change mitigation.

Outgoing resource flows [E5-5]

Stella McCartney products range from bags to apparel collections, shoes and accessories, prominently emphasise the principles of circular economy by showcasing characteristics of durability, reusability, repairability and recycling. 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 by synthetic and natural fibres to facilitate recycling.

Innovation, deeply rooted in Stella McCartney brand identity, involves designing garments for recyclability, prioritising robust materials and modular construction. This can be bolstered by the practice of product disassembly, allowing for easy dismantling at the garment's end of life, which facilitates efficient separation and recycling of components like zippers, buttons and fabrics. This approach reduces textile waste and promotes the reuse of valuable materials.

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 defined and evolved. As a purpose-driven company rooted in sustainability and ethical innovation, it is recognised that the well-being, dignity, empowerment and inclusion of people are essential to long-term success.

The approach is grounded in a commitment to internationally recognised human rights and labour standards, which inform both internal policies and broader business decisions. A culture of inclusion, transparency and dialogue is actively promoted, ensuring that employees have access to safe channels to express concerns, share feedback and contribute to shaping the workplace environment. Insights gathered through the annual Employee Voice Survey, as well as ongoing engagement mechanisms like global townhalls and team-level feedback loops, help identify emerging needs and expectations across own workforce. These inputs 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 by 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 programs, such as mental health resources and inclusive leadership training.

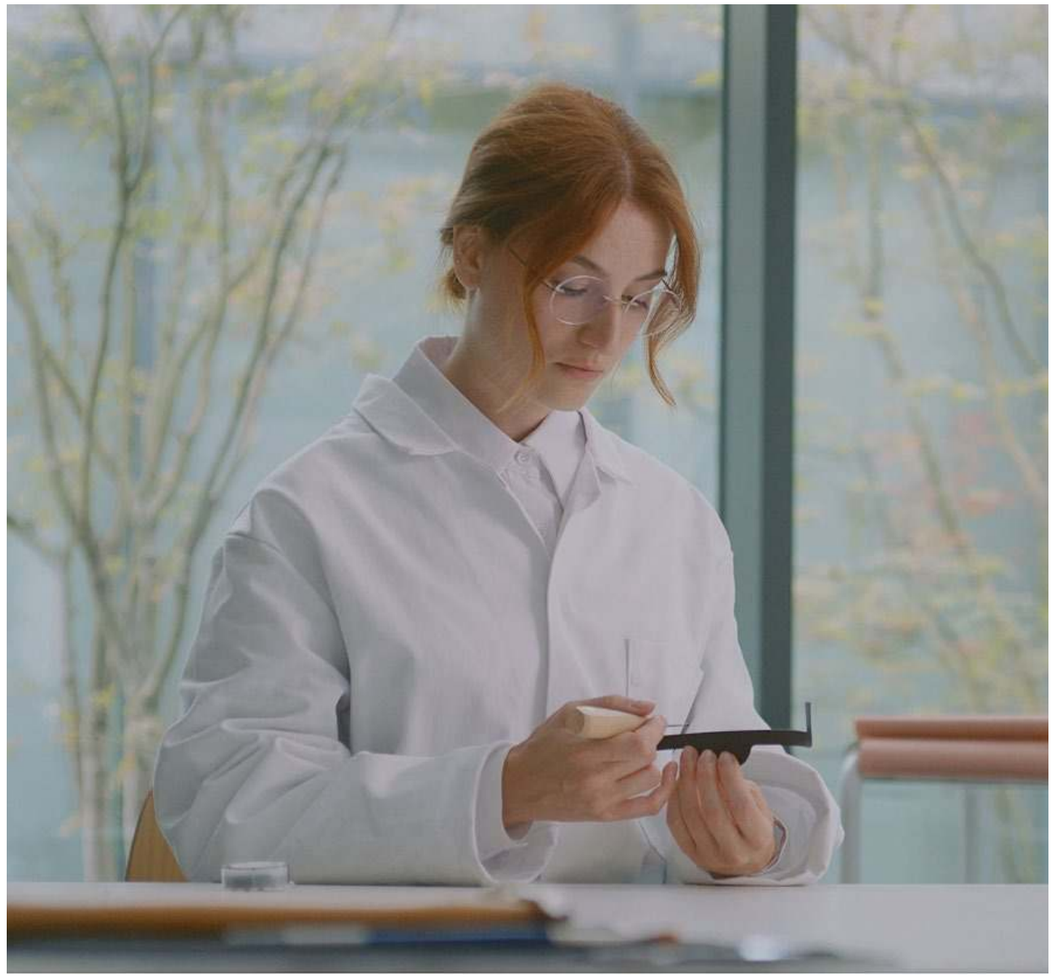


TABLE 22 – LIST OF RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE (S1)

SUSTAINABILITY TOPIC	TYPE	DESCRIPTION OF THE MATERIAL IRO	TIME HORIZON	VALUE CHAIN
IMPACTS				
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
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
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
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
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
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
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
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
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
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
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
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				
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
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]

In order to manage topics concerning its own workforce that have been found to be relevant within the Double Materiality Assessment, Stella McCartney has adopted various policies, further explored 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.

Diversity, Equality and Inclusion Policy

Stella's commitment is to encourage a culture of equality, diversity and inclusion in the workplace, while creating a working environment that is free from bullying and discrimination and promoting a culture of dignity and respect for all.

This commitment was formalised in a Diversity, Equality & Inclusion Policy, shared 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 recalls the training activities available to employees.

Particularly, the policy explicitly mentioned the following ground of non-discrimination: age, sexual preference, race and ethnicity, martial or partnership status, gender identity, religion or belief, pregnancy or maternity status, people with health condition or impairment, working patterns like part-time or flexible working.

Health and Safety Policies

With respect to the topic of health and safety at work for all global locations (excluding Italy in which a formalised policy was not deemed necessary, as the topic is already regulated by Legislative Decree 81/2008), Stella McCartney provides its employees with the **Health & Safety Policy**, that outlines all the health, safety and emergency procedures to know also according to the working location. The Policy also sets out the company's broader commitment to safeguarding the health, safety and welfare of employees and all individuals impacted by its operations.

It defines the organisational structure, responsibilities and procedures required for effective health and safety management. This includes regular monitoring, auditing and updates to ensure that standards are maintained and continuously improved. Key elements of the Policy include the identification of hazards, risk assessment and implementation of appropriate control measures. Employees are informed of the procedures necessary to maintain a safe working environment and regular consultation mechanisms are in place to incorporate feedback and suggestions.

The company engages with local H&S consultants to review the working practices within the work environment against localised legislation and standards. The outcomes of the on-site audits are always followed up with a remedial works plan, to remedy any hazards identified.

The company ensures the provision of safe workplaces, equipment and systems of work, along with appropriate training, supervision and safety resources. Compliance with applicable health and safety legislation is regarded as a minimum requirement, with management expected to meet objectives without compromising safety.

Along with the main health and safety policy, the company also adopted several other policies that address the topic and applies only to UK employees. In particular, the **Alcohol and Drugs Policy** that aims at encouraging employees to speak up in case they recognise a misuse or dependence on alcohol or drugs in order to provide them with help and support, in addition it sets out circumstances where the use is prohibited and subsequent disciplinary procedures that may generate.

The company recognises the importance of considering each employee's situation to provide support at its bests also to promote a collaborative working environment according to everyone needs at its own different stage of life.

For this reason, Stella McCartney developed the **Menopause Policy**, that applies to head office and retail staff in UK, to define a framework in order to accommodate certain requests, such as a cooler environment in which to work, but also psychological support to better face this period of change.

In addition, the company is committed to support comprehensive wellbeing which includes mental health. Through the Global **Mental Health Policy**, the aim is to raise awareness and understanding of how mental health can show up 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.

These policies are aimed at ensuring an environment that supports everyone's health. As the company will centralise in the UK the Human Resource functions in the US and APAC, policies will be reviewed to ensure best practice within each region is achieved.

Work-life balance policies

Stella McCartney provides employees with the flexibility to balance their professional responsibilities with their personal lives while maintaining a commitment to productivity, collaboration and the success of the company, managing this through the **Smart Working Policy**. The policy, which is active in all countries with a corporate office, allows employees to work remotely and it is addressed to every contracted employee except for those for whom, due to the specific nature of the task performed, physical presence at the workplace is required. The document includes smart working regulations, the necessary kit and how spaces need to be arranged to ensure health and safety. In particular, smart working is also governed by Stella McCartney Italia as an element of organisational flexibility and work-life balance, allowing employees, where compatible with the nature of their assigned duties, to work in smart mode under the terms and conditions set out in smart working agreements. The smart working days must be agreed in advance with the Line Manager and recorded by the employee in their attendance tracking tool.

The company recognises the importance of supporting employees through a wide range of leave options, designed to address 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.

Additionally, for all UK employees, Stella McCartney Ltd applies **Maternity Leave Policy** and **Paternity Leave Policy**, to best support its employees. They highlight information about leaving periods, pay and rewards and benefits, as well as everything to know regarding 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, in particular 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** is designed to create a framework for managing work schedules, giving more freedom and choice. It aims to foster a fair system that enhances both productivity and motivation within the team. For the Corporate team, this is further supported by the implementation of Core Hours, which reinforces flexibility while promoting efficiency and engagement.

The company implemented two different policies for the UK employees, depending on the type of work, indeed, there is a policy aimed at store employees - retail policy - and one for those employed in offices - corporate policy. 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, daily schedules. The company, indeed, 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 wants to foster a culture that is 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 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 will also be extended to offices and stores located in those regions.

Learning Policy

The Learning Policy is a mandatory policy that applies to all UK employees. Its primary objective is to ensure consistent participation in training and development programs that support both individual growth and organisational capability building, indeed, the policy outlines the framework for training and development available.

Performance Management Policy

To promote career development based on fair opportunity, the company operate an annual appraisal review process to track macro scale performance output against long-term objectives as well as short day-to-day performance, that is summarised in the related policy. The Performance Management Policy sets out both the informal and formal performance management that the company has decided to adopt, accompanied by guiding principles. Within Stella McCartney suite of policies there are country specific policies, which align with local legislation and best practice.

Employee Privacy Notice

The Employee Privacy Notice, applicable to UK employees, serves as a transparency commitment about data collected of Stella McCartney employees, how it is used and with whom it is 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 implements a multi-layered and proactive approach to workforce engagement, ensuring consistent, transparent and inclusive communication with employees and their representatives. This includes regular dissemination of strategic updates and key developments through both global and local channels. One of the main mechanisms for such engagement is the bi-monthly global townhall meetings held virtually via Teams, during which leadership shares important information regarding corporate strategy, business performance and any relevant financial results. These townhalls are open to all employees and foster a culture of openness and shared direction.

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. Delivered through the external Qualtrics platform, 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 collected insights are analysed systematically, and the results are 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. As such, 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 in a timely, impartial and effective manner. The Grievance Policy together with the Global Whistleblowing Policy (further detailed in the "Chapter 4.1 Business Conduct – G1") provides a clear framework that includes the following stages: submission of the complaint, a formal grievance hearing or meeting, and the opportunity to appeal if the outcome is not deemed satisfactory. Notably, the process also allows for concerns to be raised after the end of employment, ensuring continued access to remedy. The policies are made available to workforce through the internal SharePoint.

In the UK and US employees are encouraged to raise concerns through multiple channels. In the first instance, they may contact the People & Culture team directly. In addition, the company globally provides access to a platform, SpeakUp®. This tool enables individuals to report concerns confidentially and anonymously. The platform is designed to support the reporting of a wide range of issues, including ethical misconduct, workplace

grievances and potential violations of company policies.

Although the current Grievance Policy does not explicitly address protection against retaliation, the company recognises the critical importance of safeguarding individuals who raise concerns in good faith.

For further information about the SpeakUp® tool and other policies available that manage the possibility to raise concern and being protected against retaliation, please refer to Chapter 4.1 Business Conduct – G1, paragraph "Protection of Whistleblowers [G1-1]".

ACTIONS AND RESOURCES RELATED TO OWN WORKFORCE [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

Continuous development opportunities to support both professional and personal development for all staff remain a key engagement driver and strategic priority at Stella McCartney. It is recognised that each individual is on a continuous journey of self-improvement and holds 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 2024, employees were offered a wide range of training sessions aligned with the performance development cycles. These included education on Sustainability and Ethics mission, as well as comprehensive onboarding programme designed to give new joiners the best possible start with the business.

Sustainability Trainings

In the first half of 2024 the Sustainability team conducted company-wide training on **sustainability topics.** The course was based on the aspects of sustainability, material innovation and social compliance general process, and aimed at updating Stella McCartney employees about sustainability developments and company's projects. The course was held online and divided by regions (Italy, UK, US and Japan), with two sessions of two hours each.

In December 2024, an in-person course of four hours was organised, together with the external auditors, on the topic of **CSR and Human Rights and audits**, mainly addressed to the teams of product development, production and technical experts. During the course, social compliance internal procedures were explained in detail, for instance, how the supply chain is mapped and how the audit entire process takes place. It was also done an induction on the Sustainability Hub and the supply chain, delving into the number of suppliers in the platform, the distinction of tiers, and advice and useful tips for those carrying out the visits, in order to identify situations that may bring attention and constitute a warning flag.

In addition to the above, the Sustainability Team members are continuously trained in both soft skills and specific topics related to sustainability and human rights. In 2024, the team participated in trainings regarding specific norms and macroeconomic and global political dynamics impacting supply chains.

Stella McCartney plans to further enhance its training offering in 2025, delivering a new course focused on explaining the Sustainability Hub to a select group of employees.

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:

- **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 Start* 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.

Additional trainings

In 2024, 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, we continue 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 the continuous growth and empowerment of its people. In 2024, the Learning & Development (L&D) strategy focused on strengthening both technical and behavioural competencies, aligned with the long-term business goals and cultural values.

During the year, 7 structured training pathways were developed and delivered; 170 employees participated across different functions and levels, over 1,200 hours of training were delivered and 100% of employees in Italy received at least one development opportunity.

The training programmes addressed a wide range of strategic skills, including People Management, Negotiation Skills, Key Business Competencies, Accountability and Ownership, Problem Solving and Presentation Skills.

These programmes were designed to equip employees with practical tools and behavioural capabilities necessary to thrive in a constantly evolving business context.

The 2024 training initiatives were co-financed through European public funding mechanisms, in line with national frameworks for corporate upskilling. In particular, Stella McCartney leveraged resources made available under the European Social Fund Plus (ESF+), Piano Nazionale Nuove Competenze, established by Law Decree 34/2020, as part of the National Recovery and Resilience Plan (PNRR) under Regulation (EU) 2021/241, and Interprofessional Joint Funds (Fondi Interprofessionali per la formazione continua), supporting employer-led training initiatives These funding sources enabled the company to strengthen employee competencies while promoting inclusive access to professional development and supporting Italy's broader national reskilling strategy.

Additionally, a dedicated section on health and safety training is outlined in the following paragraph.

HEALTH AND SAFETY

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. These activities were especially critical in the context of the company's operational restructuring in 2024. Indeed, following the closure of three production sites, approximately 40 employees were relocated to the Novara facility in September 2024, the relocation required the full alignment of safety procedures, redefinition of the Health & Safety organisational structure and a structured training plan for all staff involved.

Health and Safety training initiatives

During 2024, Stella McCartney Italia delivered a comprehensive Health & Safety training program, resulting in full regulatory compliance and improved safety awareness across all Italian sites. The training included 12 courses for a total of 113 hours.

TABLE 23 - HEALTH AND SAFETY COURSES HELD IN 2024 AT STELLA MCCARTNEY ITALIA

	COURSE	HOURS	EMPLOYEES INVOLVED[4]
1	General Safety Training	4	168
2	Specific Safety Training	4	171
3	General Safety Refresher	6	74
4	First Aid Training	12	38
5	First Aid Refresher	4	21
6	Fire Safety Training	8	38
7	Fire Safety Refresher	5	13
8	Supervisors' Training	8	28
9	Supervisors' Refresher	6	5
10	Managers' Training	16	9
11	Health & Safety Representatives (RLS) Training	32	2
12	RLS Refresher Training	8	1

These trainings were conducted in full alignment with the obligations outlined in Legislative Decree 81/08 and subsequent updates, ensuring that all roles - from operational to managerial - were adequately covered.

Audit and Safety Compliance

In parallel with training efforts, a comprehensive Health & Safety audit was carried out across all Stella McCartney Italian sites. The audit included a detailed gap analysis based on current infrastructure and risk profile, corrective actions implemented across all safety domains and full harmonisation of safety practices following the site closures and employee relocations.

The key areas reviewed included fire safety systems and evacuation procedures, CCTV systems and surveillance coverage, intrusion and emergency alarm systems, emergency exits and compliant signage, first aid equipment and accessibility, workstation ergonomics and safe layout design and general compliance with national occupational safety standards.

These measures were taken to guarantee a consistent and high standard of workplace safety across all Italian locations and to facilitate the safe onboarding of transferred personnel into the Novara headquarters.

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 reinforced its corporate welfare system to support the personal and financial wellbeing of its people, in full alignment with Italian regulatory frameworks and best practices.

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, hopping and digital gift cards.

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

Supplementary 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.
- **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.

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.

PRIVACY

In order to guarantee the privacy of its employees, Stella McCartney require each employee joining the company to sign the following documents:

- The employee privacy notice information,
- Video surveillance notice,
- Whistleblowing procedure (only for Stella McCartney Italia employees).

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

METRICS RELATED TO OWN WORKFORCE

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

TABLE 24 - TOTAL NUMBER OF EMPLOYEES BY GENDER

GENDER	UOM	2024
Male	n.	131
Female	n.	413
Other	n.	-
Not disclosed	n.	-
TOTAL EMPLOYEES	N.	544

Below are detailed the countries where Stella McCartney operates.

TABLE 25 - TOTAL NUMBER OF EMPLOYEES BY COUNTRY

COUNTRY	UOM	2024
UK	n.	179
Italy	n.	169
Japan	n.	112
USA	n.	40
Spain	n.	14
Hong Kong	n.	14
France	n.	11
China	n.	5
TOTAL EMPLOYEES	N.	544

[4] The number of participants in certain health and safety trainings may exceed the total headcount as of 31 December 2024 due to the presence of employees who subsequently left the company and are therefore not included in the year-end headcount.

TABLE 26 – 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[5]	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

(*) Gender as specified by the employees themselves

TABLE 27 – 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%

The turnover rate is calculated as the percentage between the number of employees who left the company and the total number of employees as of 31st December 2024 as shown in Table 28.

Data is extracted as a report from HRIS Workday. The total number of employees is disclosed as head count at the end of the period, hence 31st December 2024.

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.

The high turnover rate was due to company reorganisation including store closures. It is for this reason that the total headcount went from 633 at end of 2023 to 544 at end of 2024.

[5] The data published in the sustainability statement does not match the data reported in the Modern Slavery Statement 2024 due to an extraction inaccuracy at the time of the statement publication.

DIVERSITY METRICS [S1-9]

TABLE 28 – GENDER DISTRIBUTION AT TOP LEVEL MANAGEMENT

GENDER	NUMBER	%
Male	3	30%
Female	7	70%
Other	–	–
Not disclosed	–	–
TOTAL EMPLOYEES	10	100%

Senior 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.

TABLE 29 – DISTRIBUTION OF EMPLOYEES BY AGE GROUP

AGE	NUMBER	%
Under 30	103	19%
30-50	364	67%
Over 50	77	14%
TOTAL EMPLOYEES	544	100%

ADEQUATE WAGES [S1-10]

All employees are paid in line with local Collective Bargaining Agreement and at least minimum wage requirements where applicable. Stella McCartney also has a global annual review process to keep in line with market increases.

SKILLS DEVELOPMENT METRICS [S1-13]

During the year, Stella McCartney conducts two performance review moments: one is the Mid-Year Conversation where no performance rating is given and the other is the end of year performance review, where a performance rating is given and count as the formal review indicated below.

TABLE 30 – EMPLOYEES THAT PARTICIPATED IN REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	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. As the company does not operate manufacturing facilities, the number of workplace accidents is generally low and of limited severity. The company will align the system also through local audits from H&S consultancy. During 2024, no fatalities occurred as a result 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 in order to face the topic of cybersecurity. In this regards, Stella McCartney adopted, among others relevant, the **Information Systems & Technology Security Policy** and the **Guidelines for Information Systems** usage and the that 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 purpose is to provide guidance on the usage of the IT Tools and the Company's electronic mail and navigation services on Internet, indicating to them appropriate security measures and appropriate lines of conduct for compliant and non-risk use. 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 effort to strengthen cybersecurity practices, every year Stella McCartney Italia refreshes and divulgate the Security awareness documentation, a set of training materials and proceed 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.

3.2 WORKERS IN THE VALUE CHAIN - S2

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

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, including workers and their representatives, to understand their needs and expectations. During supplier audits, Stella McCartney gathers workers' perspective, which helps inform sourcing decisions, risk assessments and long-term sustainability goals. Through ongoing dialogue and collaboration with suppliers and NGOs, the company ensures that workers' voices are integrated into its business practices and strategy.

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.

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, particularly those in the most remote tiers of the supply network.

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 production activities are completely outsourced through a network of almost 500 specialised partners, upon whom it relies on both for manufacturing and for raw materials procurement.

The supply chain can be divided into two clusters:

1. Production of items sold such as clothing, shoes or bags and related product packaging – "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 – "Non-product Supply Chain" / "Non-product Suppliers."

PRODUCT SUPPLY CHAIN

Materials are sourced and products manufactured through a carefully selected network of suppliers located 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 Portugal, Spain, France, India, Japan, Poland, Romania and Turkey.

The product supply chain is distinguished 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.

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, few 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 generate significant risks. First, there would be a serious deterioration in 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 sustainable 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. The company conducts regular audits to monitor ethical and environmental standards while training suppliers on workers' rights and sustainable practices.

All the workers involved in the production of Stella McCartney collections are potentially affected by the company and its business relationships and include direct suppliers' workers and subcontractors' employees, who may, for instance, be vulnerable workers including young workers, migrant workers, women.

TABLE 31 – 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				
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
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
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
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
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
Working conditions - Collective Bargaining	Positive potential impact	Enabling collective bargaining can significantly improve working conditions across the value chain.	Short term	Upstream
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
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
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
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
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
Equal treatment and opportunities for all - Diversity	Positive potential impact	Suppliers promoting non-discriminatory hiring improve community living and working standards.	Short term	Upstream
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
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				
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
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
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
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
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
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
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
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
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
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
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
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
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

Workers at greater risk

Through the social responsibility programme and modern slavery risk assessment, Stella McCartney has developed an understanding of workers that may be at greater risk of harm.

Using the company risk assessment tool, it is possible to determine a risk rating for all suppliers and potential suppliers based on a country risk profile, facility level risk, workforce risk and transparency and engagement risk. Moreover, the tool integrates disaggregated demographic data, including if migrant workers, homeworkers, young workers and other groups of more vulnerable workers are present.

In past years, through the social responsibility programme and modern slavery risk assessment, we have identified four specific groups of workers exposed to major risks:

- **Migrant and refugee workers:** who is a refugee, internal migrant or economic migrant can often have fewer rights in the workplace and less legal protection. All Stella McCartney sourcing countries represent a risk in this regard.
- **Forced Labour in the cotton supply chain:** Stella McCartney is aware that there is a risk of modern slavery in global cotton supply chains, especially in the lower supplier tiers. Cotton is a seasonal crop, which means temporary workers are often used for picking and other processing stages. The company is concerned that in some countries, such as Uzbekistan, this labour is not voluntary and is supplied through government led schemes which constitute modern slavery. There is awareness of the risk that cotton from countries where forced labour has been documented being mixed with cotton from other countries and sold into international supply chains. In India, the Sumangali scheme has received a lot of attention because of the risk of young girls being recruited for bonded labour in the cotton mills. Additionally, any country affected by conflict, such as Turkey due to the Syrian refugee crisis, represents an increased risk. For these reasons, the company placed an outright ban on cotton sourced in China, Uzbekistan, Syria and Turkmenistan.
- **Child labour and young workers:** the risk assessment tool includes a child labour risk level by country, based on indicators such as ratified ILO or UN frameworks and the UNICEF Prevalence of Child Labour score. It turns out that Tiers 1 and 2 in China and India pose the highest risk of child labour in the company supply chain. The most significant risks in Tiers 3 and 4 were identified in India, China, Turkey, Peru, Pakistan and Egypt. Risk increases as you move further down the tiers of the supply chain and community-based handcraft supply chains can also present a risk of child labour, as craft techniques are passed down through generations.
- **Temporary workers and the use of recruitment agencies:** temporary workers may be hired in an informal way, without contracts or paid through an intermediary. This leaves them more exposed to exploitation than directly employed and permanent workers. Using recruitment agencies or other intermediaries may leave workers vulnerable to unethical recruitment practices. All tiers and countries represent a risk, including the use of some service providers and contractors in own operations.

Positive impacts creation

Stella McCartney contributes to generale positive impacts and prompting opportunities of upskilling through activities like trainings addressed to suppliers on sustainability topics as for instance, CSR & Human Rights and environment, and also meaningful partnerships to produce Stella McCartney's products and in the meantime sustain local communities, through key partnerships with local suppliers for example in Kenya and Madagascar.

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, executing and overseeing measures and guidance to prevent, address and remedy human rights abuses within supply chains and business activities lies with the Corporate Social Responsibility (CSR) and Human Rights team.

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 requirements and expectations relating to social responsibility:

- Supplier Ethical Code of Conduct;
- Responsible Sourcing Guide;
- Suppliers Subcontracting Policy;
- Modern Slavery Policy for Partners;
- SpeakUp® Policy.

Supplier Ethical Code of Conduct

The Stella McCartney Supplier Ethical 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 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

The Guide applies to the total collective of suppliers and all Stella McCartney partners in direct business relationships with the brand, as well as their supply chains, subsuppliers, subsubcontractors, homeworkers and any other intermediaries. These include Tier 1 to Tier 4 suppliers. The policies within the Guide equally applies to suppliers' directly owned operations (such as offices, factories or workshops); and also their service providers (such as their own security or cleaning companies); 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 fabric, yarn, trims or packaging). For further information please refer to Chapter "4.1 Business Conduct – G1".

Supplier Subcontracting Policy

Additionally, Stella McCartney adopted the Supplier Subcontracting Policy in which outlines the social sustainability standards that subsuppliers and subcontractors need to comply with. For further information please refer to Chapter "4.1 Business Conduct – G1".

Modern Slavery Policy for Partners

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

The policy explains the term "Modern Slavery" used to encompass human trafficking, slavery, forced, compulsory, slave and child labour. It sets the standard and guidance that includes the most common areas of risk. It explains how to implement best practices and what path Stella McCartney recommends its partners to take to help address modern slavery.

Policies have been developed in alignment with international standards and through collaboration with partners. Stella McCartney maintains close relationships with the majority of its suppliers and recognises that direct collaboration is key to supporting them in consistently meeting the brand's standards. Engagement with experts is prioritised to ensure awareness of current trends in sourcing regions, enabling the prediction, prevention, assessment and mitigation of human rights risks.

SpeakUp® Policy

The SpeakUp® Policy regulates the grievance mechanism process in Stella McCartney supply chain and is intended for all individuals involved in the manufacturing of products to report any concerns regarding unethical behaviour or misconduct. After June 2024, this policy was replaced by the Global Whistleblowing Policy which will be release via the Sustainability Hub in 2025. Since 2021, SpeakUp® has been the designated platform for reporting misconduct. This tool is accessible to anyone within Tier 1 value chain and can be utilised anonymously through the web or by phone in different languages. The platform for external reports is managed by the CSR & Human Rights team to support supply chain workers. For further information about the policy, please refer to Chapter "4.1 Business Conduct – G1", paragraph "Protection of whistleblowers [G1-1]".

The responsibility to write the policies related to social compliance is of the Sustainability Department, specifically to the CSR & Human Rights team. It also collaborates with the Human Resources and Legal Departments for the document integrations and approval. The CSR & Human Rights team is as well responsible for sharing documents via the online platform Sustainability Hub and ensuring that the standards included therein are respected by suppliers and their subcontractors. Moreover, the company 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 it 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 can together with its suppliers find solutions to common issues and challenges seen 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. Obtaining the workers perspective support the company assessment as can provide further visions relevant for the evaluation.

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 means to obtain relevant information about working conditions in the value chain is through discussions with industry associations. For instance, Stella McCartney is 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 sustainable 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. This is accompanied by the Open Supply Hub suppliers list, which publicly shares the list of direct Tier 1 suppliers.

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, 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 work together 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 time frame for remediation, or are found continually violating the Code of Conduct, Stella McCartney reserves the right to terminate the business relationship with the supplier, including cancellation of outstanding orders.

It is equally important for the company that workers have channels to independently raise issues, in fact, Stella has made available to workers employed in its value chain its SpeakUp® tool, the 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]”.

The SpeakUp® Policy, and related poster, is the document released to provide all necessary information related to the tool and that Stella McCartney require its direct suppliers to share among their workers and also their subcontractors, in order to be available for their employees as well. The policy includes specific instructions and measures to protect reporters against potential retaliation.

Stella McCartney manages all reports made either directly or via the SpeakUp® tool. The relevant team shall confirm receipt of the report within 5 working days. Then it will carry out a preliminary check to verify that:

- The report falls within the scope of this policy,
- All information required to allow for an initial assessment has been provided.

If Stella McCartney determines that a report does not align with the policy or should be considered under different processes, this will be communicated, while if verified the report is valid, investigative activities will proceed, including communication with reporters directly or through the SpeakUp® tool, in case of anonymous feedback, for obtaining further details. Investigations aim to be completed within three months of receipt.

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 is to increase the number of social audits on Tier 1 and Tier 2 suppliers.

In 2024 the aim was to at least double the number of audits performed in 2023, which was 71. The target was achieved and exceeded, with 151 audits conducted worldwide. In 2025, the objective is to reach 160 audits, with 70% focused on Tier 1 and 30% on Tier 2 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 an important role in suppliers' ability to meet good labour standards. Stella McCartney believes in knowing its factories personally and using training and capacity building as a way to address any shortfalls against the company's values and standards.

Suppliers' onboarding process

In 2024 and live from 2025, the onboarding process of suppliers was updated by introducing new questions via the Sustainability Hub regarding production site and related subcontractors and requesting details about their workers and relevant documents which also support in the organisation of audit activities. 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.

Of the 151 audits performed in 2024, 127 were conducted in Italy - out of approximately 390 Tier 1 and Tier 2 suppliers[6] based in Italy - and 24 worldwide, most involving Tier 1 suppliers and few Tier 2. These 127 audits represent a significant portion of the approximately 390 Tier 1 and Tier 2 suppliers based in Italy. Evaluations on 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 production made by the CSR & Human Rights team every production launch. From mid-2024, the company decided to switching to mostly unannounced audits more than announced especially for existing suppliers and existing or new subcontractors.

What is important for Stella McCartney is to understand the country background and culture and support the management in understanding the importance of good labour practices to improve the workers conditions and their value on the market. Audits are conducted in close collaboration with suppliers, fostering a synergistic approach aimed at analysing issues and driving continuous improvement, not only to meet Stella McCartney's standards, but also to support the development of suppliers' own. The audit process is positioned as both an assessment tool to identify areas for improvement and an opportunity to engage with a dedicated expert who can offer consultancy across various aspects.

Once the audit on-site is over and in case social responsibility standards non-observation are identified, the company investigates all breaches and requires that remediation steps are taken where practices do not comply. During any investigation and remediation process, the protection of workers and their livelihoods is prioritised, with collaboration maintained throughout with the supplier. Should a supplier fail to engage, strive to meet the required standards or resolve identified issues, it can lead to the termination of the business relationship is.

Audits reports and corrective action plans are tracked, and suppliers progresses and evidence of the resolution of the non-compliances highlighted during the onsite visit are archived. The risk tool is continuously updated to collect relevant information regarding audit results and non-compliances, in order to inform the audit plan.

During 2024, non compliances found during audits were mostly related to site management, especially in audits conducted outside Italy. Main issues emerged during audits relates to working hours and compensation that are mostly connected to the cultural background as are normal practices in the countries of origin, while issues related to health and safety most of the time are linked to the unawareness of the management practices.

Planned actions

From 2025, Stella McCartney planned to start working on a qualitative strategy which will support to identify relevant risks, challenges and opportunities in terms of social compliance and ethical trade. The company will not only use its expertise but also collaborating with external partners and organisations experts of these topics to collect useful insights to inform its strategy.

This will allow to update the risks presents in the supply chain by taking in consideration specific countries analysis, supply chain issues common in the fashion value chain and possible resolutions. In order to do so, have full management and visibility of supply chain is essential to understand areas of interest.

[6] This value includes both direct and indirect Tier 1 suppliers, and direct Tier 2 suppliers.

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. Actively collaboration takes place with local communities across the supply chain mainly through joint initiatives.

Community action is recognised as a crucial first step in supporting local production and establishing a foundation for long-term partnerships. The approach includes aligning 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 relies on global sourcing of raw materials and artisanal production.

For example, the sourcing of agricultural and mineral inputs, can lead to water and soil pollution, affecting the health and livelihoods of nearby communities. These risks are particularly relevant in countries with weak environmental and social regulations. The company's strategy to work with artisanal and remote communities also implies a responsibility to prevent negative impacts such as cultural appropriation or exploitation, while promoting positive impacts like job creation and skills development. The identification of such impacts has led Stella McCartney to adapt its sourcing strategy by prioritising suppliers with strong environmental and social compliance in order to contribute to reducing negative effects on local communities.

All materially affected communities are included in the scope of the disclosure, with a particular focus on Tier 1 and Tier 2 suppliers. The monitoring system is being progressively expanded to include both upstream and downstream impacts, especially in regions where environmental and social risks are higher. Main communities affected include:

- Those in proximity of 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.

The majority of affected communities are located along the upstream - near the operational sites of the company suppliers - and downstream value chain, rather than Stella McCartney's own facilities. These include both urban and remote areas, depending on the nature of the activity (e.g. artisanal production or industrial processing). These communities are impacted through business relationships and sourcing decisions.

Stella McCartney has identified that certain material negative impacts on affected communities are systemic in nature, particularly those related to environmental degradation and health risks stemming from upstream activities such as mining, dyeing, tanning and pesticide use in agriculture. These impacts are not limited to isolated events but are linked to broader patterns in the supply chain, especially in regions with weak regulatory frameworks. Additionally, individual incidents, such as transport accidents or localised pollution events, may occur and pose acute risks to communities near operational sites.

Stella McCartney has collaborated with Ethical Fashion Initiatives (EFI) and Build a Nest, further detailed later in this document, which has brought to build partnerships with suppliers based in Kenya and Madagascar, supporting their artisan communities. These initiatives have generated positive socio-economic impacts by providing alternative income opportunities, preserving cultural heritage and enhancing local skills through training in raffia weaving and basketry. These activities are particularly impactful in regions where traditional livelihoods are threatened by environmental and economic instability. By integrating these handcrafted products into its collections, the company promotes sustainable sourcing and empowers women-led artisan groups.

Stella McCartney has developed an understanding of how certain communities may be at greater risk of harm due to their geographic location, regulatory context and type of activity. In particular, communities in countries with low regulatory standards for environmental protection and social compliance are more vulnerable to systemic risks such as water pollution, exposure to hazardous chemicals and land degradation. Indigenous communities in remote areas may face heightened risks due to potential expropriation of culturally significant territories and competition for natural resources. The company integrates this understanding into its risk assessment and supplier selection processes, prioritising engagement, transparency and mitigation strategies in high-risk regions.

Stella McCartney's strategy and business model are directly influenced by the risks arising from its impacts and dependencies on affected communities. The company acknowledges that certain material impacts on affected communities, such as water pollution from dyeing and tanning processes or pesticide use in agriculture, can generate reputational and operational risks for the company. In regions where environmental and social regulations are weak, local communities may respond with protests or demands for accountability, potentially implicating fashion brands. For this reason, the CSR strategy includes, on one hand, ensuring that suppliers and workers across the supply chain are aligned with established standards to foster continuous improvement; on the other hand, it relies on high-impact community support projects, working closely with disadvantaged communities.

The relevant risks identified are connected to impacts and include:

- Reputational risks related to environmental violations (e.g. polluting water discharges) or social violations (e.g. poor labour conditions) by suppliers operating in countries with weak enforcement. These impacts may trigger protests from local communities and attract media or NGO attention.
- Supply chain disruption risks, in cases where affected communities obstruct production or logistics activities in response to unmanaged negative impacts.

Those risks particularly concern specific groups of affected communities, including local communities living near production facilities or communities in developing countries.

TABLE 32 – 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				
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
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
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
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
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				
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
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 included in its **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 three core social responsibility objectives, outlined in the Responsible Sourcing Guide: sustainable 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.

Respect for Indigenous Peoples' Rights

Within its Responsible Sourcing Guide, with respect to viscose, rayon and cellulosic fibres materials, the company has defined wool 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 Peoples. 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 for community engagement, it has implemented practices that reflect its commitment to respectful and inclusive dialogue.

The Sustainability Department, and specifically the CSR & Human Rights function, 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 in understanding and implementing these requirements, and in improving practices where necessary.

Engagement with communities primarily occurs through collaborative projects that involve direct interaction with local groups. For example, in Madagascar, Stella McCartney has supported artisan-based initiatives that foster local craftsmanship and community development Although these engagements are currently project-based, they represent a foundation for more structured and long-term community involvement.

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 4.1 Business Conduct – G1, paragraph "Protection of whistleblowers [G1-1]".

It is important to note that, as of now, the SpeakUp® tool does not cover all countries in which the company operates. For example, Madagascar is currently not included due to limitations in provider coverage.

ACTIONS AND RESOURCES RELATED TO AFFECTED COMMUNITIES [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.

Philanthropy

Stella McCartney supports initiatives that combat climate change, protect biodiversity and animal welfare, and empower communities, especially women. 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

Our forest-friendly viscose and acetate is responsibly sourced, fully traceable and from forests approved by the CanopyStyle Audit. These forests are managed not only to prevent deforestation and protect biodiversity, but also to safeguard the rights and livelihoods of local and Indigenous communities. By prioritising suppliers that engage communities in forest stewardship, Stella McCartney helps ensure that raw material sourcing contributes to social equity, supports traditional knowledge systems and promotes long-term economic resilience in forest-dependent regions.

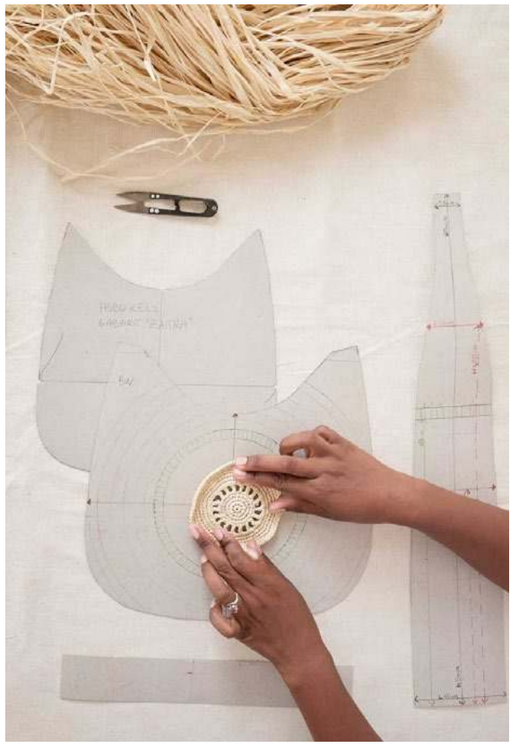
Support for Marginalised Groups

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 sustainable 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. These projects aim to activate supply chain partnerships that directly benefit local communities. In India, Stella McCartney is collaborating with other brands to support internal migrant workers through improving their working conditions and providing them with life skills training. This collaboration, named Utthan project, started in 2016, aims to support embroidery skills of Indian artisans located in the area of Mumbai and to leverage on putting together expertise and efforts from different fashion luxury maisons in the sector for a common objective. In the context of this programme, in 2023 the CSR & Human Rights team has visited some suppliers in that area to understand progress and alignment to the program social standards.



In 2022 in Kenya, in collaboration with the Ethical Fashion Initiative (EFI) Stella McCartney has worked with EFI artisans to produce raffia bags in particular by women belonging to the Kamba tribe in Kitui county, known worldwide for their basketry skills. We have also provided these artisans with proper training for raffia weaving to introduce a skillset to the group, given the complexity of this process. This initiative has provided alternative income opportunities in a region affected by environmental and economic instability. The bags feature sustainable materials such as vegan Alter Mat, GOTS-certified organic cotton and recycled polyester, reflecting the brand's commitment to both people and planet. The project continued through 2023 and 2024.

A partnership was established with Build a Nest, a Non-Governmental Organisation (NGO) that supports artisan communities through capacity-building and ethical production programs. In collaboration with Build a Nest, Stella McCartney identified Tanora, a Madagascar-based supplier, to co-develop a capsule collection of handcrafted raffia accessories. These pieces, included in the Spring Summer 2024 collection, are made using traditional Malagasy weaving and crocheting techniques, ancestral skills that are increasingly at risk of disappearing. The project not only supports local artisans economically but also contributes to the preservation of cultural identity and craftsmanship.

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 through continuous 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 pioneering alternatives to animal leather, investment in regenerative agriculture and the implementation of full traceability across the supply chain. Consumer rights are respected and upheld through product safety, data privacy and honest marketing practices.

Customers 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 co-create 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 with respect to consumers and end-users. The company's strategy and business model are directly linked to actual and potential impacts on consumers and end-users. For example, issues related to privacy and health are linked to how the company manages cybersecurity and ensure chemical safety in its supply chain. These impacts actively inform and shape the company's strategic decisions. For instance, stricter supplier guidelines and improved marketing practices have been introduced to mitigate risks and respond to consumer expectations.

There is a clear relationship between material risks and the company's strategy. Reputational risks from data breaches or misleading marketing influence business decisions, prompting investments in cybersecurity, compliance and responsible communication

All Stella McCartney consumers have been considered in the identification of impacts. Consumers affected include those exposed to data breaches, those needing accurate product information and those at risk from harmful substances in products.

Impacts such as misinformation are potentially systemic, while others (e.g. data breaches) may be incident-based.

TABLE 33 - 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				
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
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
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
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
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				
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
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
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	Upstream

POLICIES RELATED TO CONSUMERS [S4-1]

To effectively address consumer-related topics, Stella McCartney implemented comprehensive policies to enhance trust and ensure a safe and responsible shopping experience for all customers.

HEALTH AND SAFETY

A primary aim of Stella McCartney is to ensure that only safe and compliant products are offered to clients, this in order to enhance customers trust and shows the company commitment to sustainability goals.

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 information about the PRSL, please refer to chapter "2.2 Pollution – E2".

PRIVACY

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

The Privacy Notice inform about privacy rights and data processing and aims at helping to better understand how Stella McCartney handle consumers personal data. In particular, it includes, among others, information regarding the purposes of data collection, what kind of data are gathered and processed, how the data are used and explicit indication about how clients can control information and manage their choices by outlining the contact of the Data Protection Officer (DPO) and of the competent Supervisory Authorities, as well as the step to revoke the consent or block the sharing of certain data.

Each customer visiting Stella McCartney e-commerce is informed on 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 to choose their preferences in these terms.

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 will acknowledge the privacy notice and may decide to provide marketing and profiling consent.

The processing of personal data for marketing activities is based upon consent, so customers can choose if they want to receive or not marketing communication from Stella McCartney. A customer can always revoke the consent provided at any time.

PROCESS FOR ENGAGING WITH CONSUMERS [S4-2]

Stella McCartney recognises the fundamental role of its customers. Their satisfaction and loyalty are critical to its success and the company is committed to understanding their needs and exceeding their expectations by offering exceptional products and services. The company appreciates their feedback and actively seeks to build strong relationships with them.

Maintaining strong customer relationships is crucial for businesses. Stella McCartney aims at creating strong relationships through the use of its most popular social channels such as Instagram, TikTok, Facebook, LinkedIn, Pinterest, YouTube, WeChat, Weibo, RED, LINE and Twitter. 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 aligned with sustainability objectives.

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The Retail Department is responsible for sending a survey to all purchasing clients with the purpose to gather information about their in-store experience, including asking whether the store staff communicated appropriately Stella McCartney 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 to calculate the Net Promoter Score (NPS), a customer experience metric. In 2024, the company obtained a score of 83, exceeding the internally defined objective of achieving a score of 80. The response rate of consumer was about 15% and allowed to identify the key characteristic that make up the brand perception in the eyes of clients as well as decision drivers that led to the purchase, particularly 31% choose the brand for its product quality and innovation; 25% for the luxury fashion design, 16% for Stella McCartney herself, 15% for a vegetarian and cruelty-free choice, 4% for sustainability as a value, 4% for seen in media or influencers, 4% for a recommendation from a friend and the remaining 2% for other reasons.

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 online customer support form, available on the company's website and via telephone. By remaining accessible and responsive, store teams are able to address concerns or suggestions promptly, 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 makes available also to consumers the confidential and secure mechanism to raise concerns: the SpeakUp®. 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]

Stella McCartney is in the process of setting up a formalised targets and actions plans, however, already established targets and carried out actions are below detailed.

Targets [S4-5]

HEALTH AND SAFETY

With respect to health and safety in products, Stella McCartney set itself a near-term target to integrate into the company's compliance management two additional documents: Product Safety Management Plan (PSMP) in accordance with PAS 7050 and Product Safety Incident Plan (PSIP) in accordance with PAS 7100[7], to be achieved by the end of year 2025.

The introduction of PSMP and PSIP will result in increased product safety control, reduced safety-related non-conformities, faster corrective actions as well as fewer safety incidents linked to Stella McCartney product and, consequently, less aftersales complaints, with benefits for both consumers and the company that will be able to be meet to the guidance criteria.

PRIVACY

Stella McCartney is committed to maintaining the highest standards of privacy and data protection. The company will continue to enhance the existing privacy compliance system, ensuring that all business initiatives, including the adoption of new technologies like artificial intelligence, are designed and implemented with privacy by design principles. The target is to ensure transparency, adhere to evolving legislation and align with guidance from privacy authorities by regularly reviewing and updating privacy policies and practices to reflect changes in legislation, regulatory guidance and industry best practices.

ACCESS TO QUALITY INFORMATION – RETAIL ACTIVITIES

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

For this reason, the objective of the retail training team is to ensure that they receive information on 100% of the products available across the global retail network. 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.

Actions [S4-4]

In response to the identified impacts and risks, the company has developed targeted initiatives to safeguard consumer interests and enhance their overall experience, aligning with its broader sustainability and ethical commitments.

PRIVACY

Exercise of data subject rights

Stella McCartney established a procedure for the exercise of data subject rights. For example, if a customer does not want to receive marketing email anymore can write to a dedicated email address.

Contractual relationship with third parties' providers

When a third party is involved in processing customer personal data the company signs specific data processing agreement to regulate processing activities and third party's liabilities.

Data breach

In February 2024, a data breach occurred. The breach was caused by an error of a Stella McCartney provider, acting as data processor. The breach was duly notified by the data processor. Upon discovery of the breach, the data processor immediately implemented corrective measures to resolve the issue. Following the data breach procedure, Stella McCartney informed the Data Protection Officer who performed a risk assessment and suggested the company to notify it to the Italian Data Protection Authority (so called *"Garante per la protezione dei dati personali"*).

ACCESS TO QUALITY INFORMATION – RETAIL ACTIVITIES

With the aim of enabling Stella McCartney customers to access information about the products they are interested in or purchasing, the Retail team, composed mainly by in-store staff, is adequately trained to convey key messages about the brand identity and the products.

Training project

With the aim of providing customers with all the information necessary to make informed choices and understand the characteristics and sustainability attributes, of Stella McCartney products, the Retail Department organise Retail training addressed to the retail store teams, including the Store Management, the clients style advisors, also the training wants to support the wholesales partners and franchisees stores.

The trainings held can be distinguished in seasonal training and permanent or iconic training.

The Seasonal Trainings are composed by different activities:

- **Seasonal Kick Off calls:** training online to all the store teams worldwide to introduce the new collection by focusing 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 the learning.
- **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 the practicing of the seasonal product training knowledge and sustainability facts.
- **Ambassador's weekly in store training:** each store has a training ambassador who organise a weekly in store training, focused on store needs to continue train the teams on the story telling about 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-learning, on permanent products, for instance the iconic bag Falabella, by also highlight all the sustainability-linked information.

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

TABLE 34 – METRICS ON PRODUCT AND OPERATIONS TRAINING

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

TABLE 35 - 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)	n.	4,500
Courses uploaded on the e-learning platform (in English and Japanese)	n.	18
Store teams trained (e-learning/virtual)	%	100%

[7] The Publicly Available Specification PAS 7050:2015 - Bringing safe products to the market and PAS 7100:2022 -Code of practice on consumer product safety related recalls and other corrective actions are voluntary guidelines published by the British Standards Institution (BSI).

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. Also, it is possible to zoom the product image to see all of the details. The company is also working on providing a Digital Product Passport in order to provide comprehensive information about products manufacturing steps, compositions and sustainability data.

HEALTH AND SAFETY

During 2024, 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 Compliance team worked closely with Product Safety consultant on implementing all requirements from General Product Safety Regulation (EU) 2023/988 in the activities, enhancing product safety management, therefore, making sure that all product Stella McCartney places on the market are safe. Compliance with GPSR prevents 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 final purpose to protect customers.
  GPSR project scope is very broad, and many teams are involved in it, indeed, all product business units, Legal team, Finance team, Aftersales team and Licensee team have been consulted. Within the project, the first activity started is the performance of a gap analysis, that will allow to understand the current processes and to prioritise the activities required by the GPSR to achieve compliance, subsequently, planned for 2025 are the released of product risk assessment templates, trainings and the development of two documents: Product Safety Management Plan and Product Safety Incident Plan, whose completion is also linked to an internal objective.
  Stella McCartney is keeping updated on EU GPSR by collaborating with other companies, especially in the interpretation of the regulation, through joining conferences and webinars on the topic. Also, in 2024 the company engaged in chemical safety working group to keeping up to date on latest information.
- **Material testing:** Testing all components for all product categories on PRSL compliance directly relates to the sustainability objective of protecting consumer and environmental health. Testing is an ongoing process repeated each season, 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. In 2024, Stella McCartney tested against PRSL and mechanical performance (sampling + production) approximately 2100 pieces.

All product compliance activities in Stella McCartney are to gatekeep product integrity and product safety to customer. When product safety or product compliance is at risk, e.g. failing test result on production material, a risk assessment and recommendation is made by the Product Compliance Coordinator who then escalates the final decision-making process to higher level, that made the final decision by prioritising consumer safety and regulatory compliance.

In case of safety and quality complaints received from clients, the Aftersales team is responsible to implement appropriate and adequate respond to remedy.

Product Compliance is led by Product Compliance Coordinator falls under Quality team - that is responsible for overseeing product testing, supplier compliance, regulatory alignment, issue escalation. Product Compliance team manages a budget and invests in third party lab testing, particularly for PRSL compliance and safety risk evaluation. And is supported by two external consultants focusing on GPSR and Chemical Safety specifically. Under Quality team also falls Aftersales team that focuses on customer complaints and quality issues.

NON-DISCRIMINATION

Stella McCartney is aware of the importance of creating collections that are inclusive, enhancing the identity of each person and the uniqueness of each shape.

For this reason, the company designs genderless luxury products and capsule collection offering endless versatility across unisex ready-to-wear from tailoring and expertly crafted denim to iconic vegan accessories and artisan-crafted cruelty-free shoes. This inclusive approach is, for instance, reflected in accessories and bags lines, with genderless products such as 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, unisex design and material innovation.

Also, the brand wants to reflect and embrace the characteristics of each of its customers by providing garments that can fit different body shapes and skin tones, such as bodysuits available in different colours and shades.

RESPONSIBLE MARKETING PRACTICES

Stella McCartney is committed to transparency, honesty and authenticity, and adheres to any regulations regarding communications such as the European Union's Directive on Empowering Consumers for the Green Transition (ECGT) and Green Claims Directive (GCD). The company sees sustainable, cruelty-free and ethical practices as core to its Unique Selling Proposition (USP) and consequently are committed to integrating these values into all of its communications and storytelling.

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 brand unique selling points and support 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, 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 use store screens to showcase sustainability content globally.
- **Public Relations:** Stella McCartney send dedicated press releases and storytelling to journalists, often dedicated exclusively to innovations, all feature sustainability facts. Also, the Eco Fact Sheet supplement the press releases, seasonally detailing the company legacy and latest innovations.
- **Events:** the company hosts speaker series in its stores with sustainability leaders and innovators, such as inviting Arizona Muse, the American model and passionate earth activist, to lead a talk in 23 Old Bond Street store for Earth Day 2024. The company also attends climate events and cover 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 feature innovators in its collections and support them through any related marketing and communications activities. For instance, when the company launched in 2024 Hydefy as part of the Summer 2025 collection, they received a dedicated press release that was sent to media. They additionally got an Innovation Story video, shared on the company's social channels and website. They also received a dedicated article on Stella's World, the company editorial platform. Stella herself also speaks about innovative materials during interviews and events.

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 podcast or documentary series;
- Platforming sustainable materials and innovations in new store openings;
- Reaching younger audiences through dedicated Tik Tok 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 a periodic and direct communication with its licensees in order to verify that their processes and practices are in line with Stella McCartney monitoring systems and standards in terms of social compliance. Indeed, it is essential for the company to understand its partners social compliance and approach in terms of audit activities and yearly plans, by having open dialogue with them. Certainly, the responsibility to monitor their own supply chain falls on them, but it is up to Stella McCartney ensuring that they apply the correct rules. Moreover, Stella McCartney has established an agreement with some partners that guarantee the use of the company audit checklist during on-site assessment and sharing the audits results of manufacturing sites involved in the production of its licensed collections.

In addition to the contract, license partners are required to read and adhere to the social compliance policies, which outline Stella McCartney's standards.

With respect to the previous year, the number of licensees has decreased from 6 to 3, particularly the products licensed in 2024 include:

- **Kidswear:** Including kids and baby clothing, bags, footwear and accessories.
- **Eyewear:** Sunglasses and prescription optical frames for men and women, for children; and skiing goggles for kids.
- **adidas by Stella McCartney:** Versatile women's sport performance products, 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.

The company plans to work in 2025 to a formal procedure regarding the engagement and monitoring of its licensee partners from both a social and environmental perspective.

Aftersales

Stella McCartney offers aftersales service to all its customers for all its products.

Repair, replace or refund for defective, under warranty items, is free of charge, while, for out-of-warranty items, repair service is fee-based and depends on the availability of replacement parts. Customers can access the aftersales service through direct stores, multi-brand retailers where products are available or via the official website. During 2024, Stella McCartney aftersales service repaired 390 pieces of out of warranty products.

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 IROs that the company and its value chain could create or be exposed to.

TABLE 36 – 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	Opportunity	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 operating 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 details the ethical principles on which the brand was built on and continues to stand behind and sets the points of reference that must guide the actions of its employees, to which the policy applies.

Additionally, the Code outlines 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 representatives of the society and wish to foster open dialogue with them.

Also, Stella McCartney commits to adhere to internationally agreed-upon standards, initiatives and regulations including the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, International Labour Organisation conventions on various topics, the OECD Guidelines for Multinational Enterprises, the ten Principles of the United Nations Global Compact, UN Guiding Principles on Business and Human Rights, UN Sustainable Development Goals (SDGs). The company is also part of the Ethical Trading Initiative (ETI).

The Code of Ethics is approved by the CEO and the Ethics & Compliance Committee.

Anti-Bribery and Corruption Policy

The Anti-bribery and Corruption Policy aims at outlining the 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;
- Whistleblowing Procedure, applicable to Stella McCartney Italia;
- Grievance Policy, applicable to Stella McCartney Ltd in UK;
- SpeakUp® Policy.

Global Whistleblowing Policy

The Global Whistleblowing Policy 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.

It applies to everyone who is contracted to work for and at Stella McCartney, including employees, agency workers, contractors and interns.

The People & Culture Team holds primary responsibility for implementing and managing the policy, while serious cases are escalated to Senior Management or the Ethics & Compliance Committee.

The Global Whistleblowing Policy takes a proactive, stakeholder-centric approach, offering anonymous, multilingual reporting options.

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. This document refers to situations of malpractice, illegal acts or omissions at work, including but not limited to criminal offence, maladministration, fraud, while for personal grievance for instance harassment, discrimination or matters related to employment or labour law, Stella McCartney provides other policies further detailed below and in chapter "2.1 Own workforce – S1".

Whistleblowing Procedure – Stella McCartney Italia

The policy establishes the procedures through which a report can be made of unlawful or illegal conduct or behaviour, whether by act or omission, which constitutes or may constitute a violation, or an inducement to commit a violation, of the Group Code of Ethics adopted by the company or of the policies and rules governing corporate processes, as well as violations consisting in administrative, accounting, civil or criminal offences or also violations of specific national and European provisions, as well as ensures a working environment in which employees and internal collaborators can easily 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. An important 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 condition, opportunities to career development. The policy is applicable to UK employees.

SpeakUp® Policy

The SpeakUp® Policy 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 SpeakUp® tool is an online platform that also provide anonymity to the reporter, ensuring a safe and open space for reporting. It also describes the investigation procedure, including the Stella McCartney teams involved and all the process steps that follow the receipt of a report. This policy is mainly directed to both internal and external stakeholders and it remained in effect until June 2024, after which the Global Whistleblowing Policy was introduced.

231 Model

Stella McCartney Italia has implemented the indications of the Italian Legislative Decree 231/2001 regarding the administrative responsibility of legal entities by implementing an Organisation, Management, and Control Model aimed at preventing and countering the risk of committing crimes outlined by the Decree. The Model identifies areas of potential risk within the company's activities and aims 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 identified.

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 Ethical Code 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 suitable 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.

Supplier Subcontracting Policy

In the first level of Stella McCartney supply chain there are suppliers with whom the company has a direct business relationship, that can either produce garments in-house or rely on a third-party site, this is allowed and subject to the company verification of the site. This subcontractor constitutes the second level for the company. In this case, the subcontractor is not allowed in turn to outsource production to others: therefore, subcontractors of subcontractors are not allowed, except in rare cases, which may consist of laboratories involved for specific stages of production because they are not carried out internally, but always subject to verification through audit and authorisation by the company.

Stella McCartney aims to keep its supply chain transparent and as stable as possible and therefore seeks to minimise subcontracting.

However, it recognises that at times, subcontracting is necessary, especially in certain countries and for certain production processes. In case where subcontracting is practiced, suppliers must ensure that their own practices and the practices of their subcontractors comply with the Stella McCartney Subcontracting Policy.

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 views with respect to sub-subcontracting and unauthorised subcontracting, also indicating the steps for onboarding and authorisation of manufacturing sites.

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

Responsible Sourcing Guide

The Responsible Sourcing Guide offers comprehensive instructions to suppliers to help them comply with the Code of Conduct and other policies, exploding 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.

Additionally, the Guide also include the respect of animals as one the fundamental principles outlined therein. 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 thirsts, form discomfort and from pain. The document also highlights the animal welfare standards for each animal-based fibres used in the collections.

PROTECTION OF WHISTLEBLOWERS [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. This tool, managed by the People & Culture team, is accessible globally to all employees and all suppliers and is available 24/7.

The SpeakUp® platform was launched in May 2021, 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.

Reports can be raised with the direct Line Manager, People & Culture team or via SpeakUp® managed by People & Culture team (for internal reports) and o the Corporate Social Responsibility (CSR) & Human Rights (for external reports), ensuring accessibility and flexibility. 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 process 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 2024, no cases have been reported through the SpeakUp® tool. During this year, Stella McCartney has worked on new implementations on the SpeakUp® platform, which will be release via the Sustainability Hub in 2025, and on new internal and external SpeakUp® Policy and posters.

The Global Whistleblowing Policy, as well as the Stella McCartney Italia Whistleblowing Procedure, which 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. Additionally, Stella McCartney Italia Whistleblowing Procedure outlines protective measures provided to guarantee privacy hence 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 allow to protect the identity of the whistleblower and kept it confidential.

In 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 that there is an anonymous report, and 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 your 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 been a cruelty-free, vegetarian brand, 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 has consistently refrained from 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.

The decision to prioritise animal welfare is a driving force behind the brand's business approach, which also promotes the safeguarding of wildlife and biodiversity more broadly for the future.

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 utilises in Stella McCartney's products.

However, the company never wants to be associated 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, in order to ensure that the animal's welfare is guaranteed first and foremost.

In particular:

- Our 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);
- Our silk is entirely Global Organic Textile Standard (GOTS)-certified;
- Our 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), or NATIVA™ and ZQ 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 company 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 handled through People & Culture or Ethics & Compliance functions, with investigations carried out objectively. While the policy does not name a formal investigating committee, reports are managed by functions separate from the operational chain of command involved in the matter, ensuring a degree of structural independence to investigations and protects against bias or conflict of interest. In case, a member of the committee that handles and investigates is involved in the case, a back-up person is defined. The policy ensures that privacy and confidentiality are respected throughout the investigation process.

Anti-bribery and corruption Policy is made available through the Policy Hub, an online platform, and a dedicated communication sent by email.

During 2024, Stella McCartney has not involved in any convictions for violation of anti-corruption and anti-bribery laws and, therefore, did not register any fines in this regard.

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

Since the establishment in 2001, Stella McCartney has been a cruelty-free, vegetarian brand, a groundbreaking position at both its foundation and present day. Animal leather, feathers, fur and skins have consistently been excluded from use. In 2008, this commitment 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 2024.

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. Greater awareness of supply chain risks enables more effective preparation for, 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, taking into account outside factors such as local politics and climate change.

The company focuses on engaging local stakeholders and experts to ensure to be aware of the current trends in its sourcing regions and to increasingly predict and prevent human rights risks as well as assess and address them.

Mapping and understanding the supply chains beyond direct relationships is one of Stella McCartney key priorities.

Stella McCartney, before starting to collaborate 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]". In particular, it performs different type of assessments and audits, based on the risk assessment previously conducted, to make sure they are in line with standards and values.

Stella McCartney values honest and transparent relationships with its suppliers above all else. 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 full traceability of its supply chain across all tiers, especially down to the farm level, particularly for cotton.

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 Tier 1 direct suppliers and from 2025 also to Tier 2 supplier to share details regarding manufacturers sites which include a list of all 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 will be 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. Moreover, since 84% of Tier 1 and Tier 2 suppliers

are based in Italy, having a dedicated department in the country closed to suppliers' locations are key in reducing this risk as it facilitates the direct relationship with the suppliers.

In addition, in 2024, an initial test of an internal system for rating suppliers has been put in place, and fed by the company's business units, sustainability and product compliance teams. The system evaluates direct suppliers considering different aspects on a sustainability perspective, like social performance from audits results, environmental performance, traceability and simple communication.

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 allows to 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 live from 2025, significant work has been done to strengthen and update the Sustainability Hub by implementing new sections that would allow to take important steps toward the digitisation and traceability of the supply chain. The Hub now includes policies not only related to social but also to product compliance, with opportunity for suppliers to e-signing them there directly and for the company to monitor the archive policies acceptance and overall information related to suppliers' sites characteristics.

In addition, Tier 2 suppliers not yet registered in the platform have been onboarded, allowing to also gather information about their subcontractors and subsuppliers, expanding knowledge on supply chain. As part of the overall onboarding process, the questions directed to suppliers regarding their production sites and associated subcontractors have been updated, requesting details about their workers and relevant documents that also support the organisation of audit activities.

Given the changes done 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 social compliance in 2024, and it is planning to hold a course on the Sustainability Hub updates in 2025.

Traceability

Throughout 2024, Stella McCartney worked on some pilot projects aimed at a progressive alignment to the Digital Product Passport (DPP) and increased traceability of its products value chain. These efforts are not only to align with the regulatory requirements of the Eco-design for Sustainable Products Regulation (ESPR), but to use the DPP as an opportunity to enhance the brand's awareness of its value chain, and the sustainability communications with its customers in order to bring them on the traceability journey as Stella McCartney engages further with its supply chains.

Stella McCartney's traceability journey commenced in 2022 with a blockchain technology pilot with the United Nations Economic Commission for Europe (UNECE) and the regenerative cotton supplier SÖKTAŞ. The purpose of this pilot was to explore the potential of blockchain technology in facilitating cross-border trade and supply chain processes. The pilot focused on using blockchain to streamline the exchange of trade-related information, such as certificates of origin and customs declarations, to enhance transparency, efficiency and security in international trade. The UNECE blockchain platform, known as 'transparency evidence', offered verifiable evidence of the production practices used, including certifications and standards. This platform required authorisation from the relevant standard-setting bodies (such as OEKO-TEX® and Better Cotton Initiative) to ensure the validity of these certifications and standards, to prevent any potential fraud or dissemination of false information. Stella McCartney's Snog-a-Log Regenerative Cotton T-Shirt was at the centre of this pilot: the platform allowed to capture all factors from the garment's value chain from farm level all the way through to product retailing. Upon completion, a Classic Cotton Shirting was developed using regenerative cotton from SÖKTAŞ. In 2024, a third and final pilot was conducted for a blazer in collaboration with Stella McCartney's RWS wool supplier, aimed at tracing the wool supply chain.

Throughout 2024, Stella McCartney worked further to increase its traceability efforts through a four-fold approached pilot on 12 Stock Keeping Unit (SKU) across Ready-to-Wear, Bags and Shoes.

1. **Physical traceability.** In 2024 Stella McCartney studied how to integrate 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 would be 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 study 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.
2. **Logical traceability.** The brand worked with suppliers to obtain product sustainability data to test full integration of logical traceability from data collection of the selected Stella McCartney SKUs and corresponding suppliers through to publishing results for alignment with AGEC (France Anti-Waste Law for a Circular Economy) and DPP compliance on a dedicated DPP integration. The information collected included, but was not limited to, product description and composition, value chain traceability and environmental impacts through Life Cycle Assessment calculations.
3. **Digital Product Passport.** A proof of concept was completed to study and showcase internally how Stella McCartney could exploit a DPP platform for the creation of Digital Twins of each single product unit manufactured and the dedicated final customer experience, ranging from sustainability and traceability information, product authenticity, claim product ownership, to possible circular initiatives.
4. **Blockchain.** As part of the overall traceability roadmap, the brand in 2024 has commenced to evaluate some partners with the aims to use blockchain technology for data storage, reliability and guarantee, and to further leverage the Digital Product Passport.

Looking forward, Stella McCartney will strategically roll out its traceability project streams in a phased approach across its business units. Initial focus will be on the brand's Bags Department with full roll out by the end of 2025. Ready-To-Wear and Shoes will follow respectively from 2026.

Cross departmental collaboration is essential to ensure the successful launch of these project streams as they require alignment between multiple departments.

TABLE 37 - TRACEABILITY PROJECTS

TRACEABILITY PROJECTS		UOM	2024
Physical Traceability	Study how to apply RFID technology into Stella McCartney products	Number of SKUs	4
Logical Traceability	Obtain SKU product value chain traceability and sustainability data	Number of SKUs	12
Digital Product Passport	Study how to exploit a DPP platform for the creation of Digital Twins and customer experience	Number of SKUs	4

TABLE 38 – PERCENTAGE OF SUPPLIERS WITH A BREAKDOWN BY COUNTRIES FOR TIER 1 AND TIER 2

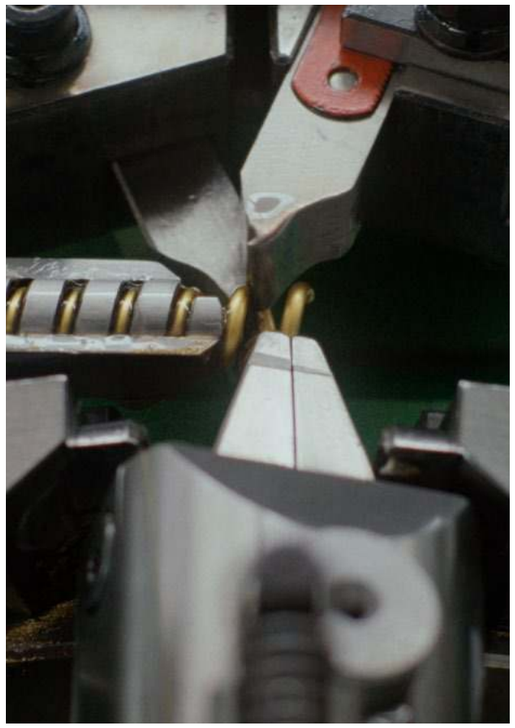
COUNTRY	UOM	2023	2024
Italy	%	82%	84%
Portugal	%	5%	4%
Spain	%	4%	3%
France	%	1%	1%
India	%	1%	1%
Japan	%	1%	1%
Poland	%	1%	1%
Romania	%	1%	1%
Turkey	%	< 1%	1%
Albania	%	1%	< 1%
Others*	%	3%	3%

*The remaining 3% of 2024 Tier 1 and 2 suppliers is split between Albania, Australia, Bulgaria, Colombia, Hungary, Madagascar in Tier 1 and Austria, China, Peru, South Korea and USA in Tier 2. In 2023, the remaining 3% is divided between Bulgaria, Turkey and Hungary in Tier 1 and Austria, China, Morocco, Pakistan, Peru, South Korea, Turkey and UK in Tier 2. All these suppliers account less than 1%.

TABLE 39 – NUMBER OF TIER 1 AND TIER 2 SUPPLIERS[8]

TIER	UOM	2023	2024
Tier 1 direct suppliers	n.	53	69
Tier 1 indirect suppliers	n.	145	155
Total Tier 1 suppliers	n.	198	224
Tier 2 suppliers	n.	289	237

[8]The total number of Tier 2 suppliers consists of direct suppliers.



Payment practices [G1-6]

As part of its approach to ensuring timely payments, including to SMEs, Stella McCartney records the agreed payment terms when creating supplier master data in the SAP system. This information is used to automatically calculate invoice due dates. 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. Since most invoices are due at the end of the month, this concentration facilitates payment planning and improves the timeliness of execution.

The average time Stella McCartney takes to pay an invoice, calculated from the date on which the contractual term of payment begins, is 64 days.

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. Invoices for goods represent 67% of total invoices, and 73% of these have a due date of 60 days. Approximately 57% of such invoices are paid on time, while 39% are paid within 30 days after the due date. For service-related invoices, 62% have 30-day terms, with 48% paid on time and 42% within 30 days after 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 2024 invoices, categorised by goods and services and by applicable payment terms, without making use of sampling.
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 2	General Disclosure	GOV-4	Statement on due diligence		8-9
ESRS 2	General Disclosure	GOV-5	Risk management and internal controls over sustainability reporting	Stella McCartney does not currently have risk management and internal control processes in place with respect to sustainability reporting.	Disclosed in column "Notes" of this table
ESRS 2	General Disclosure	SBM-1	Strategy, business model and value chain		10-14
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ESRS E1	Climate Change	E1-7	GHG removals and GHG mitigation projects financed through carbon credits		42-43
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.	Disclosed in column "Notes" of this table

STANDARD	DESCRIPTION	DISCLOSURE REQUIREMENT		NOTES	PAGE NUMBER
ESRS E1	Climate Change	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Not disclosed
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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
ESRS E3	Water and marine resources	IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		48-49
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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		56-57
ESRS E4	Biodiversity and ecosystems	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		55
ESRS E4	Biodiversity and ecosystems	IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities		53-54
ESRS E4	Biodiversity and ecosystems	E4-2	Policies related to biodiversity and ecosystems		56
ESRS E4	Biodiversity and ecosystems	E4-3	Actions and resources related to biodiversity and ecosystems		58-59
ESRS E4	Biodiversity and ecosystems	E4-4	Targets related to biodiversity and ecosystems		57
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		60-61
ESRS E5	Resource use and circular economy	E5-1	Policies related to resource use and circular economy		62
ESRS E5	Resource use and circular economy	E5-2	Actions and resources related to resource use and circular economy		63-66
ESRS E5	Resource use and circular economy	E5-3	Targets related to resource use and circular economy		62-63

STANDARD	DESCRIPTION	DISCLOSURE REQUIREMENT		NOTES	PAGE NUMBER
ESRS E5	Resource use and circular economy	E5-4	Resource inflows		67-68
ESRS E5	Resource use and circular economy	E5-5	Resource outflows		68-69
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		70
ESRS S1	Own workforce	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		70-72
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.	73-76
ESRS S1	Own workforce	S1-2	Processes for engaging with own workers and workers' representatives about impacts		77
ESRS S1	Own workforce	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		77-78
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		78-81
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.	Disclosed in column "Notes" of this table
ESRS S1	Own workforce	S1-6	Characteristics of the undertaking's employees		81-82
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		83
ESRS S1	Own workforce	S1-10	Adequate wages		83
ESRS S1	Own workforce	S1-11	Social protection		Not disclosed
ESRS S1	Own workforce	S1-12	Persons with disabilities		-
ESRS S1	Own workforce	S1-13	Training and skills development metrics		83
ESRS S1	Own workforce	S1-14	Health and safety metrics		83
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		84-85
ESRS S2	Workers in the value chain	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		85-90
ESRS S2	Workers in the value chain	S2-1	Policies related to value chain workers		91-92
ESRS S2	Workers in the value chain	S2-2	Processes for engaging with value chain workers about impacts		92-93
ESRS S2	Workers in the value chain	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		94-95
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		96-97
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		96
ESRS S3	Affected communities	SBM-2	Interests and views of stakeholders		98

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		98-100
ESRS S3	Affected communities	S3-1	Policies related to affected communities		101
ESRS S3	Affected communities	S3-2	Processes for engaging with affected communities about impacts		101
ESRS S3	Affected communities	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns		102
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		102-103
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.	Disclosed in column "Notes" of this table
ESRS S4	Consumers and end-users	SBM-2	Interests and views of stakeholders		104
ESRS S4	Consumers and end-users	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		104-105
ESRS S4	Consumers and end-users	S4-1	Policies related to consumers and end-users		106
ESRS S4	Consumers and end-users	S4-2	Processes for engaging with consumers and end-users about impacts		106-107
ESRS S4	Consumers and end-users	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		107
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-discrim-ination, and responsible marketing practices.	108-112

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.	108
ESRS G1	Business Conduct	GOV-1	The role of the administrative, supervisory and management bodies		6-7
ESRS G1	Business Conduct	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		114-115
ESRS G1	Business Conduct	G1-1	Corporate culture and 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.	116-121
ESRS G1	Business Conduct	G1-2	Management of relationships with suppliers		123-126
ESRS G1	Business Conduct	G1-3	Prevention and detection of corruption and bribery		122
ESRS G1	Business Conduct	G1-4	Confirmed incidents of corruption or bribery		122
ESRS G1	Business Conduct	G1-5	Political influence and lobbying activities		122-123
ESRS G1	Business Conduct	G1-6	Payment practices		127

ANNEX II

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		5
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	28-29
ESRS E1-5 37	SFDR, Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1	Relevant	35
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	34
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	34-42
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	50
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	55

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	55
ESRS E4-2 24 (b)	SFDR, Indicator number 11 Table #2 of Annex 1	Relevant	Not disclosed
ESRS E4-2 24 (c)	SFDR, Indicator number 12 Table #2 of Annex 1	Relevant	56
ESRS E4-2 24 (c)	SFDR, Indicator number 15 Table #2 of Annex 1	Relevant	56
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	71
ESRS S1 SBM-3 14 (g)	SFDR, Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	Relevant	71
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	77-78
ESRS S1-14 88 (b), (c)	SFDR, Indicator number 2 Table #3 of Annex I Delegated Regulation (EU) 2020/1816, Annex II	Relevant	83
ESRS S1-14 88 (e)	SFDR, Indicator number 3 Table #3 of Annex I	Relevant	83
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 7 Table #3 of Annex ISFDR, 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	98
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	91-92
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	97
ESRS S3-1 16	SFDR, Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1	Relevant	Not disclosed
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	116
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	122
ESRS G1-4 24 (b)	SFDR, Indicator number 16 Table #3 of Annex 1	Relevant	Not disclosed

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