Modern Slavery Statement

Introduction

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and in respect of the financial year ended 31 December 2021. Johnstons of Elgin (“Johnstons”) are aware that slavery, servitude, forced labour and human trafficking (“Modern Slavery”) is a global issue, and this declaration sets out the steps that the Company have taken, or will take, to prevent any form of Modern Slavery within our own business and within our global supply chain.

Organisational Structure

Founded in 1797, Johnstons is an innovative, luxury clothing brand celebrating 225 years of experience in working with the world’s finest fibres this year. For over two centuries, our family-owned Company has carefully sourced cashmere and fine woolen fibres from around the world, applying the latest technology and highest quality craft expertise in our own vertical Scottish mills in Elgin and Hawick. We also have Retail stores in Edinburgh, Elgin, Gretna, Hawick, Kildare Village, London, and St Andrews, and Sales hubs in Dusseldorf, London, Paris and Tokyo. Our products are sold in luxury department stores around the world and online through our own retail website johnstonsofelgin.com.

Johnstons of Elgin has a turnover in excess of £65 million.

Supply Chain

Johnstons supply chain network exists to support the production of our woollen and cashmere and woollen, clothing, and accessories and includes the purchasing of packaging, goods, and raw materials. However, as the only vertical mill in Scotland, we retain full control of our manufacturing processes in-house transforming raw fibre into yarn and finished products. We may sub-contract a very small amount of work when production demand dictates this, but only to well-established business partners. As such, we directly employ more than 1,000 employees, and external agencies would only be used in exceptional cases where “key skills” are required but are not readily available locally.

Policies and Contractual Controls

- Corporate Social Responsibility

  Johnstons are members of Sedex, a not-for-profit organisation working with businesses to help them manage the ethical and responsible practices of their global supply chains. Sedex focuses on four main areas - labour standards, health & safety, environment and business integrity. We also comply with Ethical Trading Initiative (“ETI”) Base Code; a set of labour standards based on International Labour Organization conventions used to drive improvements in working conditions around the world and includes the following:

  i. Employment is Freely Chosen;
  ii. Freedom of Association and the right to Collective Bargaining are respected;
  iii. Working Conditions are safe and hygienic;
  iv. Child Labour shall not be used;
  v. Legislative Wages are paid;
  vi. Working Hours are not excessive;
  vii. No Discrimination is practiced;
  viii. Regular Employment is provided;
  ix. No Harsh or Inhumane Treatment is allowed.

- Anti-Bribery and Anti-Corruption

  The Bribery Act 2010 was introduced by the UK Government to oblige UK businesses operating globally to ensure they implement proactive measures of preventing the risk of bribery and corruption in business dealing with third parties. In
addition to our Code of Conduct, the Anti-Bribery and Anti-Corruption section of our Responsible Business Principles Standard communicates Johnstons commitment to compliance with the aforementioned Act.

- Recruitment and Selection Policy and Procedure

In complying with the ETI Base Code, Johnstons must ensure regular employment is provided and that no harsh or inhumane treatment occurs in our workplaces. As part of this obligation, the Company commits to providing a robust, fair, and inclusive recruitment and selection process, and are fully compliant with all current legal requirements ensuring that employment is freely chosen, the withholding of passports/ID’s is not permitted, employees are free to leave employment at any time if they wish to do so, and there is no forced, bonded or involuntary prison labour within the Company.

- Working Time Regulations

Johnstons are committed to ensuring we remain compliant with the Working Time Regulations (1998) by regularly monitoring working time via our Time Management System. Additional Hours/Overtime, when offered, are undertaken on a voluntary basis.

- Auditing

Internal auditors, external auditors acting on behalf of our customers, and ISO (International Organization for Standardization) auditors, regularly review our working practices, and if any room for improvements and/or non-conformances are identified, remedial action is instigated.

The Purchasing of Raw Materials and Consumables

- Raw Materials

Johnstons are aware of the importance of its raw material supply chain and the sustainability of raw material suppliers. Our raw fibre is purchased from a small number of partners that we have worked with for many years, who in turn collect material on our behalf from thousands of local herder and farmer families, utilising cashmere from over 1 million goats. Each batch of cashmere or wool purchased is traceable back to the dehairing, scouring and combing facility with appropriate documentation.

To provide increased confidence that animal and human welfare has been prioritised in our cashmere production, we are moving to buy our cashmere from sources certified by the Sustainable Fibre Alliance (SFA). Specific criteria must be met and verified before the fibre can be certified, which includes ensuring safe, fair working environments for the workers in the cashmere supply chain. We made our first purchases of SFA certified cashmere during a pilot program in 2020 and, as capacity increases, we will increase our purchases from certified sources and have set a target date of 2024 by which we aim to purchase 100% of our fibre from SFA certified sources.

As a pioneering member of the SFA since day one, we have been actively promoting and consulting on the Clean Fibre Code of Practice developed by the SFA in 2019. This code of practice is designed to ensure acceptable standard in primary processing facilities used for cashmere scouring and dehairing. The code of practice is already mandatory for SFA certified fibre prepared in Mongolia and China.

- Consumables

At Johnstons, we aim to build long standing relationships with suppliers we can trust. All consumable supplier information is reviewed by our Quality team before a supplier is added to our Approved Supplier List.

Steps Taken to Prevent Modern Slavery

Having received training alongside our partner customers we have conducted a review of the risks in our supply chain with regards to Modern Slavery. We are fortunate that so much of our manufacturing is done internally and have therefore a relatively high degree of oversight over the process. As a result, our first step was to review and update all the policies and contractual controls mentioned above to ensure that they are robust in protecting our own employees.
As we work with regular contractors for security, cleaning and, gardening services, we then contacted our regular contractors to review compliance with our Responsible Business Principles Standards and seek assurances that processes are in place to manage the risk of Modern Slavery within those businesses.

The HR Department continuously monitor our employee’s personal details such as addresses and bank details to check for commonalities which may be an indication of Modern Slavery.

By the end of Q3 2022 we will deliver training for our management team on how to spot signs which may be indicative of human exploitation such as irregular physical appearance, few or no personal effects, isolation and control and the reluctance to seek help. This training will also cascade down through our refresher induction training for existing employees and as part of the Company induction new employees receive on day one of employment.

Any concerns with regards to Modern Slavery within Johnstons of Elgin or our global supply chain should be discussed with the appropriate business account manager or our People Director.

Chris Gaffney
Chief Executive