

# 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 2022 to March 2023

### 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 2022 -23 REPORTING YEAR

This is our eighth statement under the UK Act and California Act, updated to reflect progress made during the financial reporting year 2022-23, and identifying the areas on which we will focus in the coming year.

### ABOUT MULBERRY

Founded in 1971 so now over 50 years old, 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. Leather goods 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 Turkey with some production in China and Vietnam. 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 a small number of 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 finished 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, South Korean, Australian 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.

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The following is our disclosure under section 54 of the UK Act for the financial year 2022–2023 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 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 licensee 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 fifth year in which the audit process has been tailored to better fit our business and products.

The ongoing impact of COVID-19 in some areas of the world 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. Where there were no travel restrictions, in-person audits recommenced.

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. We are developing a Product Lifecycle Management (PLM) system with Corporate Social Responsibility capabilities and have put a greater emphasis on our supplier annual questionnaires, which has resulted in a significant increase in responses this year. However, no notable issues requiring actions were identified.

Mulberry is a founding member of the Sustainable Leather Foundation (SLF). 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 includes a Social Audit Module, gathering data on wages & benefits, compulsory labour, worker age, working hours, staff development and representation, ethical business practices and non-discrimination practices. Mulberry has a representative on SLF's Advisory Board, ensuring the ongoing evolution of the Social Audit Module meets the needs of brands and consumers.

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Mulberry's own UK factories were audited by SLF in February 2023, and demonstrated best practice in the social audit module, which seeks to protect against exploitation and preserve human rights in the supply chain. Mulberry will be encouraging its own suppliers, particularly Tier 2 leather manufacturers, to participate in their own SLF audits in the coming year.

## 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 newly formed Traceability Working Group (TWG), a subgroup of the Leather Working Group, whose principal objective is for all LWG certified tanneries to produce 100% deforestation and conversion-free leather by 2030. As part of this work, the TWG 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 is a founding member of the Sustainable Leather Foundation (SLF). Alongside the Environmental, Social and Governance Audit Modules, SLF has developed Collaboration Hubs to address specific sustainability issues throughout the leather supply chain, including Social Responsibility and Traceability & Transparency.

### 1.4.2 PAPER AND CARD

We have a policy to source Forest Stewardship Council® 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 2020, we have been sourcing paper to be made into Mulberry packaging from a paper mill which specialises in paper derived from recycled coffee cups. Since we started using CupCycled paper, our partners at the James Cropper papermill have repurposed over 3.2 million coffee cups for Mulberry Green paper, that would otherwise have been sent to landfill. This paper is converted into Mulberry packaging, including carrier bags, and some boxes.

### 1.4.3 COTTON

We became Brand Members of Better Cotton™ (BC) in 2019 and set a sourcing target of 100% sustainable cotton by 2025. Since joining, we have changed our product care bags from conventional cotton to cotton sourced through BC and continue to evaluate the sustainability credentials of all cotton used within our products. By being a BC member and sourcing Better Cotton™, Mulberry contributes to funding BC'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

We include 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.

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## 2. Policies on Modern Slavery

### 2.1 EMPLOYEES

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). Policies, procedures, rights and benefits are also documented on the Company's internet, enabling access by all employees. 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 regulations relating to IR35, the HR team undertook a comprehensive review to identify contractors and review contracts and have implemented a process to check all new contractors, record their details and ensure compliance with relevant regulations. 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 a licensee arrangement with De Rigo Vision SpA for eyewear. We work closely with this company 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 set out in our Employee Handbook and available on the Company's intranet 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, 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 Sustainability department 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. When launched later this year, the new PLM system is expected provide additional capability for capturing compliance data from social audits and streamlined reporting features.

## 6. Training Staff

Following the relaxation in travel and social restrictions imposed during COVID-19, we have reintroduced in person Induction Days during which new starters with Mulberry are briefed 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.

We have a programme of training and workshops around Diversity, Equity & Inclusion (DE&I) which cover all employees, often hosted by external DE&I specialists, and seek to recognise and celebrate festivals, events and days of importance. Our training aims to raise awareness of the DE&I issues which can arise within the business and throughout the supply chain as well as to increase general as well as specific awareness. Recruitment processes have been updated in a drive to improve inclusion and minimise unconscious bias.

The COVID-19 pandemic has reinforced the importance of employee and worker safety, both in terms of physical health and mental health. A variety of arrangements and policies which were introduced during COVID-19 have continued, including mental health first aiders working alongside traditional first aiders and a greater focus on health and hygiene. As our employees return to business premises, we have reintroduced free fruit offering to encourage healthy eating and have retained the temperature checks on entry to our non-retail premises.

Notwithstanding the return of many employees to business premises, last year we reviewed working arrangements across the Company and introduced a hybrid working model which continues to apply in appropriate circumstances.

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## 7. New Initiatives

In October 2022, we began supporting Mentoring Matters, a global mentorship scheme that aims to redress the balance of equality and opportunity within the creative industries. Created for candidates from Black, Asian, and Minority Ethnic backgrounds, Mentoring Matters provides insight, advice and direction alongside network creation and peer connection to help demystify and aid candidates in their professional path.

In the UK, Mulberry is a Living Wage employer, accredited by the Living Wage Foundation. The real Living Wage, which is higher than the minimum wage, is a voluntary hourly rate, which is independently calculated annually by the Resolution Foundation and overseen by the Living Wage Commission, based on the best available evidence about living standards in London and the UK.

Recognising the value of its people and the Group's commitment to climate change, partnering with Ecologi Action Ltd, Mulberry has enabled a new tree to be planted for every new employee, resulting in over 621 new trees being planted.

## 8. Looking Ahead

Our 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. Our "Made to Last" sustainability strategy remains a key strategy for us and we will seek to build on this through environmental, social and governance programmes. We continue to raise the profile of Ethical Trading as part of our focus on People, 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.

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.

Charitable and Good Cause support: We continue to support the Somerset Community Foundation through our Mulberry Somerset Community Fund. Since the Fund was launched in 2022, over £20,000 has been awarded to local charities, community groups and good causes that make a difference to local people across Somerset.

Each year the Company's Somerset employees undertake a challenge to raise money for charity; in 2022 the expedition was to climb the Three Peaks to raise money for the Somerset Community Foundation and in 2023 the Hadrian's Wall expedition will raise money for Brake Road Safety Charity in memory of a departed employee.

In February 2023, Mulberry made a £20,000 donation to the British Red Cross to assist the earthquake relief efforts in Turkey and Syria.

We continue to support the Felix Project which helps Londoners facing food poverty through donations and volunteering. The Group has introduced a volunteering policy which encourages employees to volunteer in their community and provides 2 days paid leave per year for volunteering. Employees have volunteered with a Somerset Lunch Club for the elderly, undertaken a survey of intertidal habitats with the Somerset Wildlife Trust and volunteered with the Felix Project to package and deliver meals.

Science-Based Targets: In February 2023, Mulberry submitted its science-based targets (SBTs) for carbon reduction to the Science Based Targets Initiative (SBTi). SBTs show organisations how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change. We expect to have our targets approved and validated by the end of 2023.

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Following reviews over the last 3 years, 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 importance of ethical trading and the people involved in the supply chain, be they employees, workers or third parties, remains key to the Company and we seek to continue 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 10 May 2023 as applicable to Mulberry Group plc and its subsidiaries, including its UK trading subsidiaries, Mulberry Company (Design) Ltd and Mulberry Company (Sales) Ltd.

Chris Roberts  
CHAIRMAN, MULBERRY GROUP PLC