

# 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 April 2020 to March 2021

### 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 they have taken to ensure slavery and human trafficking is not taking place in their supply chain or their 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 2020-21 REPORTING YEAR

This is our sixth statement under the UK Act and California Act, updated to reflect progress made during the financial reporting year 2020-21, 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; women's footwear; and eyewear. 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 were manufactured and supplied by our Italian licensee, Onward Luxury Group (until end 2020). Eyewear is manufactured and supplied under licence by De Rigo Vision, Italy. 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, online at [www.mulberry.com](http://www.mulberry.com) and through selected online concessions, 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, South Korean or the laws of various EU countries and benchmarked against our Global Sourcing Principles. Mulberry's joint ventures in North Asia and Japan comply with the relevant laws (including employment laws) of their own jurisdictions, have 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.

# Mulberry

The following is our disclosure under section 54 of the UK Act for the financial year 2020-2021 and the California Act:

## I. Structure and Supply Chains

### 1.1 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 week and are 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.

### 1.2 PRODUCTS MADE UNDER LICENCE

Since 2016, we have licensed the manufacture of our Footwear and Ready-to-Wear collections to our Italian licensee, Onward Luxury Group. That licence has now ended as we reposition Mulberry in the Footwear and Ready-to-Wear sectors. However, throughout the duration of the licence, we worked closely with them to ensure standards consistent with our Global Sourcing Principles were applied in their supply chains. No issues arose during the term of the licence. Since 2018, we have licensed the manufacture of our Eyewear collection to De Rigo Vision SpA. As well as complying with Mulberry's Global Sourcing Principles and Modern Slavery Act, De Rigo also has its own Code of Ethics which covers ethical matters pertaining to employees and suppliers which is generally aligned with our requirements. There is regular dialogue with our licensees to discuss Mulberry's requirements and share good working practices. No issues have arisen to date.

### 1.3 SUPPLIER AUDITS

Mulberry conducts regular audits of our finished goods suppliers using third party independent auditors. The audits are carried out against the Ethical Trade Initiative (ETI) Basecode and our Global Sourcing Principles. This is the third year in which the audit process has been tailored to better fit our business and products.

The impact of COVID-19 meant that some factory audits were unable to take place in person, due to travel restrictions, temporary closures, and increased safety protocols. In lieu of on-site audits, we have worked with the third party independent audit company to carry out limited distance audits and COVID-19 questionnaires, whilst keeping an open dialogue with our suppliers to ensure a manageable workflow. In-person audits will recommence when travel restrictions are relaxed.

Generally audits are semi-announced, meaning the supplier is informed of a 2-week window in which the audit will take place. Where non-compliances are found against the ETI Basecode or 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 trained internal auditors and verified by a third-party independent auditor where necessary. 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, 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. On occasions we may consult with other companies using the same supplier to benchmark the findings of our audits, particularly in relation to working conditions or labour related matters. The development of a Mulberry Gold Standard audit has progressed during the year, but this has taken longer due to COVID-19 restrictions.

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During this reporting period, Mulberry joined the Sustainable Leather Foundation (SLF) as a founding member. SLF provides a partnership platform for all stakeholders involved in the leather industry, as well as an audit and certification standard for organisations involved in the manufacture of leather, to measure their Environmental, Social and Governance performance, against a set of recognised standards and limits. This new industry standard will include a Social Audit Module, gathering data on wages & benefits, compulsory labour, worker age, working hours, staff development & representation, ethical business practices and non-discrimination practices. Mulberry has a representative on SLF's Advisory Board, to ensure that the development of the Social Audit Module meets the needs of brands and consumers.

## 1.4 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 sources of our materials and enables us to find out more about the potential risks to workers in our raw material supply chains.

1.4.1 Leather: We collect traceability information for all leather articles, as a minimum 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. Mulberry is a member of the Animal Welfare Group (AWG) whose principal objective is the education of the leather value chain, being all parts of the leather supply chain, on the salient aspects of animal welfare. As part of this work, the AWG produces country profiles containing research on the farming, transport, traceability, and slaughter of animals within each country, alongside legislation and regulation, governance and Non-Governmental Organisation activity. These profiles are used to influence our sourcing decisions and how to manage our risk.

As described in section 1.3, Mulberry joined the Sustainable Leather Foundation (SLF) as a founding member during this reporting period. Alongside the Environmental, Social and Governance Audit Modules, SLF is also developing Advisory Groups to address specific sustainability issues throughout the leather supply chain, including Social Responsibility.

1.4.2 Paper and card: We have a policy to source FSC certified paper and card for our organiser inserts. We also seek to source FSC paper for our operations. Forests that are FSC certified have to meet a minimum standard on social systems including no forced or bonded labour. Since our last report, we have been sourcing paper to be made into Mulberry packaging from a paper mill which specialises in paper derived from recycled coffee cups. To date, 1,517,647 coffee cups have been recovered for the production of Mulberry Cup-cycled paper.<sup>1</sup>

1.4.3 Cotton: We became Brand Members of the Better Cotton Initiative (BCI) in 2019 and set a sourcing target of 100% sustainable cotton by 2025. By being a BCI member and sourcing Better Cotton, Mulberry contributes to funding BCI's essential environmental and social work in cotton regions around the world. The "Better Cotton Criteria: Principle 6 Decent Work" prohibits all forms of forced or compulsory labour, including bonded or trafficked labour. It also states that cotton producers enrolled in the scheme must not practise discrimination (distinction, exclusion, or preference) that denies or impairs equality of opportunity, conditions or treatment based on individual characteristics, group membership or association. 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.

1.4.4 Finished Product: During this reporting period, we have rolled out the installation of Radio Frequency Identification (RFID) technology into our leather finished goods. RFID chips are secured within Mulberry products and capture date, location and product data of the manufacture, logistics and shipping journey of the product until it arrives at Mulberry's distribution centres. Although the implementation of this technology is primarily to address quality issues and improve stock management, we also recognise the benefits in being able to trace individual items back to their manufacturing origin, and specifically to the production team who crafted them.

<sup>1</sup> Statistic from James Cropper Paper from Mulberry orders placed up to February 2020.

# Mulberry

## 2. Policies on Modern Slavery

### 2.1 EMPLOYEE

All our employees have a contract or letter of engagement which sets out their working conditions and hours of work expected, as well as their salary. For UK, European, South Korean and North Asian employees there is a detailed Employee Handbook containing policies, procedures, rights and benefits (updated July 2016). All HR processes and policies comply with the employment laws of the applicable country. All new UK and European employees are informed of the scope of the Modern Slavery Act in their induction programme.

### 2.2 SUPPLIERS

All product and major suppliers sign our Global Sourcing Principles as well as our Anti-Bribery and Corruption Policy, which include provisions relating to Modern Slavery. We verify our supply chain working conditions via a mixture of visits, self-assessment and third-party audits, as described in section 1.3 of this disclosure.

### 2.3 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. In conjunction with new regulations relating to IR35, the HR team have undertaken a comprehensive review to identify contractors and review contracts. Cleaners, caterers, and security guards employed through contract companies are issued with a checklist 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 appropriate training, information, and any necessary PPE. A “welcome letter” is also 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. Since its implementation in 2018, no issues have been reported.

The Pre-Qualification Questionnaire (“PQQ”), which includes a requirement to agree to our Global Sourcing Principles and Anti Bribery and Corruption policy, including Modern Slavery, is part of the normal process for shop-fit, maintenance and facilities contracts through the Real Estate department and Facilities department, and appropriate and regular performance checks are undertaken. Targeted internal training continues to be delivered to other internal departments as we roll out the PQQ to other contractors identified as a potential risk area.

### 2.4 LICENSEES

We have licensee arrangements with Onward Luxury Group which makes our women’s ready-to-wear and footwear (until end of 2020) and with De Rigo Vision SpA for eyewear. We work closely with both companies to ensure compliance with our Global Sourcing Principles, as described earlier in this disclosure in section 1.2.

### 2.5 REPORTING NON-COMPLIANCES AND WHISTLEBLOWING

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 or email 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. Details of both the Whistleblowing and Anti-Corruption and Bribery procedure are covered in our Induction programme.

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## 3. Due Diligence Processes

Our supplier due diligence consists of an onboarding procedure, annual questionnaires, ad-hoc site visits and third-party audits as explained in section 1.3. The onboarding procedure informs the supplier of our Global Sourcing Principles, Anti-Corruption and Bribery Policy and other relevant policies, such as chemical management. The PQQ requires certain suppliers to provide us with company information including financial reports, references, details of any outstanding health and safety enforcement, insurances, and confirmation of adherence to our Global Sourcing Principles and Anti-Corruption and Bribery Policy.

## 4. Risk Assessment

By carrying out the due diligence activities detailed in section 3, we can identify and assess various risks within our supply chain and third parties with whom we engage and determine any appropriate actions. We have the added resource of our own people in our key supplier's factories who are trained to report any suspicious or unusual activities. We also look at other indices (such as Animal Welfare Group Country Profiles), risk assessments from audits, and carry out regular reviews. Third-party auditors can provide extra services to Mulberry if we have a specific area of concern which requires more resources to investigate and/or resolve. To date, we have not encountered any Modern Slavery or Child Labour issues.

## 5. Measuring Effectiveness

By auditing our supply chain, we can apply a rating to our suppliers against our Global Sourcing Principles. Not only does the rating consider product quality and delivery, but it also enables our Group Sustainability Manager to measure their social audit report score, corrective action plans and social and environmental certificates to calculate a score. Improvement targets are set, and a timescale is agreed with the supplier. We currently have a dashboard for social and quality performance, which will soon form part of a wider dashboard within Mulberry Gold Standard, referred to in section 1.3. This dashboard will allow for clear comparison and progress updates.

## 6. Training Staff

Due to social restrictions related to COVID-19, in person Induction Days as detailed in our last report have not been able to take place since April 2020. In lieu of these, new starters with Mulberry have had "virtual meetings" with a member of the HR department to brief them on company practices and policies, including our Global Sourcing Principles, Anti-Bribery and Corruption Policy and Whistleblowing Policy.

Our Sourcing Country Managers are trained lead auditors in SA8000 (a social system 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 implementation of our Principles. In conjunction with the HR department a comprehensive identification and assessment of contractors has been carried out enabling more accurate consideration and targeting of needs. Workshops relating to contractor matters have, to date, been focussed on the Real Estate and Facilities departments as the primary departments engaging contractors, but new workshops are in the process of being devised for other internal department teams which may be engaging contractors.

The HR department has arranged Diversity & Inclusion (D&I) training and workshops for the Management Board, Leadership Team and HR Team which was hosted by external D&I specialists. This training aimed to raise awareness of the D&I issues which can arise within the business and throughout the supply chain. Further seminars have and continue to be provided company-wide on D&I subjects.

# Mulberry

## Looking ahead

Our virtual induction programme for new employees continues to raise awareness of Modern Slavery internally, and we will carry on this work with our employees and supply chain to continue to build awareness using up to date and relevant examples and scenarios. This year, during Mulberry's 50th anniversary year, we are communicating, celebrating, and focusing the spotlight on our manufacturing partners, sustainable sourcing, and inclusive communities through the "Made to Last" campaign. This campaign publicises the progress made within the "Mulberry Green" working group detailed in our last report. The working group continues to raise the profile of Ethical Trading as part of its People topic, ensuring we have an Ethical Supply Chain which adheres to the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act 2010, as well as valuing our employees and community. Sustainability continues as a standing item on the Board agenda, encompassing sustainability in its widest sense of products, business, environment, people and culture. Modern Slavery disclosure and Gender Pay Reporting all feed into the wider Sustainability focus. Further Diversity and Inclusion focussed training will follow this year as part of the Learning and Development Programme managed by the HR Team, and the company Diversity & Inclusion strategy will be finalised and published this year.

We continue to look at issues which are important to both our business and wider society and introduce new initiatives to benefit our employees and workers (direct and indirect), customers, community and wider stakeholders.

Following reviews this year, we now have a definitive view on the nature of our contracted workforce and this process will continue in order to capture details of and assess new contractors and non-employee workers as they are engaged. 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 for use by other teams 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 allow us to have a direct link with contractors' staff in the higher risk areas and is reissued when contracts are renewed to ensure any new people are included.

The greater emphasis on training will be continued for our employees and supply chain to build awareness and understanding of Modern Slavery and other people related 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 20 May 2021 as applicable to Mulberry Group plc and its subsidiaries, including its UK trading subsidiaries, Mulberry Company (Design) Ltd and Mulberry Company (Sales) Ltd.



Godfrey Davis  
CHAIRMAN, MULBERRY GROUP PLC