

## 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 our first Modern Slavery statement and covers Manolo Blahnik and its group companies<sup>1</sup> (together, the “Manolo Blahnik Group”).

### ABOUT MANOLO BLAHLNIK

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. Manolo has continued to visit Italy ever since these early years to work alongside the artisans responsible for bringing his designs to life.

### OUR 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 6 boutiques and [www.manoloblahnik.com](http://www.manoloblahnik.com) by the Manolo Blahnik Group with an additional 15 branded boutiques operated by licensees and a further 260 points of sale operated by distribution partners. Manolo Blahnik makes wholesale sales to companies within the Manolo Blahnik Group and to its selected network of distributors.

Product design and development occurs in London and manufacturing takes place in Italy, with a small number of items produced in Spain, Morocco and the UK. In July 2019, Manolo Blahnik purchased Calzaturificio Re Marcello SRL (“Re Marcello”), a manufacturing business which had produced for Manolo Blahnik for three decades. Thorough due diligence was carried out prior to the acquisition addressing labour standards specifically. This acquisition has allowed Manolo Blahnik greater control over its supply chain. Re Marcello produces, by volume, the largest quantities of Manolo Blahnik products.

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

### POLICIES

Manolo Blahnik has an Ethical Policy which addresses the key areas of material procurement, employment conditions and includes prohibitions on forced, bonded or trafficked labour. The employment standards required in the Ethical Policy are based on the Conventions of the International Labour Organisation (ILO). Each of the first-tier manufacturers are contractually required to comply with the Ethical Policy.

Manolo Blahnik is in the process of reviewing its Ethical Policy, specifically to expand upon labour standards, Modern Slavery risks and sourcing standards to ensure best practice is employed in our supply chain. We are aware of the changing risk profile of the Italian manufacturing industry and we are following the work of the Fair Wear Foundation, in particular its publication of the *Italy Risk Assessment 2019*.

In addition, we are formalising a non-compliance protocol for any breach by a supply chain partner of the standards set out in the Manolo Blahnik policies. The process will set out how we safeguard the wellbeing of individuals affected by the breach and establish the circumstances surrounding the breach. The process will also involve implementing an improvement plan for the supplier to remedy the breach, including key performance indicators and agreed monitoring and reporting obligations to ensure that standards and safeguards are implemented. Any breach will result in investigations to determine the risk of similar potential breaches within the supply chain.

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<sup>1</sup> 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., Manolo Blahnik Americas LLC, and Manolo Blahnik New York LLC.

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

All policies are applicable to every company in the Manolo Blahnik Group. The updated policies will be finalised and sent to all internal teams, suppliers, distributors and manufacturers by the end of 2020. Our expectation is that anyone working for or with the Manolo Blahnik Group will abide by our standards including but not limited to manufacturers, manufacturing suppliers, mills, tanneries, component and accessory suppliers, subcontractors and suppliers of goods not for re-sale.

## EMPLOYEES

Employee relationships are governed by English law for all Manolo Blahnik employees, with local law applicable for employees working for Manolo Blahnik Group entities in Italy, France, Switzerland and the United States of America.

In addition to the strategy and policies we are reviewing, we will be implementing a training programme for all employees which will address Modern Slavery. This training programme will take a staged approach and, in the first instance, target senior leadership and employees who are more likely to encounter conditions giving rise to Modern Slavery in their daily work. For those that visit and attend suppliers, there will be specific training on identifying key risks and signs, safeguarding employee wellbeing and reporting risks and escalation.

## DUE DILIGENCE AND PROCESSES

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

One of the first steps we will undertake is to submit a questionnaire to our first and second-tier supply chain partners to understand the existing level of compliance and the measures they have in place to prevent conditions that give rise to Modern Slavery. We will then progress our supply chain mapping beyond first and second-tier to better understand where the risks of Modern Slavery may exist.

We had also intended to undertake third-party audits of our first-tier manufacturers by the end of 2020, however the 2019 novel coronavirus disease (COVID-19) pandemic has extended the anticipated completion date of these audits to 2021.

We will introduce an onboarding process in 2021 for new suppliers which will comprise of a questionnaire addressing supplier practices regarding Modern Slavery communicating our 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 may include improving the supplier's standards and practices, refusal to admit the supplier into the supply chain and/or reporting the supplier to the relevant authorities.

## 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 the 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 still ongoing, however due to COVID-19 restrictions this is carried out with a reduced number of physical 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 our supply chain and the origin of materials and components and our second-tier suppliers.

As we gain more visibility of our product supply chain, we will simultaneously develop a risk assessment process to highlight previously unidentified areas in our supply chain that may pose a greater risk. We will identify and engage external partners and experts in Modern Slavery prevention and labour standards to support and guide us in developing this awareness, as well as implementing a wider labour-standards monitoring programme.

In 2021 we will engage with our second-tier manufacturers to ensure we have appropriate agreements and policies in place.

Readymade products required by our business 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 our policies. Again, the COVID-19 pandemic has impacted the Group's ability to implement this strategy fully and it has been partially implemented and reforecast for completion by the end of 2021.

#### ACTIONS AND NEXT STEPS

Our intention for the year ahead is to:

- update policies and communicate these to all first and second-tier suppliers;
- implement a staged training programme for senior leadership, supply chain teams and other employees on Modern Slavery and Whistleblowing;
- prepare and implement a non-compliance protocol;
- finalise and communicate the supplier questionnaire to first and second-tier suppliers;
- complete third-party audits of our first-tier manufacturers;
- commence more detailed mapping of the supply chain and suppliers, which will lead to:
  - o greater clarity and transparency for high risk areas; and
  - o development of risk-assessment processes to identify areas that pose greater risks,
- start the process of mapping and reducing 'ad-hoc' non-core suppliers;
- implement a new supplier on-boarding process;
- identify and implement the necessary agreements and policies for second-tier suppliers; 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.

We plan to have quantifiable key performance indicators for our next Modern Slavery Statement.

We believe our long-standing relationships are key to embedding new ways of working that will enable us to continuously improve our performance in safeguarding workers and ensure Modern Slavery is not allowed to exist in our supply chain.

#### COVID-19

Owing to the COVID-19 pandemic this statement has been published later than initially anticipated. The statement was prepared and due to be published in June 2020, however resourcing and responding to the COVID-19 pandemic delayed the approval and publishing of this statement.



Eva Kristina Hülsebus

Director

MANOLO BLAHNIK INTERNATIONAL LIMITED

3 November 2020