

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 2015/16

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.

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 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 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.

The following is our disclosure under section 54 of the UK Act for the financial year 2015/2016 and the California Act:

1. VERIFICATION OF PRODUCT SUPPLY CHAINS

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. We require all our product and major suppliers to sign up to our Global Sourcing Principles as a condition of doing business with us and to apply them within their own supply chains. 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.

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Starting in early 2016, we now licence the manufacture of our Footwear and Ready-to-Wear collections to our Italian licensee, Onward Luxury Group. We are working with them reviewing their due diligence system, to ensure that compliance with our Global Sourcing Principles in their supply chain and employment practices is robust and verifiable, and we will report more on this in our 2016/17 UK Act statement.

2. SUPPLIER AUDITS

Mulberry conducts regular audits of our finished goods suppliers using third party independent auditors following the SMETA method developed by SEDEX. 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.

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 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 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 conduct an investigation and act on the information we find to eliminate these risks.

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 and European 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. Employees are encouraged to discuss with their line manager any concerns they have while working for Mulberry. There are also comprehensive disciplinary and grievance procedures and the Company has a Whistleblowing procedure, which allows an employee to raise a concern without fear of compromising their own position, as well as an Anti-Bribery and Corruption Policy.

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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. We are in the process of reviewing these arrangements and intend to provide more information on this in our 2016/2017 UK Act statement.

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.

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. The content and delivery of training is reviewed as our business develops.

LOOKING AHEAD

Mulberry will continue to assess its business and supply chains to identify potential risks and to then target those areas with policies, procedures and training to ensure it maintains appropriate safeguards against mistreatment of persons within its own business and supply chains.

Approved by the Board on 6 September 2016 as applicable to Mulberry Group plc and its subsidiaries.



Godfrey Davis
CHAIRMAN, MULBERRY GROUP PLC