

MULBERRY COMPANY (SALES) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

Sustainability and climate change

Mulberry's long-term success and viability will depend on the social and environmental sustainability of its business model, the resilience of its supply chain and our ability to manage the impact of climate change across our operations.

The Group has long been committed to sustainability in its supply chain and manufacturing processes and in 2021 launched the Made to Last Manifesto, a series of bold commitments which lay out actions for change, including establishing and expanding on the foundations of regenerative agriculture and local low carbon production. The Group has invested in measuring its Global Scope 1, 2 and 3 carbon footprint, and setting Science Based Targets to clearly define a path to reduce greenhouse gas emissions in line with the Paris Agreement goals.

Unchanged

Leather is a key raw material, which is sourced as a by-product of agriculture. Farming and ranching for meat and leather have been well documented as significant drivers of deforestation and climate change but we believe that farming can also offer a solution to the very problem it creates. On a regenerative and rotational farm, livestock play an essential role in maintaining soil health and healthy soil actually draws down and stores carbon from the atmosphere. That's why we are pioneering a hyper-local, hyper-transparent 'farm to finished product' supply chain, working in partnership with industry leading tanneries to develop the world's lowest carbon leather sourced from a network of organic and regenerative farms.

By 2030 our entire leather supply chain will adhere to this transformative sourcing and production model. We will launch our first "farm to finished product" British bags in 2021.

Manufacturing processes, especially around the tanning of leather, utilise chemicals, energy and water, and which require careful scrutiny to ensure Mulberry's high ethical standards are not breached. All leather is sourced to meet our high ethical standards, with most coming from the EU.

Mulberry has been a member of the internationally recognised Leather Working Group since 2012. All of the leathers used in our collections are a by-product of food production and a natural alternative to fossil fuel synthetics.

Mulberry is a member of the Animal Welfare Group (AWG), a subgroup of the Leather Working Group (LWG), whose principal objective is to provide education and information to its members on the salient aspects of livestock and animal welfare within the leather value chain.

In 2020, Mulberry became a founding partner of the Sustainable Leather Foundation, an industry led but consumer focussed multi-stakeholder group, committed to improving environmental, social and governance performance of the leather value chain by providing a transparent dashboard, audit and certification standard and technically focussed collaboration hubs.

For Spring/Summer 2021, 82% of leather was sourced from tanneries with environmental accreditation. By 2022 we're aiming for all leather in Mulberry collections to be sourced from environmentally accredited tanneries.