

# VERA BRADLEY, INC.

## **FORM SD** (Specialized Disclosure Report)

Filed 05/31/16

|             |   |
|-------------|---|
| Address     | 12420 STONEBRIDGE ROAD<br>ROANOKE, IN 46783 |
| Telephone   | 260-482-4673                                |
| CIK         | 0001495320                                  |
| Symbol      | VRA   |
| SIC Code    | 3100 - Leather & Leather Products           |
| Industry    | Apparel/Accessories                         |
| Sector      | Consumer Cyclical                           |
| Fiscal Year | 01/31                                       |

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM SD**

**Specialized Disclosure Report**

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**VERA BRADLEY, INC.**

(Exact name of registrant as specified in its charter)

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**Indiana**  
(State or Other Jurisdiction  
of Incorporation)

**001-34918**  
(Commission  
File Number)

**27-2935063**  
(IRS Employer  
Identification No.)

**12420 Stonebridge Road,  
Roanoke, Indiana**  
(Address of Principal Executive Offices)

**46783**  
(Zip Code)

**(877) 708-8372**  
(Registrant's telephone number, including area code)

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Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2015.

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## Section 1 - Conflict Minerals Disclosure

### Item 1.01 Conflict Minerals Disclosure and Report

#### Company Overview

The terms “Company” and “Vera Bradley” refer to Vera Bradley, Inc. and its subsidiaries, except where the context requires otherwise or where otherwise indicated.

Vera Bradley is a leading designer of women’s handbags and accessories, luggage and travel items, eyewear, and stationery and gifts. Founded in 1982 by friends Barbara Bradley Baekgaard and Patricia R. Miller, the brand’s innovative designs, iconic patterns and versatile styles offer women of all ages a colorful way to accessorize every look.

Vera Bradley offers a unique, multi-channel sales model, as well as a focus on service and a high level of customer engagement. The Company sells its products through two reportable segments: Direct and Indirect. The Direct business consists of sales of Vera Bradley products through the Company’s full-line and factory outlet stores in the United States, verabradley.com, direct-to-consumer eBay sales, and the Company’s annual outlet sale in Fort Wayne, Indiana. As of January 30, 2016, the Company operated 110 full-line stores and 40 factory outlet stores. The Indirect business consists of sales of Vera Bradley products to approximately 2,600 specialty retail locations, substantially all of which are located in the United States, as well as department stores, national accounts, third party e-commerce sites, the Company’s wholesale business in Japan, and third party inventory liquidators.

Vera Bradley contracts to manufacture products that may contain gold, tantalum, tin and tungsten (“3TG”), such as handbags, accessories, and luggage and travel items. The Company determined that certain of its products may have zippers, fasteners or other components and materials, which are necessary to the production or functionality of its products, that may contain 3TG.

As these materials are necessary to Vera Bradley’s products, the Company is dedicated to tracing the origin of these metals to ensure our sourcing practices do not support conflict or human rights abuses in the Democratic Republic of Congo (“DRC”) and surrounding area.

#### Conflict Minerals Disclosures

In accordance with the execution of this policy, Vera Bradley has concluded in good faith that during 2015,

- a) Vera Bradley contracted to manufacture products for which “conflict minerals” (as defined in Section 1502(e)(4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act) are necessary to the functionality or production.
- b) Based on a Reasonable Country of Origin Inquiry (“RCOI”) and subsequent due diligence, Vera Bradley does not have concrete findings on whether its sourcing practices directly or indirectly funded armed groups in the Covered Countries. Vera Bradley has, however, found no reasonable basis for concluding that its suppliers sourced 3TG that directly or indirectly finance or benefit armed groups.

In accord with Rule 13p-1 under the Securities Exchange Act of 1934 (“Rule 13p-1”), Vera Bradley, Inc. has filed this Specialized Disclosure Form (“Form SD”) and the associated Conflict Minerals Report, and both reports are posted in the “Customer Service” section, under “Supply Chain,” of the Company’s website at [www.verabradley.com](http://www.verabradley.com).

#### Reasonable Country of Origin Inquiry (“RCOI”) Description

To complete the RCOI required by the SEC Final Rule, Vera Bradley’s suppliers were engaged, by a third party provider, to collect information about the presence and sourcing of 3TG used in the products and components supplied to Vera Bradley. The program utilized the Conflict-Free Sourcing Initiative’s Conflict Minerals Reporting Template (CMRT). Only CMRT’s version 3.0 or higher were accepted. Suppliers were offered two options to submit the required information, either by uploading the CMRT in MS Excel format or by completing an online survey version of this template on a third-party provider’s platform.

#### Supplier Engagement

The RCOI began with an introduction email from Vera Bradley to suppliers describing the Conflict Minerals Compliance Program (“CMCP”) requirements. Following that introduction email, a subsequent email was sent to suppliers containing a registration and survey request link for the on-line data collection platform.

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In an effort to increase awareness of the CMCP, supporting regulation, and frequently asked questions concerning 3TG mineral tracing, Vera Bradley's suppliers were introduced to the third party provider's Conflict Minerals Resource Center in the initial registration email. The Supplier Resource Center was provided as an educational tool to facilitate a deeper understanding of the program and education as to why information is being requested.

Following the initial introductions to the program and information request, up to 5 reminder emails were sent to each non-responsive supplier requesting survey completion.

#### New Information Cut-off

In recognition that the information requested can take time to collect and aggregate, suppliers were given a final deadline of April 1, 2016 to provide information about the metal processors present in their supply chains for the 2015 reporting year.

#### Information Requested

Suppliers were asked to provide information regarding the sourcing of their materials with the ultimate goal of identifying the 3TG smelters or refiners ("SORs") and associated mine countries of origin. Suppliers who had already performed a RCOI through the use of the CMRT were asked to upload this document into the third party provider's platform or to provide this information in the online survey version.

Suppliers had the ability to share information at a level with which they are most comfortable, i.e. company, product or user-defined, but the declaration scope had to be specified.

#### Quality Assurance

Supplier responses were evaluated for plausibility, consistency, and gaps. If any of the following quality control flags were raised, suppliers were automatically contacted by the third party platform on a bi-weekly basis up to 3 contacts.

- One or more SORs were listed for an unused metal;
- SOR information was not provided for a used metal, or SOR information provided was not a verified metal processor;
- Supplier answered "yes" to sourcing from the Democratic Republic of the Congo or adjoining countries ("DRC"), but none of the SORs listed are known to source from the region;
- Supplier indicated that they have not received conflict minerals data for each metal from all relevant suppliers;
- Supplier indicated they have not identified all of the SORs used for the products included in the declaration scope;
- Supplier indicated they have not provided all applicable SOR information received; and
- Supplier indicated 100% of the 3TG for products covered by the declaration originates from scrap/recycled sources, but one or more SORs listed are not known to be exclusive recyclers.

#### **RCOI Results**

A total of 73 Tier 1 suppliers were identified as in-scope for conflict mineral regulatory purposes and contacted as part of the RCOI process. The response rate among these suppliers was 45%. Of these responding suppliers, 18% indicated one or more of the regulated metals (3TG) as necessary to the functionality or production of the products they supply to Vera Bradley. There was an indication of DRC sourcing for 10 out of 153 verified SORs.

#### **Due Diligence**

A description of the measures Vera Bradley took to exercise due diligence on the source and chain of custody of its conflict minerals for which Vera Bradley knew or had reason to believe were sourced from the Covered Countries based on the RCOI described above, is provided in the Conflict Minerals Report attached hereto as Exhibit 1.01.

#### **Item 1.02 Exhibit**

See Exhibit 1.01 to this specialized disclosure report, incorporated herein by reference.

#### **Section 2 - Exhibits**

##### **Item 2.01 Exhibits**

Exhibit 1.01 - Conflict Minerals Report

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the duly authorized undersigned.

Vera Bradley, Inc.

Date: May 31, 2016

By:  /s/ Kevin J. Sierks

Kevin J. Sierks

Executive Vice President – Chief Financial Officer

**Conflict Minerals Report of Vera Bradley, Inc.**  
**In accord with Rule 13p-1 under the Securities Exchange Act of 1934**

This is the Conflict Mineral Report of Vera Bradley, Inc. for calendar year 2015 (excepting conflict minerals that, prior to January 31, 2013, were located outside of the supply chain) in accord with Rule 13p-1 under the Securities Exchange Act of 1934 (“Rule 13p-1”). The terms “Company” and “Vera Bradley” refer to Vera Bradley, Inc. and its subsidiaries, except where the context requires otherwise or where otherwise indicated.

## 1. Introduction

The intent of this Conflict Minerals Report (“CMR”) is to describe Vera Bradley, Inc.’s due diligence process following Rule 13p-1 requirements. Per Rule 13p-1, due diligence is used to support a company’s determination whether or not there is evidence that the smelters or refiners within its supply chain are sourcing minerals that are considered “DRC Conflict Free,” that have “not been found to be DRC Conflict Free,” or that are “DRC Conflict Undeterminable.”

## 2. Product Description

Vera Bradley, Inc. contracts to manufacture products that may contain gold, tantalum, tin and tungsten (“3TG”), such as handbags, accessories and luggage and travel items. The Company determined that certain of its products may have zippers, fasteners or other components and materials, which are necessary to the production or functionality of its products, that may contain 3TG. As these materials are necessary to Vera Bradley’s products, the Company is dedicated to tracing the origin of these metals to ensure our sourcing practices do not support conflict or human rights abuses in the Democratic Republic of Congo (“DRC”) and surrounding area.

## 3. Design of Due Diligence Measures

Vera Bradley, Inc.’s due diligence process is based on the OECD’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and accompanying Supplements<sup>1</sup>. It is important to note that the OECD Guidance was written for both upstream<sup>2</sup> and downstream<sup>3</sup> companies in the supply chain. As Vera Bradley, Inc. is a downstream company in the supply chain, our due diligence practices were tailored accordingly.

## 4. Due Diligence Measures Implemented

Due Diligence measures undertaken by Vera Bradley, Inc. include the following:

- Adopt a conflict minerals policy. Our conflict minerals policy is publicly available in the “Customer Service” section, under “Supply Chain,” of the Company’s website at [www.verabradley.com](http://www.verabradley.com)
- Implement internal measures taken to strengthen company engagement with suppliers
- Engage with suppliers to identify the SORs in the supply chain
- Engage with SORs to obtain mine of origin and transit routes and assess whether SORs have carried out all elements of due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas
- Report risk management findings to senior management
- Report Annually on Supply Chain Due Diligence. The Form SD and CMR contained herein are publicly available in the “Customer Service” section, under “Supply Chain,” of the Company’s website at [www.verabradley.com](http://www.verabradley.com).

## 5. Identified Smelters or Refiners (“SORs”)

Based on survey responses received from Vera Bradley’s suppliers, Vera Bradley was not able to identify all SORs for all tantalum, tin, tungsten and gold (“3TG”) used in its products. Vera Bradley has identified the SORs listed below that may have processed 3TG used in our products.

Where we have been able to identify the SOR involved, those facilities were referenced against the Conflict Free Sourcing Initiative (“CFSI”) list of certified smelters in order to determine the mine or location with the greatest possible specificity. Countries of origin for the minerals processed by the identified SOR were reported to include: Argentina, Armenia, Australia, Austria\*, Belgium\*, Bolivia, Brazil, Canada\*, Chile\*, China, DRC-Congo (Kinshasa), Ethiopia\*, France\*, Germany\*, Ghana, Guinea, Guyana, Hong Kong\*, India\*, Indonesia, Italy, Japan\*, Jersey\*, Kazakhstan\*, Kyrgyzstan, Laos, Malaysia, Mali,

<sup>1</sup> OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Supplement on Tin, Tantalum and Tungsten and Supplement on Gold, 2013; <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>.

<sup>2</sup> Upstream companies refer to those between the mine and SOR. As such, the companies typically include miners, local traders, or exporters from the country of mineral origin, international concentrate traders and SORs.

<sup>3</sup> Downstream companies refer to those entities between the SOR and retailer. As such, the companies typically include metal traders and exchanges, component manufacturers, product manufacturers, original equipment manufacturers (OEMs) and retailers.

Mexico, Mongolia, Morocco\*, Mozambique\*, Myanmar, Namibia, Netherlands\*, Papua New Guinea, Peru, Philippines\*, Poland\*, Portugal\*, Russia, Rwanda, Saudi Arabia, Singapore\*, South Africa, South Korea, Spain\*, Suriname, Sweden, Switzerland\*, Taiwan\*, Tajikistan, Tanzania, Thailand, Turkey, United Arab Emirates\*, United Kingdom, United States\*, Uzbekistan\*, and Zambia. (\*Reported as a country of origin but has no known reserves of gold and/or tin.)

**Official Smelter Name**

**CFSI Certified**

**Gold**

|   |   |
|---|---|
| Advanced Chemical Company   |   |
| Aida Chemical Industries Co., Ltd.                                    | X |
| Argor-Heraeus SA  | X |
| Asahi Pretec Corporation  | X |
| Asahi Refining Canada Limited   | X |
| Asahi Refining USA Inc.   | X |
| Asaka Riken Co., Ltd.   | X |
| Atasay Kuyumculuk Sanayi Ve Ticaret A.S.                              |   |
| Aurubis AG  | X |
| Bangko Sentral ng Pilipinas (Central Bank of the Philippines)         | X |
| Bauer Walser AG   |   |
| Boliden AB  | X |
| C. Hafner GmbH + Co. KG   | X |
| Caridad   |   |
| CCR Refinery - Glencore Canada Corporation                            | X |
| Cendres + Métaux SA   |   |
| Chimet S.p.A.   | X |
| Chugai Mining   |   |
| Daejin Indus Co., Ltd.  |   |
| Daye Non-Ferrous Metals Mining Ltd.                                   |   |
| DODUCO GmbH   | X |
| Dowa  |   |
| DSC (Do Sung Corporation)   |   |
| Eco-System Recycling Co., Ltd.  | X |
| Elemetal Refining, LLC  | X |
| Faggi Enrico S.p.A.   |   |
| Gansu Seemine Material Hi-Tech Co Ltd                                 |   |
| Gansu Seemine Material Hi-Tech Co., Ltd.                              |   |
| Guangdong Jinding Gold Limited  |   |
| Hangzhou Fuchunjiang Smelting Co., Ltd.                               |   |
| Heimerle + Meule GmbH   | X |
| Heraeus Ltd. Hong Kong  | X |
| Heraeus Precious Metals GmbH & Co. KG                                 | X |
| Hunan Chenzhou Mining Co., Ltd.                                       |   |
| Hwasung CJ Co. Ltd  |   |
| Inner Mongolia Qiankun Gold and Silver Refinery Share Company Limited | X |
| Ishifuku Metal Industry Co., Ltd.                                     | X |
| Istanbul Gold Refinery  | X |

**Official Smelter Name (continued)**
**CFSI Certified (continued)**

| Official Smelter Name (continued)   | CFSI Certified (continued) |
|---|----------------------------|
| Japan Mint  | X                          |
| Jiangxi Copper Company Limited  | X                          |
| JSC Ekaterinburg Non-Ferrous Metal Processing Plant                         | X                          |
| JSC Uralelectromed  | X                          |
| JX Nippon Mining & Metals Co., Ltd.   | X                          |
| Kazzinc   | X                          |
| Kennecott Utah Copper LLC   | X                          |
| Kojima Chemicals Co., Ltd.  | X                          |
| Korea Metal Co. Ltd   |                            |
| Kyrgyzaltyn JSC   | X                          |
| L' azurde Company For Jewelry   |                            |
| Lingbao Jinyuan Tonghui Refinery Co. Ltd.                                   |                            |
| LS-NIKKO Copper Inc.  | X                          |
| Luo yang Zijin Yinhui Metal Smelt Co Ltd                                    |                            |
| Materion  | X                          |
| Matsuda Sangyo Co., Ltd.  | X                          |
| Metalor Technologies (Hong Kong) Ltd.                                       | X                          |
| Metalor Technologies (Singapore) Pte., Ltd.                                 | X                          |
| Metalor Technologies SA   | X                          |
| Metalor USA Refining Corporation  | X                          |
| METALÚRGICA MET-MEX PEÑOLES, S.A. DE C.V                                    | X                          |
| Mitsubishi Materials Corporation  | X                          |
| Mitsui Mining & Smelting  | X                          |
| Moscow Special Alloys Processing Plant                                      | X                          |
| Nadir Metal Rafineri San. Ve Tic. A.Ş.                                      | X                          |
| Navoi Mining and Metallurgical Combinat                                     | X                          |
| Nihon Material Co., Ltd.  | X                          |
| Ohura Precious Metal Industry Co., Ltd.                                     | X                          |
| OJSC "The Gulidov Krasnoyarsk Non-Ferrous Metals Plant" (OJSC Krastsvetmet) | X                          |
| OJSC Kolyma Refinery  |                            |
| OJSC Novosibirsk Refinery   | X                          |
| PAMP SA   | X                          |
| Penglai Penggang Gold Industry Co Ltd                                       |                            |
| Prioksky Plant of Non-Ferrous Metals  | X                          |
| PT Aneka Tambang (Persero) Tbk  | X                          |
| PX PrŽcinox SA  | X                          |
| Rand Refinery (Pty) Ltd.  | X                          |
| Royal Canadian Mint   | X                          |
| Sabin Metal Corp.   |                            |
| SAMWON METALS Corp.   |                            |
| Schone Edelmetaal B.V.  | X                          |
| SEMPSA Joyería Platería SA  | X                          |
| Shandong Zhaojin Gold & Silver Refinery Co., Ltd.                           | X                          |



**Official Smelter Name (continued)**
**CFSI Certified (continued)**

|  |   |
|--|---|
| So Accurate Group, Inc.                              |   |
| SOE Shyolkovsky Factory of Secondary Precious Metals | X |
| Solar Applied Materials Technology Corp.             | X |
| Sumitomo Metal Mining Co., Ltd.                      | X |
| Tanaka Kikinzoku Kogyo K.K.                          | X |
| The Great Wall Gold and Silver Refinery of China     | X |
| The Refinery of Shandong Gold Mining Co., Ltd.       | X |
| Tokuriki Honten Co., Ltd.                            | X |
| TongLing Nonferrous Metals Group Holdings Co., Ltd.  |   |
| Torecom  |   |
| Umicore Brasil Ltda.                                 | X |
| Umicore Precious Metals Thailand                     | X |
| Umicore SA Business Unit Precious Metals Refining    | X |
| United Precious Metal Refining, Inc.                 | X |
| Valcambi SA  | X |
| Western Australian Mint trading as The Perth Mint    | X |
| Yamamoto Precious Metal Co., Ltd.                    | X |
| Yokohama Metal Co., Ltd.                             | X |
| Yunnan Copper Industry Co Ltd                        |   |
| Zhongyuan Gold Smelter of Zhongjin Gold Corporation  | X |
| Zijin Mining Group Co., Ltd. Gold Refinery           | X |
| <b><u>Tin</u></b>                                    |   |
| Alpha  | X |
| China Tin Group Co., Ltd.                            | X |
| CNMC (Guangxi) PGMA Co. Ltd.                         |   |
| Cooperativa Metalurgica de Rondônia Ltda.            | X |
| CV Serumpun Sebalai                                  | X |
| CV United Smelting                                   | X |
| Dowa   | X |
| EM Vinto   | X |
| Estanho de Rondônia S.A.                             |   |
| Fenix Metals   | X |
| Gejiu Kai Meng Industry and Trade LLC                | X |
| Gejiu Non-Ferrous Metal Processing Co., Ltd.         | X |
| Gejiu Zi-Li  |   |
| Huichang Jinshunda Tin Co. Ltd                       |   |
| Jiangxi Ketai Advanced Material Co., Ltd.            | X |
| Linwu Xianggui Smelter Co                            |   |
| Magnu's Minerais Metais e Ligas Ltda.                | X |
| Malaysia Smelting Corporation (MSC)                  | X |
| Melt Metais e Ligas S/A                              | X |
| Metallo-Chimique N.V.                                | X |
| Mineração Taboca S.A.                                |   |

**Official Smelter Name (continued)****CFSI Certified (continued)**

|   |   |
|---|---|
| Minsur  | X |
| Mitsubishi Materials Corporation                  | X |
| Nankang Nanshan Tin Co., Ltd.                     |   |
| Novosibirsk Integrated Tin Works                  |   |
| O.M. Manufacturing (Thailand) Co., Ltd.           | X |
| Operaciones Metalurgical S.A.                     | X |
| PT Artha Cipta Langgeng                           | X |
| PT Babel Inti Perkasa                             | X |
| PT Bangka Timah Utama Sejahtera                   |   |
| PT Bangka Tin Industry                            | X |
| PT Belitung Industri Sejahtera                    | X |
| PT Bukit Timah                                    | X |
| PT DS Jaya Abadi                                  | X |
| PT Eunindo Usaha Mandiri                          | X |
| PT Karimun Mining                                 |   |
| PT Mitra Stania Prima                             | X |
| PT Prima Timah Utama                              | X |
| PT Refined Bangka Tin                             | X |
| PT Sariwiguna Binasentosa                         | X |
| PT Stanindo Inti Perkasa                          | X |
| PT Timah (Persero) Tbk Kunder                     | X |
| PT Timah (Persero) Tbk Mentok                     | X |
| PT Tinindo Inter Nusa                             | X |
| Rui Da Hung                                       | X |
| Soft Metais Ltda.                                 | X |
| Thaisarco   | X |
| Umicore SA Business Unit Precious Metals Refining |   |
| White Solder Metalurgia e Mineração Ltda.         | X |
| Yunnan Chengfeng Non-ferrous Metals Co.,Ltd.      | X |
| Yunnan Tin Group (Holding) Company Limited        | X |
| <b><u>Tungsten</u></b>                            |   |
| None identified                                   |   |
| <b><u>Tantalum</u></b>                            |   |
| None identified                                   |   |

**6. Steps to Improve Due Diligence**

Vera Bradley, Inc. will endeavor to continuously improve upon its supply chain due diligence efforts via the following measures (including those taken since the end of the period covered by Vera Bradley, Inc.'s most recent prior Conflict Mineral Report to mitigate the risk that necessary conflict minerals benefit armed groups):

- Continue to assess the presence of 3TG in its supply chain
- Clearly communicate expectations with regard to supplier performance, transparency and sourcing
- Increase the response rate for RCOI process
- Continue to compare RCOI results to information collected via independent conflict free smelter validation programs such as the EICC/GeSI Conflict Free Smelter program
- Design and implement a strategy to respond to supply chain risks

- Devise and adopt a risk management plan
- Contact smelters identified as a result of the RCOI process and request their participation in obtaining a “conflict free” designation from an industry program such as the EICC/GeSI Conflict Free Smelter program.

## **7. Independent Private Sector Audit**

A private sector audit is not required with this Conflict Mineral Report.

## **8. Forward Looking Statements**

This CMR contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical or current fact included in this report are forward-looking statements. Forward-looking statements refer to our current expectations and projections. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “might,” “will,” “should,” “can have,” and “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future events. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. The Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.