

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 2017/2018

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 2017-18 REPORTING YEAR

This is our third statement under the UK Act and California Act, updated to reflect progress made during the financial reporting year 2017-18, 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 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

Mulberry

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. Mulberry's new joint ventures in North Asia and Japan have also adopted our Global Sourcing Principles and comply with the Modern Slavery Act. In this disclosure we explain in more detail how we apply our Global Sourcing Principles in practice through good governance practices.

The following is our disclosure under section 54 of the UK Act for the financial year 2017/2018 and the California Act:

VERIFICATION OF PRODUCT SUPPLY CHAINS

As explained in our previous statements, 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, site visits and annual due diligence questionnaires. 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. No issues have arisen during the licenced period. In June 2018 we announced our new manufacturing licence for eyewear with De Rigo Vision SpA. De Rigo is also required to comply with our Global Sourcing Principles and the Modern Slavery Act requirements and we will be working closely with them in this regard. De Rigo also has a Code of Ethics which covers ethical matters pertaining to employees and suppliers.

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

Mulberry

used as part of our ongoing supplier appraisal process, a report is made to the Management Board annually on supplier performance in our social compliance and improvement programme and the Audit Committee of the Board is provided with an overview.

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, as a minimum back to country of origin of the animal but often trace to slaughterhouse or farm. 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 products 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 publicly 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 investigate and act on the information we find to eliminate these risks.

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 number of temporary workers to cover specific projects and seasonal demands. We continue to review and improve our management and oversight of these arrangements. During the year we have introduced a new checklist for on-site cleaners, caterers and security guards employed through contract companies to complete and sign. This confirms their details for security purposes but also asks for confirmation on certain matters, including that they have received a contract and are being paid at least the minimum wage, and have received

Mulberry

appropriate training, information and any necessary PPE. A new “welcome letter” is also being issued which provides such people who work on our sites with contact details of a specified Mulberry person with whom they can raise any significant issues akin to whistleblowing. It is hoped that this will provide such people with an alternative route in the event there are any Modern Slavery related issues or other areas of concern.

The Pre-Qualification Questionnaire (“PQQ”) explained in our last statement, which includes a requirement to agree to our Global Sourcing Principles and Anti-Bribery and Corruption policy, has been implemented by our Real Estate department, which was identified as a high-risk business area due to the number and type of suppliers and contractors engaged. The PQQ is now part of the normal process for shop-fit, maintenance and facilities contracts through the Real Estate department, and appropriate and regular performance checks are undertaken.

Targeted internal training will be delivered to other internal departments as we roll out the PQQ to other contractors identified as a potential risk area.

Licensees: We have licensee arrangements with Onward Luxury Group which makes our women’s clothing and footwear and with De Rio Vision SpA for eyewear. We work closely with both companies to ensure compliance with our Global Sourcing Principles, as described earlier in 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 AntiCorruption 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. During the course of the year we have raised the profile of the Whistleblowing Policy through the new employee induction programme and will be considering whether any changes are needed to the process in the coming year.

TRAINING

Employees starting with Mulberry are invited to an Induction Day which includes a briefing on Corporate Responsibility, our Global Sourcing Principles, Anti-Bribery and Corruption Policy and Whistleblowing. Our Sourcing Country Managers are trained lead auditors in SA8000 (a social systems standard). Sourcing employees who regularly visit suppliers receive training on our Global Sourcing Principles and all other managers in contact with our suppliers receive regular updates on issues relating to the

Mulberry

implementation of our Principles. As part of our review of processes for contractors this year we have held a number of workshops with employees in our Real Estate department on our Global Sourcing Principles and due diligence procedures. New workshops are in the process of being devised for other internal department teams.

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. The roll out of the PQQ has improved the information obtained on suppliers and contractors, reinforced our requirements pertaining to our Global Sourcing Principles and helped us assess risk chain tiers. The checklist and welcome letter allows us to have a direct link with contractors' staff in the higher risk areas. 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 11 September 2018 as applicable to Mulberry Group plc and its subsidiaries.



Godfrey Davis
Chairman, Mulberry Group plc