

# Mulberry

## Mulberry Group Plc's disclosure requirements under the UK Modern Slavery Act 2015 and California Transparency in Supply Chains Act 2010 for the financial year 2016/17

### UK MODERN SLAVERY ACT 2015 ("UK ACT")

Under the UK Act, companies providing goods and services with a turnover of £36m or more are obliged to publish an annual Slavery and Human Trafficking Statement setting out the steps the company has taken to ensure slavery and human trafficking is not taking place in its supply chain or its own business.

### CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT 2010 (SB-657) ("CALIFORNIA ACT")

Under the California Act, companies of a certain size doing business in the State of California are obliged to disclose their efforts to eradicate slavery and human trafficking from their direct product supply chains for the goods that they offer for sale..

### MULBERRY STATEMENT FOR THE 2016-17 REPORTING YEAR

This is our second statement under the UK Act and California Act, updated to reflect progress made during the financial reporting year 2016-17, and identifying the areas on which we will focus in the coming year.

### ABOUT MULBERRY

Founded in 1971, Mulberry is an iconic British design company and lifestyle brand, renowned world-wide for its craftsmanship and quality. The Company designs, develops, manufactures, sources and sells a range of women's and men's leather bags and accessories; luggage; soft accessories and jewellery; women's ready-to-wear; and footwear. Product design and development are carried out at the Company's London design offices and Somerset factories. Leather bag manufacturing is primarily carried out at the Company's two UK factories located in Somerset, with the remaining products sourced from carefully selected suppliers in Italy and other European and non-European countries. Women's ready-to-wear and footwear are manufactured and supplied by our Italian licensee, Onward Luxury Group. Our intention is to build long relationships with our key suppliers, built on trust and mutual understanding.

Our products are sold globally through our own store network, our concessions and online at [www.mulberry.com](http://www.mulberry.com) and via franchise stores as well as through appropriate third party retailers. Our business is divided into two main streams: Design and Manufacture, and Retail. Our supply chain is closely controlled through the use of our own manufacturing facilities in the UK and our own warehouse and distribution facilities. Our sourcing and quality teams work closely with our leather and component suppliers and our third party leather goods suppliers outside of the UK.

### MULBERRY'S DISCLOSURE

Mulberry's product and major supplier relationships are governed by Mulberry's Global Sourcing Principles ("our Global Sourcing Principles") which includes the absolute prohibition of forced or bonded labour. In addition Mulberry's relationships with its own employees are governed primarily by UK law or to a smaller extent, USA, Canadian or the laws of various EU countries and benchmarked against our Global Sourcing Principles. In this disclosure we explain in more detail how we apply our Global Sourcing Principles in practice through good governance practices.

# Mulberry

The following is our disclosure under section 54 of the UK Act for the financial year 2016/2017 and the California Act:

## 1. VERIFICATION OF PRODUCT SUPPLY CHAINS

As explained in our statement last year, our Global Sourcing Principles set out the rights of all workers in our supply chain, whether in a direct or indirect employment relationship. They are based on the International Labour Organisation (ILO) fundamental conventions, including the prohibition of all forms of forced labour. As with Mulberry's own factories, we require all our product and major suppliers to sign up to our Global Sourcing Principles and Anti-Bribery and Corruption policy during our new supplier onboarding procedure through which we determine the supplier's ability to meet our standards. We expect our suppliers to apply these principles within their own supply chains and this is clearly stated in our Chairman's statement at the beginning of our Global Sourcing Principles. We reinforce these expectations during supplier meetings and site visits. In addition Mulberry employees are present in our key suppliers' factories every day, and trained to report any suspicious or unusual activity at those sites. We ensure we know the exact sites where Mulberry products are manufactured, and subcontracting is forbidden without express permission; subcontractors are assessed before being approved by Mulberry.

Products made under licence: Since 2016, we have licenced the manufacture of our Footwear and Ready-to-Wear collections to our Italian licensee, Onward Luxury Group. We are working closely with them to ensure standards consistent with our Global Sourcing Principles are applied in their supply chains. This year we have consolidated our relationship and met several times to discuss Mulberry's requirements and share good working practices in direct meetings and supply chain workshops.

## 2. SUPPLIER AUDITS

Mulberry conducts regular audits of our finished goods suppliers using third party independent auditors following the SMETA method developed by SEDEX. Generally these audits are semi-announced. Where non-compliances are found against our Global Sourcing Principles, a corrective action is agreed between the auditor and the supplier. Satisfactory completion of these corrective actions is assessed by Mulberry's internal trained auditors. We also carry out social audits of certain raw material suppliers according to the needs raised by our risk assessments. Performance in social audits is used as part of our ongoing supplier appraisal process, and a report is made to the Management Board annually on supplier performance in our social compliance and improvement programme.

## 3. CERTIFICATION OF MATERIALS

For almost all our products, the materials are selected and sourced by Mulberry, and so Mulberry has a direct line of communication to both our finished goods and our raw material suppliers, all of which sign up to our Global Sourcing Principles as a condition of doing business with Mulberry. This greatly increases the visibility we have over the source of our materials, and enables us to find out more about the potential risks to workers in our raw material supply chains.

Leather: we collect traceability information for all leather articles back to country of origin of the animal. We conduct risk assessments per origin country of the hides, and we do not knowingly source any leather from regions where use of slavery is documented.

Paper and card: we have a policy to source FSC or PEFC certified paper and card for our stationery product and branded packaging. Forests that are FSC and PEFC certified have to meet a minimum standard on social systems including no forced or bonded labour.

We monitor publically available information sources and where we are alerted to a risk of non-compliance with our Global Sourcing Principles in any of supply chains, we will conduct an investigation and act on the information we find to eliminate these risks.

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## 4. INTERNAL ACCOUNTABILITY STANDARDS AND PROCEDURES

### *Employees:*

All our employees have a contract which sets out their working conditions and hours of work expected, as well as their salary. For UK, European and North Asian employees there is a detailed Employee Handbook containing policies, procedures, rights and benefits (updated July 2016). All HR processes and policies are in compliance with the employment laws of the applicable country.

### *Suppliers:*

All product and major suppliers sign our Global Sourcing Principles as well as our Anti-Bribery and Corruption Policy. We verify our supply chain working conditions via a mixture of visits, self-assessment and 3rd party audits as described in sections 1-3 of this disclosure.

### *Contractors:*

Our contracted work includes our site cleaners, some security services and on-site caterers, some delivery services, shop-fitting and a small amount of temporary workers to cover specific projects and seasonal demands. Since our last statement we have reviewed and improved our management and oversight of these arrangements. We have developed a Pre-Qualification Questionnaire (PQQ) procedure which maintenance and shop-fit contractors must complete before they can be considered to tender for any contract. In the PQQ contractors must agree to our Global Sourcing Principles and Anti-Bribery and Corruption policy and provide certain information to support their confirmation. We intend to roll out this improved process to other departments in the coming year, as well as making sure we implement appropriate and regular performance checks once contracts are underway.

### *Licensees:*

We have licensee arrangements with Onward Luxury Group which makes our women's clothing and footwear. We work closely with that company to ensure compliance with our Global Sourcing Principles, as described in section 1 of this disclosure.

### *Reporting non-compliances and whistle-blowing:*

We encourage employees and workers in our supply chain to follow normal procedures to raise issues and concerns of an ethical nature, but recognise the importance of providing an impartial and protected route for reporting serious non-compliances with our standards. We have a Whistleblowing procedure in place which is described in our Employee Handbook as well as in our Anti-Corruption and Bribery policy which provides a direct contact at Mulberry HQ for urgent issues or in case all other avenues to report issues are exhausted. As part of our supplier audit process, our auditors offer interviewed workers the opportunity to follow up by telephone on a confidential basis.

If we learn of any allegations of slavery or trafficking through our whistleblowing system, our supplier audits or any other means, we will act promptly and effectively in the best interests of the workers affected, which could mean the termination of the business relationship with the supplier or contractor concerned. We have developed common sense response approaches internally for what to do in case we find instances of child labour or forced labour in our supply chain. In the coming year we will review our whistle-blowing procedure and remediation policies, and provide additional training as well as seeking to raise awareness of these in our supply chain.

## 5. TRAINING

Employees starting with Mulberry are invited to an Induction Day which includes a briefing on Corporate Responsibility and Mulberry's Global Sourcing Principles. Our Sourcing Country Managers are trained lead auditors in SA8000 (a social systems standard). Sourcing employees who regularly visit suppliers receive basic training on our Global Sourcing Principles and all other managers in contact with our suppliers receive regular updates on issues relating to the implementation of our Principles. As part of our review of processes for contractors this year we have held several workshops with employees in our shop-fit, maintenance and facilities teams on our Global Sourcing Principles and due diligence procedures. These have been very well received, and we will continue to hold these workshops and develop employee knowledge, as well as extending them to other departments in the business.

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## LOOKING AHEAD

We have made progress on reviewing and enhancing our due diligence procedures in the areas we identified in our statement last year, particularly how we ensure licensed production and contracted work meets our standards. In the coming year we will continue this work with training for our employees and supply chain to build awareness and understanding of Modern Slavery risks. We will continue to assess our business and supply chains to identify potential risks so as to be able to target those areas with additional policies, procedures and further training. We remain committed to safeguarding against mistreatment of persons within our own business and wider supply chains.

Approved by the Board on 12 September 2017 as applicable to Mulberry Group plc and its subsidiaries.

A handwritten signature in black ink, appearing to read 'Godfrey', with a long horizontal stroke extending to the right.

Godfrey Davis  
CHAIRMAN, MULBERRY GROUP PLC