



# BURBERRY

*London, England*

Mr António Guterres, UN Secretary General  
United Nations  
Global Compact Office  
First Avenue & 46th Street  
New York, NY 10017

Date: 14th June 2017

Dear Mr. Secretary General,

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

In the last year, Burberry has set five new strategic priorities, with the fifth entitled "Inspired People", which focuses on the areas of culture, talent and responsibility. In line with this strategic priority, we are proud to announce our new five-year Responsibility strategy, which reaffirms our commitments and builds on the successes of our previous work. The new strategy focuses on:

- Fostering resilient communities;
- Creating positive change through sourcing and production;
- Utilising key operational resources to reduce climate change impacts.

Burberry considers these initiatives as integral to our business and critical to our overall success. Further details will be available on [burberrypc.com](http://burberrypc.com) in July 2017.

Amongst our important achievements, Burberry was recognised as the Industry Leader in the 2016 Dow Jones Sustainability Index (DJSI) in the 'Textiles, Apparel & Luxury Goods' sector. This is the second consecutive year that Burberry has been included in the index, reflecting the company's strong commitment to continuously explore more productive and sustainable ways of working.

Burberry has 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. 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.

In 2017, Burberry completed its biennial Human Rights Impact Assessment and has identified a number of mitigation actions, which have been reviewed by Ergon, a specialist consultancy in the field of human rights, and discussed with Oxfam, a globally renowned aid and development charity.

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. During

2016/17 the hotline provided over 27,000 workers across 53 Asian factories with confidential support, including advice and information on workers' rights and well-being.

Separately, we have partnered with Business for Social Responsibility's HERProject and local specialist academic institutions, such as the medical faculty at Sun Yat Sen University, to implement tailored welfare and health programmes, helping to improve health awareness, build confidence and increase participation in the workplace. In the last financial year, we have been implementing the HERHealth Project at one of our key mills that we source cotton from, for our iconic Burberry Trench Coat.

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. This is particularly important to us as we have our own internal manufacturing in the UK. 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. Continuing its support for the Living Wage Foundation, Burberry joined the steering group of the Global Living Wage Initiative, to play an active role in addressing in-work poverty across all sectors and multiple geographies, as part of a unified, global approach with multi-stakeholder participation.

During 2016/17, Burberry has also been making preparations to ensure compliance with the UK's new Equality Act 2010 (Gender Pay Gap Information) Regulations, which will require large employers to publish their gender pay gap from 2018 onwards. Burberry is committed to reducing and eliminating any gender pay gap in the years to come.

Burberry is committed to making meaningful and long lasting improvements to workers' employment and workplace conditions to achieve operational excellence through 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. Our Ethical Trading Programme has continued to drive improvements in our supply chain through a number of activities; during 2016/17, 477 supply chain audits and assessments were conducted and 234 supplier engagement visits and trainings took place.

Burberry remains dedicated 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 was outlined, for the first time, in our five-year sustainability targets covering Product, Process and Property, concluding in March, 2017. Burberry continues to strengthen its commitment to environmental responsibility through its new strategy by setting ambitious targets for its own operations and improving the sustainability of its products.

A review of our performance over 2012-2017, against each target, can be found on [burberryplc.com](http://burberryplc.com):

- Our Product targets focused on dramatically reducing the environmental impacts of our product portfolio. For this reason we had 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 conducted a farm impact reduction project on one of our key supply chains in Peru.

- Process targets focused on reducing energy usage in Burberry's internal manufacturing facilities and within supplier facilities, water consumption in mills and carbon emissions arising from transport.
- Our Property targets focused 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.

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 (parties we contract with (both directly and indirectly), 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 Burberry's compliance programme, Burberry periodically writes to selected business associates on a risk adjusted basis to reiterate the importance of adhering to Burberry's Responsible Business Principles (and in particular Burberry's Anti-Bribery & Anti-Corruption Policy).

Burberry recognises the need for multi-stakeholder support in approaching sustainability challenges, in line with this, Burberry's Responsibility strategy is supported by an advisory committee of external expert stakeholders. Additionally, the Responsibility strategy is supported by the following internal committees; the Inspired People Steering Committee and the Supply Chain Impact Committee. Burberry is also a member of a number of important stakeholder organisations, including the Ethical Trading Initiative, Forum for the Future and the Sustainable Apparel Coalition. The Global Compact remains integral to this collaborative approach and we at Burberry look forward to maintaining an open and constructive dialogue in the years to come.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'CHZ 1. par Bailey', written in a cursive, stylized script.

Christopher Bailey

Chief Creative & Executive Officer