

CAPRI

HOLDINGS LIMITED

Supply Chain Disclosure

Disclosure under the California Transparency in Supply Chains Act and UK Modern Slavery Act

This Statement relates to our fiscal year ended March 27, 2021 (“fiscal 2021”), except as otherwise updated herein. This Statement describes the activities of Capri Holdings Limited and its consolidated subsidiaries (collectively, “Capri Holdings,” the “Company,” “we” or “our”) to address modern slavery risks in our business and supply chains. We have prepared a single consolidated statement for all of our brands because we generally employ the same modern slavery policies and compliance program across our entire business.

As used in this statement, “modern slavery” encompasses the risks posed by forced labor, prison labor, indentured labor, bonded labor, debt servitude, state imposed forced labor and human trafficking, where coercion, threats or deception are used to intimidate, penalize or deceive workers, thereby creating situations of involuntary work and exploitation. Modern slavery may also be associated with the worst forms of child labor.

We conduct business in over 100 countries and most of our consolidated subsidiaries are not subject to the California Transparency in Supply Chains Act or the UK Modern Slavery Act.

Business Overview

Our Company

Capri Holdings is a global fashion luxury group, consisting of iconic brands that are industry leaders in design, style and craftsmanship. Our brands cover the full spectrum of fashion luxury categories including women’s and men’s accessories, footwear and ready-to-wear, wearable technology, watches, jewelry, eyewear and a full line of fragrance products. Our goal is to continue expanding the global reach of our brands while ensuring that each maintains its independence and exclusive DNA.

At the end of fiscal 2021, we had approximately 13,800 employees, consisting of approximately 9,300 full-time employees and approximately 4,500 part-time employees, with approximately 10,400 of our employees engaged in retail selling and administrative positions, and the remaining employees engaged in other aspects of our business. As of the end of fiscal 2021, most of our employees were located in North America (primarily in the United States), with the remainder located in Europe, Asia and the Middle East.

Our Brands

Versace

Versace, recognized as one of the world’s leading fashion luxury houses, is synonymous with Italian glamour and style. Founded more than 40 years ago in Milan, Versace is renowned throughout the world for its iconic and timeless heritage, unmistakable design aesthetic and unparalleled craftsmanship.

Jimmy Choo

Jimmy Choo is a leading global luxury house with an empowering sense of glamour and a playfully daring spirit. Since its founding in London in 1996, Jimmy Choo continues to be known for its red-carpet celebrity dressing and exceptional craftsmanship.

Michael Kors

Michael Kors is a world-renowned, American fashion luxury lifestyle house. Established in New York City in 1981, Michael Kors is known for its jet-set glamour and is defined by a vision of speed, energy and optimism.

Supply Chain Structure

We have a multi-supplier strategy that provides specialist skills, scalability, flexibility and speed to market, as well as diversifies risk. All of our products are produced according to our specifications. With the exception of one directly owned facility located in Pistoia, Italy, we generally contract for the purchase of finished goods principally with independent third-party manufacturing contractors. The manufacturing contractor is generally responsible for the entire manufacturing process, including the purchase of piece goods and trim for our Jimmy Choo and Michael Kors brands. For the Versace brand, some of the piece goods and trim are separately purchased by Versace and provided to its third-party manufacturing contractors, and some are sourced directly by the third-party manufacturing contractors, as further described below. The third-party manufacturing contractors and agents for our brands operate under the close supervision of our global manufacturing divisions and buying agents located in North America, Europe and Asia. We also license to third-parties the right to use our brands' trademarks and other intellectual property on certain products such as watches, jewelry, eyewear and fragrance, as examples. These third-party product licensees are responsible for the entire manufacturing process.

Versace has a centrally managed production model for the majority of its products, and buys raw materials and components for these products. All the raw materials arrive in a central warehouse owned by Versace, and operated by a third-party, in Novara, Italy, and most are distributed to independent third-party manufacturing contractors after the quality control process is completed. A significant majority of Versace's production is located in Italy. The remaining production occurs elsewhere in EMEA and a small portion is produced in Asia.

Jimmy Choo products are also primarily manufactured by independent third-party manufacturing contractors and our recently acquired Italian atelier and shoe manufacturer Alberto Gozzi S.r.L.. Most of Jimmy Choo's products are produced by specialists in Italy, supported by other factories across Europe, with a small portion produced in Asia. Jimmy Choo has a product development facility in Florence. In December 2020, Jimmy Choo's 33% ownership interest in one factory located in Italy, which was dedicated to Jimmy Choo production, was terminated. Jimmy Choo typically only purchases finished goods and does not purchase raw materials, except for development purposes.

Michael Kors contracts for the purchase of finished goods principally with independent third-party manufacturing contractors that are generally responsible for the entire manufacturing process, including the purchase of piece goods and trim. Product manufacturing for the Michael Kors brand is allocated among third-party manufacturing contractors based on their capabilities, the availability of production capacity, pricing and delivery. Michael Kors also has relationships with various buying agents who source finished goods with numerous manufacturing contractors on its behalf. By dollar volume, nearly all of Michael Kors products were produced in Asia in fiscal 2021.

Risks of Slavery and Human Trafficking in Supply Chain

Due to the nature of our workforce and the locations of most of our employees, we believe that the risks of modern slavery in our own business are remote. While there are risks inherent with third-party manufacturing, we have established the compliance and other procedures discussed herein to mitigate the risks of modern slavery in our product supply chains. We focus our risk mitigation efforts on our direct (tier 1) suppliers, since this is the level of the supply chain where we believe that we have the most influence and can therefore be the most effective.

Commitment to Ethics; Codes of Conduct

We are committed to principles of ethical business practice and recognition of the dignity of others, including responsible labor practices.

Employee Code

We have a Code of Business Conduct and Ethics (the “Employee Code”) that applies to our employees, officers and directors. In addition to indicating that employees, officers and directors must respect and obey the laws where the Company operates, the Employee Code indicates that we are committed to a work environment in which all individuals are treated with respect, that we prohibit discriminatory practices and that we are committed to providing a safe, healthy and comfortable workplace for all employees. New employees are provided with a copy of the Employee Code upon hire, and we provide regular, bi-annual training to employees on our Code of Conduct. Failure to comply with the Employee Code may result in corrective action up to and including termination of employment with the Company.

A copy of the Employee Code is also available on our website at www.capriholdings.com. For a copy of the Employee Code, [please see here](#).

Supplier Code

We also have a Code of Conduct that is applicable to all of the Company’s suppliers (including our third-party manufacturing contractors and product licensees) (the “Supplier Code”). The Supplier Code expressly prohibits the use of any form of slave, forced, bonded, indentured, or prison labor in any stage of the manufacture of our products. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

The Supplier Code provides that suppliers must ensure that no fees or costs have been charged, directly or indirectly, in whole or in part, to job-seekers and workers for their services directly related to recruitment for temporary or permanent job placement, including when using the services of private recruiters, labor brokers or employment agents or performing recruitment activities directly. Workers must not be required to pay employers’ or their agents’ recruitment fees or other similar fees to obtain their employment (such as host country fees like levies, fees for work permits, or fees for renewing work documents, or home country fees like visa fees, medical checks, or any other costs that are not the legal responsibility of the worker). We require that our suppliers must repay these fees to the worker if found to have been paid by workers. Our suppliers must also ensure that the third-party recruitment agencies (including labor brokers) they use are compliant with the provisions of the Supplier Code and applicable law, and must provide us with a list of the recruitment agencies they are using and the amount of fees being paid to such agencies.

Workers must receive a written contract in a language understood by the workers stating in a truthful, clear manner their rights and responsibilities in connection with their employment. Our suppliers may not retain any documents or demand monetary deposits or other collateral as a condition of employment. Workers must not be subject to the withholding of wages, original identification cards, original passports or other original travel documents or personal belongings. In addition, the Supplier Code provides that our suppliers must comply with all laws regulating local wages, work hours and benefits.

Our factory social compliance program requires that we communicate the Supplier Code initially as part of our direct supplier onboarding process and thereafter periodically from time to time, including when there are updates.

Pursuant to our factory social compliance program, all of the Company’s direct suppliers are required to certify compliance with the Supplier Code in writing. We also generally require that the terms of any contracts with our suppliers also include an undertaking to comply with our Supplier Code. In the event of a violation of the Supplier Code, we reserve the right to either terminate our relationship with the supplier or to work with the supplier to implement corrective action to remedy the non-conformance.

A copy of the Supplier Code is also available on our website at www.capriholdings.com. For a copy of the Supplier Code, [please see here](#).

Verification of Product Supply Chains to Address and Evaluate Risks of Modern Slavery

As part of our risk assessment, we conduct preliminary inspections of each new, potential direct supplier facility and require detailed questionnaires to be completed by these suppliers. When assessing the risks of modern slavery at a manufacturing facility, we also consider that facility's geographic location and the nature of its manufacturing activities for us, including the anticipated production volume.

Audits

We have an audit program under which audits of direct manufacturing contractors are conducted by an independent third-party auditor. Manufacturing contractors are selected for audits each year based on the risk assessment described above and the results of prior audits. Manufacturing contractors are subject to announced audits at least every three years and unannounced audits as the circumstances warrant.

As part of the audit, the independent third-party auditor evaluates, among other things, a manufacturing contractor's compliance with wage, hour and labor laws and health, safety and environmental regulations, as well as the working and other conditions within the facility. During the audit, the independent third-party auditor will visit and inspect the site, conduct interviews with supervisors, managers and workers at the facility (without supervisors and managers present), and review relevant books and records of the third-party manufacturer. The audit also covers a review of records of all migrant workers at the facility, including, date of arrival, contract terms (including copies of employment agreements), employment history, anticipated and actual date of return, and recruitment fees paid for the last three years or such longer time period as may be required by law (together with copies of all recruitment agency or labor broker agreements). If fees are required to be reimbursed by the supplier pursuant to the Supplier Code, we will disclose in future disclosures our efforts to ensure that workers were reimbursed for the fees in accordance with the Supplier Code.

In the case of a serious violation of the Supplier Code, termination of the Company's relationship with the manufacturer may occur, particularly where corrective action is either not possible or determined to be an insufficient remedy.

Internal Accountability and Training

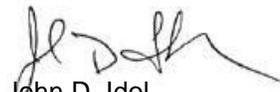
All employees are required to undergo compliance and ethics training, including with respect to the Employee Code, upon hire, and on a bi-annual basis thereafter. In addition, the Company's directors and officers are required to complete an annual certification attesting that they know and understand the requirements of the Employee Code.

Employees are encouraged to raise any concerns and have multiple channels to do so, including through an ethics hotline staffed by independent third-party operators. The Company's ethics hotline is also made available for external stakeholders. Contact information for the ethics hotline is available [here](#).

The Company also requires all employees and management who have direct responsibility for supply chain management to take a course directed at raising awareness regarding the risks of human trafficking and slavery in supply chains, identifying potential risks and addressing those risks when human trafficking and slavery may be suspected.

We have internal accountability standards and procedures for employees and suppliers that fail to comply with our policies relating to modern slavery. Violations of the Employee Code can result in dismissal of the employee and, as earlier noted, violations of the Supplier Code can result in termination of our relationship with the supplier.

This statement was approved by the Board of Directors of the Company on May 18, 2021 as applicable to Capri Holdings Limited and its subsidiaries during fiscal year 2021.



John D. Idol
Chairman & Chief Executive Officer