

## **Modern Slavery Statement**

### **1. Introduction**

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

### **2. Organisational Structure**

Founded in 1797, Johnstons of Elgin has been manufacturing the finest woollen and cashmere cloth, clothing and accessories for over two centuries. Johnstons' products are manufactured at two mills, one in Elgin and one in Hawick. We have Retail shops in London, St Andrews, Hawick, Elgin, Edinburgh, Gretna and Kildare Village and offices/showrooms in London, Dusseldorf, Paris and Tokyo. Our products are sold in the world's best boutiques and online through johnstonscashmere.com

Johnstons of Elgin has a turnover in excess of £70m.

### **3. Supply Chains**

As the only vertical mill in Scotland transforming raw fibre into yarn and finished products we retain full control of our manufacturing processes in-house. We may sub-contract a very small amount of work when production demand dictates this, but only to well-established business partners. Our supply chain includes the purchase of packaging, goods and raw materials. We directly employ more than 900 employees, and external agencies would only be used in exceptional cases where "key skills" are required but are not readily available locally.

### **4. Policies and Contractual Controls**

#### **a. Corporate Social Responsibility**

Johnstons of Elgin 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 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 – Employment is Freely Chosen; Freedom of Association and the right to Collective Bargaining is respected; Working Conditions are safe and hygienic; Child Labour shall not be used; Legislative Wages are paid; Working Hours are not excessive; No Discrimination is practiced; Regular Employment is provided; and No Harsh or Inhumane Treatment is allowed.

#### **b. Anti-Bribery and Anti-Corruption**

In addition to our Bribery Act - Business Ethics/Code of Conduct, the Anti-Bribery and Anti-Corruption section of the Responsible Business Principles Standard communicates the commitment of Johnstons of Elgin to compliance with the Bribery Act (2010).

c. **Recruitment and Selection Policy and Procedure**

Employment is provided and no harsh or inhumane treatment is allowed. All recruitment processes are fair, transparent and fully compliant with all current legal requirements ensuring that employment is freely chosen, the withholding of passports/ID's is not permitted, there is no forced, bonded or involuntary prison labour within the Company, and, employees are free to leave the company at any time if they wish to do so.

d. **Working Time Regulations**

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

e. **Internal and Customer Auditing**

Our 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.

5. **The Purchasing of Raw Materials and Consumables**

a. **Raw Materials**

Johnstons of Elgin 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.

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. In 2021 we aim to purchase 25% of our fibre from SFA certified sources with a target of 100% by 2024.

We have been actively promoting and consulting on the Clean Fibre Code of Practice" developed by the SFA. 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 will soon be applied in China also.

b. **Consumables**

We build long standing relationships with suppliers. Consumable supplier information is reviewed by our Quality team before suppliers are added to our Approved Supplier List.

6. **Steps taken to ensure that Modern Slavery and Human Trafficking is not taking place.**

Having received training alongside our partner customers we have conducted a review of the risks in our supply chain with regards to Modern Slavery & Human Trafficking. 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 of the policies and contractual controls mentioned above to ensure that they are robust in protecting our own employees.

We then considered our regular contractors and we have been in contact with security, cleaning and gardening contractors seeking assurances that processes are in place to manage the risk of Modern Slavery within those businesses.

We 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.

Our next step is to deliver training for our 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.

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 People Director at Johnstons of Elgin.



**Simon Cotton**  
**Chief Executive**