

MANOLO BLAHNIK

MODERN SLAVERY STATEMENT

This statement is made by Manolo Blahnik International Limited (“Manolo Blahnik”) pursuant to the Modern Slavery Act 2015 (the “Act”).

The Act requires Manolo Blahnik to publish an annual statement disclosing the steps it is taking to eradicate all forms of slavery and human trafficking (“Modern Slavery”) from its supply chain. Manolo Blahnik is committed to ensuring that Modern Slavery shall not exist within its business or supply chain and is publishing this statement disclosing the steps it is taking for that purpose. This is the third Modern Slavery statement that covers Manolo Blahnik and its group companies¹ (together, the “Manolo Blahnik Group”) with respect to the 2021 financial year.

ABOUT MANOLO BLAHNIK

Manolo Blahnik is an iconic, independent British brand responsible for the development, manufacture and distribution of luxury footwear and accessories designed by Mr Manolo Blahnik. Manolo has been designing for his eponymous brand since 1971, learning the craft of shoemaking directly from artisans in their factories in Italy.

THE MANOLO BLAHNIK BUSINESS AND SUPPLY CHAIN

The Blahnik Family have wholly owned and operated Manolo Blahnik since 1973. Manolo Blahnik footwear and accessories are currently sold via 8 boutiques and www.manoloblahnik.com all operated by the Manolo Blahnik Group with an additional 14 branded boutiques operated by licensees and over 300 points of sale (including websites and physical boutiques) operated by distribution partners. Manolo Blahnik makes wholesale sales to companies both within the Manolo Blahnik Group and to its selected network of distributors.

Product design and development occurs in London and the majority of manufacturing takes place in Italy, with a small number of items produced in Morocco and the UK. Manolo Blahnik also owns Calzaturificio Re Marcello SRL (“Re Marcello”), a manufacturing business which has produced for Manolo Blahnik for over three decades. The acquisition of Re Marcello has allowed Manolo Blahnik greater control over its supply chain. Re Marcello produces, by volume, the largest quantities of Manolo Blahnik products of all authorised manufacturers.

The majority of materials and components for Manolo Blahnik products are procured directly by Manolo Blahnik’s authorised manufacturers from nominated and approved suppliers. These nominated suppliers are predominantly located in Italy, with a smaller number located in other parts of the EU and the rest of the world. The Manolo Blahnik Group also works with various suppliers for goods required for its business and operations that are not for re-sale (e.g. stationery, IT equipment, boutique fit out etc.).

POLICIES

The Manolo Blahnik Group is committed to acting responsibly and ethically across its business and operations and ensuring continued compliance with applicable laws and regulations. The Manolo Blahnik Group has developed policies and procedures to support this commitment, which set out the expectations and values the Manolo Blahnik Group seeks from its employees, business, operations, suppliers and partners.

¹ Blahnik Group Limited, Manolo Blahnik Worldwide Limited, Manolo Blahnik International Limited, MB France SAS, Manolo Blahnik Switzerland SA, Calzaturificio Re Marcello S.r.l., Manolo Blahnik Americas (Holdings) Inc. and Manolo Blahnik Americas LLC.

For many years the Manolo Blahnik Group has operated using its Ethical Policy, which addresses key areas of material procurement, employment conditions and includes prohibitions on forced, bonded or trafficked labour. The standards in the Ethical Policy were based on the Conventions of the International Labour Organisation (ILO) and each of the first-tier women's manufacturers are contractually required to comply with the Ethical Policy.

In 2021, Manolo Blahnik developed and published its Labour Code (available at www.manoloblahnik.com/gb/labour-code) which was sent to all first-tier manufacturers and some of Manolo Blahnik's key second-tier material suppliers. Manolo Blahnik received confirmation from 20 recipients. The Labour Code also applies to manufacturers, suppliers and service providers across the Manolo Blahnik Group operating on Manolo Blahnik's standard terms.

The Labour Code includes provisions on non-compliance, with the ultimate goal of safeguarding the wellbeing of individuals and establishing the circumstances surrounding a breach. The process involves a review of potential improvement measures and changes required to remedy the breach and also ongoing monitoring and reporting to ensure standards and safeguards are implemented. Breaches would also result in further investigations to determine the risk of similar potential breaches within the supply chain.

The Whistleblowing Policy provides employees and brand stakeholders with an internal mechanism for reporting, investigating and remedying any wrongdoing and specifically addresses suspected incidents of Modern Slavery. Manolo Blahnik provides training on the Whistleblowing Policy and Modern Slavery for new and existing employees on a recurring basis.

All policies are applicable to every company in the Manolo Blahnik Group. The Manolo Blahnik Group expects these standards to be in place for all parties it works with or engages, throughout the agreed time period of working together including but not limited to manufacturers, manufacturing suppliers, mills, tanneries, component and accessory suppliers, subcontractors and suppliers of goods not for re-sale.

The Manolo Blahnik Group requires employees, suppliers, partners and contractors to comply with applicable local and international laws and regulations and to act with due care, competence and diligence in the performance of their role and in their business generally.

EMPLOYEES

Employee relationships are governed by English law for all Manolo Blahnik employees and local law for employees of the Manolo Blahnik Group entities in Italy, France, Switzerland and the USA.

In 2021, in addition to the introduction of the Labour Code, Manolo Blahnik Group employees in the UK, USA, Switzerland and France were given training on identifying Modern Slavery. The training addressed all levels including senior leadership and senior management and included training on identifying key risks and signs, safeguarding employee wellbeing and reporting risks and escalation.

The intention is to repeat this training on an annual basis and as part of the induction for new employees and for remaining employees in Italy to receive the same training in 2022.

DUE DILIGENCE AND PROCESSES

A key element of Manolo Blahnik's strategy is to gain greater visibility of all levels of product supply chains, ensuring compliance with policies and implementing a new process for monitoring supply chain standards.

During 2020 and 2021, a questionnaire was submitted to first-tier manufacturers and key second-tier material suppliers (based on volume and frequency) to understand existing levels of compliance and measures in place to prevent conditions that give rise to Modern Slavery and other risks. The responses from these questionnaires were under review in 2021. At this stage Manolo Blahnik has received a response from 77% of first-tier manufacturers and 26% of second-tier material suppliers. Manolo Blahnik intends to continue to

chase for responses on outstanding questionnaires and progress with supply chain mapping to determine where risks (including risks of Modern Slavery) might arise.

Manolo Blahnik also intended to complete third-party audits of first-tier manufacturers by the end of 2020, however the COVID-19 pandemic extended the date of these audits into 2021. During 2020, three auditing specialists were reviewed and the scope of the anticipated audits refined. One provider was selected to assist with auditing Re Marcello as the first manufacturer to be audited in 2021. The intention was to undertake audits of all first-tier manufacturers in 2021. The majority of first-tier manufacturers were audited in 2021 with the remaining three audits finishing in early 2022.

The Manolo Blahnik Group also developed its supplier onboarding process in 2021 for new suppliers to include a questionnaire addressing supplier practices regarding Modern Slavery, communicating Manolo Blahnik Group policies and requiring suppliers to uphold them to commence a business relationship with us. Where a new supplier fails to meet the standards and expectations of the Manolo Blahnik Group remedial action will be taken, which ranges from providing a reasonable level of support to the supplier to improve their standards and practices to refusal to admit the supplier into the supply chain and/or reporting the supplier to the relevant authorities.

Manolo Blahnik also has the right in its contracts with key partners and first-tier women's manufacturers to review and confirm compliance with policies and the law and to conduct compliance audits. The Manolo Blahnik Group also ensures that suppliers, partners and contractors supply necessary information and grant access to verify such compliance. Any issues or non-compliance would then need to be improved and corrected.

The Manolo Blahnik Group uses reasonable endeavours to ensure its standard terms and agreements contain provisions that require similar standards and practices are adopted in relation to Modern Slavery.

RISKS

Given the long-standing and close relationship that Manolo Blahnik has with its key manufacturers, the likelihood of Modern Slavery existing at this level is low. Prior to the COVID-19 pandemic, representatives from Manolo Blahnik visited first-tier manufacturing facilities regularly, both planned and impromptu, giving visibility of conditions for workers and any potential risks. Regular and constant contact with first-tier manufacturers is ongoing and although not at pre-COVID-19 frequency, representatives from Manolo Blahnik are again regularly visiting facilities, manufacturers and suppliers. These visits will arise on a daily basis to one or more first-tier manufacturers and key (second-tier) materials and accessories suppliers occurring once or twice per week. On occasion a representative for Manolo Blahnik may visit on an impromptu basis or provide limited notice of such visits.

Manolo Blahnik is working towards procuring all materials and components centrally to obtain greater control and visibility. By managing material and component sourcing in-house, this will help to further understand the supply chain and the origin of materials and components and second-tier suppliers.

As Manolo Blahnik gains more visibility of its product supply chain, it will simultaneously develop a risk assessment process to highlight previously unidentified areas in the supply chain that may pose a greater risk. Manolo Blahnik has actively identified and engaged external partners and experts in Modern Slavery prevention and labour standards and will continue to do so, to support and guide us in developing this awareness, as well as implementing a wider labour-standards monitoring programme.

During 2022 and into 2023 Manolo Blahnik intends to engage with second-tier manufacturers and suppliers to ensure appropriate agreements and policies are in place to further reduce the overall risk and ensure compliance and to provide the Labour Code to additional key second-tier material suppliers and factories that provide services to first-tier manufacturers.

Readymade products required by the Manolo Blahnik Group and not intended for re-sale are sourced from a wider non-core supplier network. The intention in 2020, as part of the wider supply chain strategy, was to

begin a process of reducing the number of these suppliers and using only suppliers who have agreed to comply with applicable laws and policies. Again, the COVID-19 pandemic impacted the Manolo Blahnik Group's ability to implement this strategy fully and it has been partially implemented and reforecast for 2022 and 2023. The Group has identified and prioritised sourcing goods from B Corp certified organisations insofar as possible and introduced additional due diligence and onboarding processes and will continue with this focus in the future.

COVID-19

The COVID-19 pandemic caused significant pressure on supply chains, businesses, infrastructure and governments worldwide, highlighting additional risks and challenges, some of which remain ongoing.

Owing to the COVID-19 pandemic, Manolo Blahnik Group's progress on some of its actions and objectives have been delayed and priorities reviewed. However, the Manolo Blahnik Group did not divert from its commitment to prevent and eradicate any Modern Slavery in its supply chain and business, and has made valuable progress in many areas even during the COVID-19 pandemic.

Specific actions were also required in response to the COVID-19 pandemic, including protecting the physical and mental wellbeing, safety, security and integrity of its employees and workers. Manolo Blahnik had to carefully consider how the COVID-19 pandemic impacted production and the additional risks to workers and employees, including an increased risk of Modern Slavery.

The Manolo Blahnik Group engaged directly with suppliers and partners to ensure it did not delay payments or renegotiate or end contracts during the COVID-19 pandemic and ensured that production was appropriately distributed across first-tier manufacturers. These actions reduced the overall risk of Modern Slavery and demonstrate the Manolo Blahnik Group's commitment to ethical and responsible conduct, including during times of unprecedented disruption and uncertainty, which in turn encouraged suppliers and partners to do the same and further reduced the overall risk of Modern Slavery within the supply chain.

ACTIONS FROM THE PREVIOUS STATEMENT

Manolo Blahnik's intention for 2021 and its performance against that are as follows:

- update policies and communicate these to all first and second-tier suppliers;
 - o the Labour Code was translated into Italian and issued to all first-tier manufacturers and key second-tier materials and accessories suppliers;
 - o the Labour Code is also available on the Manolo Blahnik website and forms part of the contract with new (not for re-sale) suppliers and service providers operating on Manolo Blahnik standard terms and agreements;
- implement a staged training programme for senior leadership, supply chain teams and other employees on Modern Slavery and Whistleblowing;
 - o training was provided across the Manolo Blahnik Group on Modern Slavery risks and reporting, senior employees at Re Marcella have been trained, but further training of employees in Italy is required;
- prepare and implement a non-compliance protocol;
 - o non-compliance with the Labour Code is specifically addressed within the Labour Code, but this needs to be developed for other Manolo Blahnik Group policies;
- finalise and communicate the supplier questionnaire to first and second-tier suppliers;
 - o this has been communicated to all first-tier manufacturers and key second-tier materials and accessories suppliers;
 - o 33% of first-tier manufacturer responses and 74% of second-tier material suppliers are outstanding;

- complete third-party audits of first-tier manufacturers;
 - o auditing has been carried out for the majority of first-tier manufacturers in 2021 with the remainder finishing in early 2022;
 - o remedial actions have been communicated to manufacturers;
- commence more detailed mapping of the supply chain and suppliers, which will lead to greater clarity and transparency for high risk areas and development of risk-assessment processes to identify areas that pose greater risks
 - o as noted above, Manolo Blahnik is in the process of collating responses to the questionnaires and will aim to send out further questionnaires and continue the mapping process into 2022 and beyond.
- start the process of mapping and reducing 'ad-hoc' non-core suppliers;
 - o this has not progressed further as core product supply chain was determined to be of greater priority at this stage, however, Manolo Blahnik is taking steps to consolidate suppliers to avoid using different "ad-hoc" suppliers where possible which will remain an ongoing objective and goal for the Manolo Blahnik Group, with a focus on engaging B-Corp suppliers where possible;
- implement a new supplier on-boarding process;
 - o In 2021 a finance due diligence process was introduced to ensure new suppliers are reviewed to determine their alignment with Manolo Blahnik Group's values and any ethical concerns can be assessed before engaging a supplier;
- identify and implement the necessary agreements and policies for second-tier suppliers;
 - o Manolo Blahnik identified the desire to embed compliance and governance across all levels of the Manolo Blahnik Group as a key strategic goal for 2021;
 - o To achieve this goal, Manolo Blahnik recruited an Internal Controller at the end of 2021. The Internal Controller is responsible for implementing a compliance programme to review current policies, support the Manolo Blahnik Group to raise awareness of future risks and updating internal committees and stakeholders on the progress and performance of controls to mitigate risk, including Modern Slavery risk on a bi-annual basis;
 - o The Internal Controller will be reviewing the potential risks and requirements for second-tier suppliers and the Manolo Blahnik Group more generally; and
- identify and engage external partners to support and guide the development of a robust Modern Slavery prevention programme with worker well-being at its core;
 - o this is ongoing, engaging with auditors and undertaking Modern Slavery training has been an important first step in this process;
 - o the Manolo Blahnik Group will continue to engage with partners to implement this further into 2022 and beyond.

Key performance indicators for 2021 were;

- 1) Labour Code to be sent out to all first-tier suppliers and manufacturers and at least 10% of second-tier suppliers by the end of 2021;

The Labour Code has been sent to all first-tier manufacturers and key second-tier materials and accessories suppliers. While this has not reached 10% of second-tier suppliers, the key suppliers (by volume and frequency) have received the Labour Code. This is also available on the Manolo Blahnik website and is incorporated into agreements with suppliers and service providers operating on Manolo Blahnik's standard terms and agreements.

- 2) Modern slavery training to be carried out for at least 90% of employees by the end of 2021 and specialist training to be given to at least 75% of the Product team by the end of 2021; and

Training was given to 100% of Manolo Blahnik employees and 68% of all Manolo Blahnik Group employees. 100% of the Manolo Blahnik Product team received training and senior employees at Re Marcella have been trained and further training in Italy is planned.

- 3) Implement audits for first-tier women's footwear factories by the end of 2021 (some audits may continue into 2022).

The majority of first-tier manufacturers were audited in 2021 with the remainder finishing in early 2022. All remedial actions were communicated to the manufacturers audited.

Key performance indicators for 2022 are:

- 1) Labour Code - Labour Code to be sent by Manolo Blahnik to all second-tier suppliers that are included on bill of materials for Manolo Blahnik products in 2022. These second-tier suppliers are those that Manolo Blahnik is in contact with directly and appoints or nominates in a bill of materials that is provided to first-tier manufacturers. Furthermore, first-tier manufacturers shall be instructed to provide the Labour Code to suppliers that are not included on a bill of materials. In 2022, Manolo Blahnik will implement a process where new suppliers and service providers across the Manolo Blahnik business will receive the Labour Code before they are engaged.
- 2) Training - Whistleblowing and Modern Slavery training to be given to all employees (including repeating training for those trained in 2021) in the Manolo Blahnik Group by the end of 2022 and to incorporate this training into new employee inductions and implement a schedule for annual training for all employees.
- 3) Business Conduct and Non-Compliance Protocol - Implement a Code of Business Conduct and non-compliance protocol for the Manolo Blahnik Group that would demonstrate what compliance means and how non-compliance is dealt with which would apply to existing policies and across suppliers, partners, employees and contractors to build upon the provisions on non-compliance in the Labour Code. This will be implemented in 2022 and will continue into 2023.
- 4) Supplier Lists – Request that all first-tier manufacturers of Manolo Blahnik product provide their own first-tier supplier lists. The goal is to obtain a complete list of all second-tier suppliers for 2022 for products produced by the Manolo Blahnik Group.
- 5) Risk Mapping and Supply Chain - The Internal Controller will start in 2022 and support the implementation of a robust control framework around responsible sourcing and supply chain and introduce a risk management programme to identify, assess and manage risks, including Modern Slavery risk. The Internal Controller will commence a programme of risk-mapping for Manolo Blahnik product which will include reviewing first-tier and second-tier supplier and manufacturer arrangements to consider risk and ensure enforcement and compliance with Manolo Blahnik Group policies.
- 6) Supply Chain Mapping – An automated questionnaire to be prepared and sent to all second-tier suppliers that are included on bill of materials for Manolo Blahnik products in 2022. These second-tier suppliers are those that Manolo Blahnik is in contact with directly and appoints or nominates in a bill of materials that is provided to first-tier manufacturers. We shall continue reviewing and mapping responses in 2022 and 2023 to further understand our supply chain and risk profiles. Goods not for resale supply chain mapping is anticipated to commence in 2023.
- 7) Audits - Follow up and review remedial actions and status including any corrective action plans communicated to first-tier manufacturers audited in 2021 and 2022. Furthermore, commence audits on at least two second-tier manufacturers, being manufacturers that provide services to first-tier manufacturers of Manolo Blahnik product in 2022.

- 8) **Ad-Hoc Suppliers** – Review and implement new supplier and service provider onboarding to introduce additional financial controls and due diligence, legal and contractual review and ensuring that the Labour Code and other mandatory policies are communicated to new suppliers and service providers before they are engaged by the Manolo Blahnik Group. This will be further developed and improved in 2022 and 2023 to monitor ongoing performance.
- 9) **Leather Country of Origin and Certifications** – collate and record Country of Origin for all leather and precious skins (including raw hides and skins) used in 2022. The aim of this mapping is to highlight any high-risk countries that are indirectly involved in the supply chain. Create a List of Preferred Sourcing Countries with supported voluntary Farming Certifications to be shared with BOM suppliers to collaboratively switch high-risk sourcing countries from 2023.
- 10) **Responsibility Manager** – Appoint a Product Responsibility Manager to work within the Product Division and across internal teams and external consultants, liaising and coordinating with factories and suppliers regarding Environmental, Social and Governance responsibilities and practices and championing the Manolo Blahnik Group’s responsibility commitments.

Manolo Blahnik believes long-standing relationships are key to embedding new ways of working that will enable the Manolo Blahnik Group to continuously improve performance in safeguarding workers and ensure Modern Slavery is not allowed to exist in the Manolo Blahnik Group supply chain.



Eva Kristina Hülsebus Director
MANOLO BLAHNIK INTERNATIONAL LIMITED

21 June 2022