

BURBERRY

Mr George Kell
UN Global Compact Office
United Nations
New York
NY 10017

30th June 2015

Dear Mr Kell,

Burberry continues to use the UN Global Compact's Ten Principles to guide our activities, fully supporting the core values of the initiative across the areas of human rights, labour standards, the environment and anti-corruption. Burberry's strategy has evolved this year to better reflect the culture and values of our business, and this has heightened our focus on responsibility and accountability to our employees, our customers, our supply chain and the communities we touch.

Burberry's new sixth strategy, 'Build our Culture', includes commitments to be a socially responsible business and to drive positive environmental and social change. As a core strategy, Burberry considers the initiatives set out below to be not only integral to our business, but also critical to our overall success. Amongst our important achievements and recognitions this year, Burberry is now proud to be a UK Living Wage Employer, the first luxury retailer and manufacturer to achieve this accreditation. In the 2015 RobecoSAM Yearbook, Burberry was ranked among world's most sustainable companies.

Burberry has made a public commitment to Human Rights through its Human Rights Policy, which was developed with reference to all of the rights set out in the International Bill of Human Rights as well as the United Nations Guiding Principles on Business and Human Rights. Burberry recognises its responsibility to seek to protect human rights wherever it operates. As such, Burberry has conducted a materiality analysis of its operations and activities, which has enabled Burberry to identify the principal risks to human rights that might arise in the course of its business activities. Burberry identified its own employees, customers, supply chain and the communities we touch as the four principal stakeholder groups. Our Human Rights Policy details the procedures Burberry has put in place to protect and uphold human rights in this context, including the mechanisms to address potential infringement. Our Human Rights policy can be found on the Burberry plc website: http://www.burberryplc.com/documents/corporate_responsibility/burberry-human-rights-policy.pdf

To further build on our work in this area, in 2014 Burberry conducted an in-depth Human Rights Impact Assessment of its business, including internal operations and supply chain activities. This has been used to understand challenges and will be used to develop KPIs in order to better measure our human rights impact going forward.

Supporting safe and fair working conditions among our suppliers remains a priority. Burberry has continued to provide a confidential and free NGO run hotline. An independent review of the Hotline providers and their service was conducted over the last year by a locally based NGO to assess its value and impact. As part of this review both factory management and workers were consulted. The review found that the hotline was a valuable service, however a number of improvements were suggested in order for the hotline to meet the UN Guiding Principles on Business and Human Rights standards for Remedy Mechanisms; legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. We intend to take the necessary actions to implement these improvements so that the hotline becomes a more effective tool. Separately, we continue to support the Business for Social Responsibility HERproject, providing basic health education to female workers, helping to improve their health and to build their confidence and participation in the workplace.

With regards to labour, Burberry is committed to making meaningful and long lasting improvements to workers' employment and workplace conditions to achieve operational excellence as well as a sustainable and responsible supply chain. This commitment is underpinned by Burberry's Ethical Trading Policy, which includes the Burberry Code of Conduct and the Human Rights, Migrant Worker and Homeworker policies (amongst others). This policy is in alignment with the United Nations Universal Declaration of Human Rights, the

CHRISTOPHER BAILEY

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Fundamental Conventions of the International Labour Organization and the Ethical Trading Initiative, which Burberry was the first luxury brand to join.

Our Ethical Trading Programme has continued to drive improvements in the supply chain using a number of engagement activities. These include announced and unannounced audits, monitoring and improvement programmes. During fiscal year 2014/15, 541 supply chain audits and assessments were conducted and 205 supplier engagement visits and trainings took place. Also this year, with the support of our sourcing and product development teams, we have expanded our Ethical Trading Programme to reach more workers by incorporating our key beauty and raw material suppliers.

Burberry remains committed to addressing the global challenge posed by climate change and other environmental issues and is seeking to create a positive sustainable impact throughout its value chain. This commitment is outlined in our five-year sustainability targets covering Product, Process and Property. Our Product targets focus on dramatically reducing the environmental impacts of our entire product portfolio. For this reason we have targets for raw materials, chemical usage and packaging. By way of example, cotton is a vital raw material for our business and for this reason we are conducting a farm impact reduction project on one of our key supply chains in Peru. Fiscal year 2014/15 was the first of a three-year farmer training programme designed to help reduce their use of fertilisers and pesticides. The programme has delivered successful results in its first 12 months. Process targets focus on reducing energy usage in internal manufacture and within supplier facilities, water consumption in mills and carbon emissions arising from transport. Our Property targets focus on; a reduction in energy usage, the increased use of on-site or green tariff renewables, the use of sustainable materials for construction, and the recycling of waste arising from construction. We are pleased that over the last year, more than 90% of construction waste from our major projects globally was recycled. Further key achievements, as well as our progress against each target, can be found at:

http://www.burberrypc.com/corporate_responsibility

Burberry is dedicated to acting with transparency, complete independence and with integrity in all matters; doing so is core to our brand, our reputation and our business strategy. With regard to anti-corruption, complying with the Bribery Act by UK government is fundamental to the way Burberry conducts business. Burberry has an anti-bribery and anti-corruption policy in place, which sets out our position on bribery, corruption and facilitation payments and reflects existing commitments under the Burberry Group Global Policy Statements and Ways of Working. It outlines the responsibilities of employees and third parties associated with Burberry. Anti-bribery policy compliance is conducted yearly to identify and assess risks and also to review its effectiveness.

Burberry continues to recognise the need for stakeholder support in solving Corporate Responsibility challenges. Our Corporate Responsibility strategy is supported by an advisory committee of external expert stakeholders, the Burberry Impact Advisory Committee, the Supply Chain Impact Committee which is chaired by the Chief Supply Chain Officer and the Responsibility Working Group which is chaired by the Chief Corporate Affairs Officer and includes senior executives representing key business operations. Burberry is also a member of a number of important stakeholder organisations, including the Ethical Trading Initiative, Forum for the Future, the Sustainable Apparel Coalition and Responsible Ecosystems Sourcing Platform. The Global Compact remains integral to this collaborative approach and Burberry looks forward to maintaining an open and productive dialogue in the years ahead.

Kind regards,

A large, stylized handwritten signature in black ink, which appears to read 'Christopher Bailey'. The signature is written over a horizontal line.

Christopher Bailey
Chief Creative & Chief Executive Officer