

# BURBERRY

His Excellency Mr. Ban Ki-moon, UN Secretary General  
United Nations  
Global Compact Office  
First Avenue & 46th Street  
New York, NY 10017

Date: 22nd June 2016.

Dear Mr. Secretary General,

Burberry continues to use the UN Global Compact's Ten Principles to guide its activities, fully supporting the core values of the initiative across the areas of human rights, labour standards, the environment and anti-corruption.

As highlighted last year, Burberry's sixth core strategy, 'Build our Culture', includes commitments to be a socially responsible business and to drive positive environmental and social change. 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, Burberry was included in the 2015 Dow Jones Sustainability Index (DJSI) for the first time, listed under both DJSI World and DJSI Europe. The Index recognises Burberry as one of the top performing companies in the world for sustainability in the 'Consumer Durables & Apparel' sector. Burberry was also recognised in RobecoSAM's 2016 Sustainability Yearbook, the world's most comprehensive publication on corporate sustainability, as 'Industry Mover, Bronze Class' in the Textiles, Apparel and Luxury Goods category. The 'Industry Mover' award recognises the company that has achieved the largest proportional improvement in its sustainability performance.

Burberry has recently made a public commitment to Human Rights demonstrated by our Human Rights Policy, which was developed in close alignment with 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 respect human rights throughout its operations and activities and those of its extended supply chain. We have identified our employees, customers, supply chain and the communities we touch as our principal stakeholder groups. Our Human Rights Policy details the procedures Burberry has put in place to respect and uphold human rights in this context, including mechanisms to address potential infringement. Our Human Rights policy can be found on the Burberry plc website:

[http://www.burberryplc.com/documents/corporate\\_responsibility/human-rights-policy.pdf](http://www.burberryplc.com/documents/corporate_responsibility/human-rights-policy.pdf)

Following an in-depth Human Rights Impact Assessment, conducted by Burberry in 2014, KPIs have been developed in order to address potential human rights risks. In the last year, we have carried out several projects to build our knowledge of risk and impact areas identified. Programmes include a review of Burberry's Construction contracting policy, and health and safety conditions in tanneries.

Supporting safe and fair working conditions amongst our suppliers remains a priority. Burberry has continued to provide a confidential and free NGO run hotline to workers in its supply chain. Following an independent review of the Hotline providers and their service, Burberry has begun to implement a plan to provide all workers in the factories we use in China with access to the hotline.

Separately, we continue to partner with the Business for Social Responsibility, implementing the HERproject as well as two new partners, School of Public Health, Fudan University and Zhongshan School of Medicine, Sun Yat-Sen University in providing basic health education to female workers, helping to improve their health awareness and to build their confidence and increase participation in the workplace.

In relation to our workforce, promoting fair employment practices and empowering employees throughout our business has always been a focus. Consistent with this commitment, in April 2015, Burberry was proud to become the first luxury retailer and manufacturer to achieve accreditation as a UK Living Wage employer and has since become a Principal Partner of the Living Wage Foundation, demonstrating our commitment to the strategic vision and ongoing success of the initiative. Living Wage accreditation is powerful external recognition of our commitment to ensure that everyone who works for Burberry receives a fair wage, as we continue to strengthen and embed our values into our ways of working.

Similarly, as part of our commitment to promoting equal opportunities, in 2015 we introduced enhanced shared parental pay for employees in the UK with children born on or after 5 April 2015. This coincided with the introduction of Shared Parental Leave legislation which provided for a minimum amount of leave and pay to give parents greater flexibility in relation to the care of their child in the first year after birth or adoption. The decision to enhance pay for shared parental leave was an important step in our commitment to the retention of parents in our workplace.

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 Responsible Business Principles (formerly known as the Ethical Trading Policy), which includes Burberry's Ethical Trading Code of Conduct, Migrant Worker and Homeworker policies amongst others. These policies are in alignment with the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organization and the Ethical Trading Initiative Base Code. This year, Burberry expanded the scope of the Responsible Business Principles to encompass business associates across all business operations, not solely its product supply chain, in response to the findings of its Human Rights Impact Assessment.

Our Ethical Trading Programme has continued to drive improvements in our supply chain using a number of engagement activities. These include announced and unannounced audits, monitoring and improvement programmes. During financial year 2015/16, 548 supply chain audits and assessments were conducted and 217 supplier engagement visits and trainings took place. Also this year, with the support of our sourcing and product development teams, we continued to expand our Ethical Trading Programme to reach more workers by encompassing our beauty and raw material supply chains.

Burberry remains committed to addressing the global challenge posed by climate change and other environmental issues and is therefore 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. Financial year 2015/16 was the second of a three-year farmer training programme designed to help reduce their environmental footprint, we have realised great results this year with over 60% reduction in chemical pesticide use and 15% improvement in yields

- Process targets focus on reducing energy usage in Burberry's internal manufacturing facilities and within supplier facilities, water consumption in mills and carbon emissions arising from transport. We are pleased that over the last year, our internal manufacturing sites have made reductions in energy use ranging between 15% and 28% when normalised by a relevant productivity factor
- 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. Further key achievements, as well as our progress against each target, can be found at:  
[http://www.burberryplc.com/corporate\\_responsibility](http://www.burberryplc.com/corporate_responsibility)

Burberry is committed to acting with complete transparency, independence and integrity in all matters. Doing so is core to our values, the reputation of the brand, and our business strategy. These principles are encapsulated in Burberry's Responsible Business Principles, which incorporate Burberry's Anti-Bribery and Anti-Corruption Policy as well as a requirement to comply with all applicable laws and regulations.

It is Burberry's policy to require that third party business associates (being parties we contract with, such as franchisees, stock and non-stock vendors, licensees, consultants, joint venture partners, suppliers, contractors, wholesale customers and agents) comply with Burberry's Responsible Business Principles and all applicable laws, including the UK Bribery Act 2010.

As part of our compliance programme, we write annually to key business partners and remind them of our Anti-Bribery & Anti-Corruption Policy and their required compliance with this policy. Certain categories of business partners are identified on a risk-based approach as being appropriate recipients of this reminder. This process is managed by the Burberry Legal team.

Burberry continues to recognise the need for multi-stakeholder support in approaching 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 and the Responsibility Working Group. 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 we look forward to maintaining an open and constructive dialogue in the years to come.

Kind regards,



Christopher Bailey

Chief Creative & Executive Officer