

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 31, 2018 (“fiscal 2018”) except as otherwise updated herein. This Statement describes the activities of Michael Kors Holdings Limited and its consolidated subsidiaries (collectively, the “Company,” “we” or “our”) because we employ the same policies and compliance program relating to anti-human trafficking across our entire business. 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

We are 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 apparel as well as wearable technology, watches, jewelry, eyewear and a full line of fragrance products.

The Michael Kors brand (“Michael Kors”) was launched over 35 years ago by Mr. Michael Kors, whose vision has taken the brand from its beginnings as an American luxury sportswear house to a global accessories, footwear and apparel company with a global distribution network that has presence in over 100 countries through company-operated retail stores and e-commerce sites, leading department stores, specialty stores and select licensing partners.

On November 1, 2017, we completed the acquisition of Jimmy Choo Group Limited (formerly known as Jimmy Choo PLC) and its subsidiaries (collectively, “Jimmy Choo”). Jimmy Choo encompasses a complete luxury accessories brand. Women’s shoes remain the core of the product offer, alongside handbags, small leather goods, scarves, sunglasses, eyewear, belts, fragrance and men’s shoes. Jimmy Choo has a global store network encompassing more than 150 stores and is present in the most prestigious department and specialty stores worldwide.

At the end of fiscal 2018, we had approximately 14,846 total employees, consisting of approximately 8,166 full-time employees and approximately 6,680 part-time employees, with approximately 12,197 of our employees engaged in retail selling and administrative positions, and the remaining employees engaged in other aspects of the Company’s business. As of the end of fiscal 2018, most of the Company’s employees were located in the Americas (primarily in the United States), with the remainder located in Europe and Asia.

Supply Chain Structure

All of our products are manufactured to our specifications. We contract for the purchase of finished goods principally with independent third-party manufacturing contractors, whereby the manufacturing contractor is generally responsible for the entire manufacturing process, including the purchase of piece goods and trim. We have a multi-supplier strategy that provides specialist skills, scalability, flexibility and speed to market, as well as diversifies risk.

We allocate product manufacturing for the Michael Kors brand among third-party agents based on their capabilities, the availability of production capacity, pricing and delivery. Michael Kors also has relationships with various agents who source our finished goods with numerous manufacturing contractors on our behalf. Although our relationships with our manufacturing contractors or agents are generally terminable at any time, we believe we have mutually satisfactory relationships with these third parties.

In fiscal 2018, one third-party agent sourced approximately 23.9% of our Michael Kors finished goods purchases, based on unit volume. Michael Kors’ largest manufacturing contractor, who primarily produces its products in China and who Michael Kors has worked with for over 10 years, accounted for the production of 19.9% of its finished products, based on unit volume, in fiscal 2018. By dollar volume, approximately 94.7% of our Michael Kors products were produced in Asia and Europe in fiscal 2018.

For the Jimmy Choo brand, approximately 92% of Jimmy Choo products are produced by specialists in the Florence and Veneto regions of Italy and the remaining 8% are produced in Spain. For the period covering November 1, 2017 through March 31, 2018, one manufacturer accounted for approximately 16.0% of Jimmy Choo’s finished goods purchases, based on unit volume.

Jimmy Choo has a product development facility in Florence and enjoys longstanding and close partnerships with its supplier base. Jimmy Choo has a 33% ownership interest in one factory, which is dedicated to Jimmy Choo production. Jimmy Choo typically only purchases finished goods and does not purchase raw materials, except for development purposes.

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 slavery and human trafficking 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 slavery and human trafficking in our supply chains for our products. Our approach is to focus 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.

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, which each employee must sign and acknowledge. A copy of the Employee Code is also available on the Company Intranet and on the Investor Relations page of the Company’s website at www.michaelkors.com. Failure to comply with the Employee Code may result in corrective action up to and including termination of employment with the Company. For a copy of the Employee Code, [please see here](#).

We also have a Code of Conduct that is applicable to all of the Company’s suppliers (including our third-party manufacturers 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. All work must be voluntary and workers must be free to terminate their employment at any time, without penalty. 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. Our 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 recruitment, labor broker or employment agent or performing recruitment activities directly. Workers must not be required to pay employers’ or their agents’ recruitment fees or other similar fees (such as host country fees like levies, fees for work permit, 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) to obtain their employment. We also require that our suppliers must repay such fees to the worker if such fees are found to have been paid by workers. 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. Our suppliers must also ensure that the third-party recruitment agencies (including labor brokers) it uses 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. In addition, the Supplier Code provides that our suppliers must comply with all laws regulating local wages, work hours and benefits. We communicate the Supplier Code initially as part of our supplier onboarding process and thereafter periodically from time to time, including when there are updates. The Supplier Code is also available on the Investor Relations page of the Company’s website at www.michaelkors.com. All of the Company’s suppliers are required to certify compliance with the 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. For a copy of the Supplier Code, [please see here](#).

Verification of Product Supply Chains to Address and Evaluate Risks of Human Trafficking and Slavery

As part of our risk assessment, we conduct preliminary inspections of each new manufacturer's facilities and require detailed questionnaires from potential manufacturers. When assessing the risks of human trafficking and slavery at any one manufacturer, we also review that manufacturer's geographic location(s) and the nature of its manufacturing activities for us (including consideration of the anticipated output from such manufacturer).

Audits

We also have an audit program under which factory audits of manufacturers are conducted by an independent third-party auditor. Third-party manufacturers are selected for audits each year based on the risk assessment described above and the results of prior audits. Manufacturers are subject to announced audits at least every three years. As part of such audit, the independent third-party auditor evaluates, among other things, a manufacturer'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 of the facility, and review relevant books and records of such 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 five years or as required by law (together with copies of all recruitment agency or labor broker agreements). If fees are required by the supplier to be reimbursed pursuant to the Supplier Code, we will disclose in future Supply Chain Disclosures our efforts to ensure that workers were reimbursed for such fees in accordance with the Supplier Code.

In most instances, where a deficiency is identified, corrective action is required on a specified timeline, followed by validation by the Company or its auditor that such deficiency has been remedied, including, if necessary through a re-audit of the manufacturer. 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.

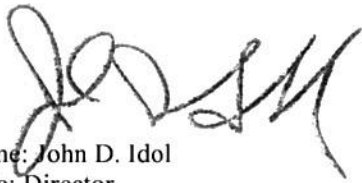
Internal Accountability and Training

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.

The Company 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.

Solely for purposes of compliance with the U.K. Modern Slavery Act, this Statement has been approved by the Michael Kors (UK) Limited Board of Directors and signed by a director of that entity.



Name: John D. Idol
Title: Director

Date: June 21, 2018