

# BURBERRY

## UNITED NATIONS GLOBAL COMPACT

### ADVANCED COMMUNICATION ON PROGRESS

2017 - 2018

#### CHIEF EXECUTIVE STATEMENT OF SUPPORT

Burberry has been a signatory of the UN Global Compact since 2008, and we continue to use the UN Global Compact's Ten Principles to guide our business activities. As part of this, we fully support the core values of the initiative across the areas of human rights, labour standards, the environment and anti-corruption.

This year, we launched our new Responsibility agenda for 2022. Called 'Creating Tomorrow's Heritage', it sets out ambitious goals to address our most material social and environmental impacts, while supporting the Burberry Foundation (UK registered charity number 1154468) in creating long-term partnerships that fuel innovation and transform communities. The strategy focuses on:

- Driving positive change through 100% of our products
- Becoming carbon neutral and revaluing waste
- Positively impacting 1 million people

Burberry considers these initiatives as integral to our business and critical to our overall success. Further details are available on the following pages, and on [burberryplc.com](http://burberryplc.com).

Marco Gobbetti

Chief Executive Officer

June 2018

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## IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES & OPERATIONS

Outlined below are best practice examples of ways we are implementing the UNGC ten principles:

| UNGC BEST PRACTICES   | BURBERRY EXAMPLES   | REFERENCES  |
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| <b>Criterion 1: The COP describes mainstreaming into corporate functions and business units</b>   |   |   |
| Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives. | Our senior leadership team, supported by cross-functional delivery groups are responsible for progress made towards our 2022 Responsibility strategy. Progress is reviewed on a regular basis by our Inspired People Committee and Transformation Management Office, and is assessed against key commitments and performance indicators covering three strategy pillars: Product, Company and Communities.  | <a href="#">Burberry Annual Report</a><br><a href="#">Burberry Modern Slavery Statement</a>   |
| Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.   | Our 2022 Responsibility strategy is owned by our senior leadership team and supported by cross-functional delivery groups. Progress against the Responsibility Strategy is reviewed on a regular basis by our Transformation Management Office to ensure functions are aligned to ensure efficient progress.  | <a href="#">Burberry Annual Report</a>  |
| <b>Criterion 2: The COP describes value chain implementation</b>  |   |   |
| Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.   | In 2014 we conducted a Human Rights Impact Assessment of our operations and activities and those of our extended supply chain, to identify and address potential risks. We reviewed this assessment in 2016, to capture emerging risks in relation to new operations and projects and develop mitigation plans as required. These plans have been reviewed by Ergon, a specialist consultancy in this field, and discussed with Oxfam, a globally renowned aid and development charity. Following this, we have implemented several action plans in both our direct operations and supply chain, including for example the construction of retail stores and office space, as the construction industry is known for potentially high human rights risks in relation to both local and migrant workers. Burberry has fully mapped its tier one supply chain, including all sub-contractor facilities and processing facilities. In addition, we have full visibility of our tier two raw material suppliers, and continue to map their sub-contractor networks. | <a href="#">Human Rights</a><br><a href="#">Burberry Modern Slavery Statement</a>             |
| Communicate policies and expectations to suppliers and other relevant business partners.  | To promote Human Rights across our direct and indirect business operations, we require our network of business associates and extended supply chain to comply with our Responsible Business Principles. The Principles have been developed and informed by our 10 year-long membership of the United Nations Global Compact and the Ethical Trading Initiative (ETI), and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization. The Principles apply to all our business associates, which include, but are not limited to: finished goods suppliers, raw material suppliers, non-stock suppliers, construction contractors, licensees and franchisees.   | <a href="#">Burberry Modern Slavery Statement</a><br><a href="#">Policies and Commitments</a> |

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| Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence.   | For almost 15 years, we have had a programme aimed at safeguarding the labour conditions in our product supply chains. Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with the Principles. To ensure our supply chain mapping stays up to date, we operate a strict approval process and conduct a transparency analysis with our vendors and commercial teams each season.  | <a href="#">Burberry Modern Slavery Statement</a><br><a href="#">Ethical Trading</a>   |
| Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners.  | We work closely with our supply chain and provide regular training and capacity building opportunities to suppliers and other business partners. Examples of training include modern slavery and building upstream monitoring systems. In 2016/17, we provided tailored training on identification and combatting of modern slavery to suppliers. In-person training sessions were held with finished goods vendors who together manufacture 72% of our product. Initially, this training was provided to key finished goods and raw material suppliers, third-party labour contractors and certain suppliers operating in sectors with a greater risk of modern slavery issues arising.   | <a href="#">Burberry Modern Slavery Statement</a><br><a href="#">Ethical Trading</a><br><a href="#">Enhancing Worker Wellbeing and Livelihoods</a> |
| <b>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights</b>  |  |  |
| Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g. the Universal Declaration of Human Rights, Guiding Principles on Human Rights) | To promote Human Rights across our direct and indirect business operations, we require our network of business associates and extended supply chain to comply with our Responsible Business Principles. The Principles have been developed and informed by our 10 year-long membership of the United Nations Global Compact and the Ethical Trading Initiative (ETI), and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization. The Principles include the following policies: <ul style="list-style-type: none"><li>- Human Rights Policy</li><li>- Ethical Trading Code of Conduct</li><li>- Migrant Worker Policy</li><li>- Responsible Sourcing Policy</li></ul> | <a href="#">Policies and Commitments</a><br><a href="#">Burberry Modern Slavery Statement</a>  |
| Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company.   | Burberry has a Human Rights Policy. This policy forms part of Burberry's Responsible Business Principles. Overall responsibility for these Principles resides with the Chief Executive Officer.  | <a href="#">Policies and Commitments</a>   |
| Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services.  | We require our network of business associates and extended supply chain to comply with our Responsible Business Principles. The Principles include the following policies: <ul style="list-style-type: none"><li>- Human Rights Policy</li><li>- Ethical Trading Code of Conduct</li><li>- Migrant Worker Policy</li><li>- Responsible Sourcing Policy</li></ul>   | <a href="#">Policies and Commitments</a>   |
| Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties.   | Our Human rights policy is publicly available on our PLC website. Compliance with this policy, which forms part of our Responsible Business Principles, is a requirement of doing business with Burberry.  | <a href="#">Policies and Commitments</a>   |
| <b>Criterion 4: The COP describes effective management systems to integrate the human rights principles</b>   |  |  |

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| Process to ensure that internationally recognized human rights are respected   | For almost 15 years, we have had a programme aimed at safeguarding the labour conditions in our product supply chains. Our ethical trading programme comprises announced and unannounced audits, monitoring and improvement programmes, and covers all finished goods vendors, sub-contractors and key raw material suppliers.   | <a href="#">Ethical Trading</a><br><a href="#">Burberry Modern Slavery Statement</a>                                 |
| On-going due diligence process that includes an assessment of actual and potential human rights  | Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with our Responsible Business Principles.<br>In 2014 we conducted a Human Rights Impact Assessment of our operations and activities and those of our extended supply chain, to identify and address potential risks. We reviewed this assessment in 2016, to capture emerging risks in relation to new operations and projects and develop mitigation plans as required.  | <a href="#">Ethical Trading</a><br><a href="#">Human Rights</a><br><a href="#">Burberry Modern Slavery Statement</a> |
| Internal awareness-raising and training on human rights for management and employees   | Informed by our Human Rights Impact Assessment, a bespoke modern slavery and labour rights training programme has been delivered to key employee groups who interact with Burberry's supply chain networks.<br>In addition, we have trained members of our human resources, health and safety, construction and fulfilment functions on modern slavery, on how to identify it and appropriate actions to take.<br>An online training programme designed to boost awareness is now being rolled out to relevant employee groups at all levels.<br>On a quarterly basis, the Responsibility team meet with Sourcing to discuss human rights in the supply chain, as well as on a case by case basis should issues arise.   | <a href="#">Burberry Modern Slavery Statement</a>  |
| Operational-level grievance mechanisms for those potentially impacted by the company's activities                                      | We continue to identify initiatives to strengthen workers' abilities to access information, raise grievances and measure worker wellbeing. We have an internal whistleblowing helpline and web service managed by an independent company, allowing employees to report, anonymously, any concerns relating to malpractice, with all cases treated in the strictest confidence.<br>In China, where labour rights issues can include inadequate access to remedy, we have worked with three local Non-Governmental Organisations to establish a hotline. It provides over 10,000 workers with improved access to remedy. This year, Burberry's worker hotline received 588 calls, categorised as 42 complaints, 469 consulting calls and 77 psychological support calls. It is a priority during monitoring activities to highlight if improvements are required in this area. | <a href="#">Burberry Modern Slavery Statement</a>  |
| Allocation of responsibilities and accountability for addressing human rights impacts  | We have a global Responsibility team consisting of around 30 specialists, based in key product supply chain locations such as the UK, Italy and Hong Kong. Although ethical trading activities are coordinated by our Responsibility team, targets relating to working conditions in the supply chain are owned by our Supply Chain and relevant sourcing teams.   | <a href="#">Burberry Modern Slavery Statement</a>  |
| Internal decision-making, budget and oversight for effective responses to human rights impacts   | We have processes and resources in place to respond to any human rights issue which may arise. Policies are in place to ensure that the safety of the victim is the priority. Depending on the severity of an issue, it may be escalated to the Senior Leadership Team and to Board level.   | <a href="#">Burberry Modern Slavery Statement</a>  |
| Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to | The Human Rights Policy sets out the procedures which we have put in place to protect and uphold human rights.<br>The priority is to first help safeguard any victim's wellbeing and then to support with the remediation process including any actions to identify and address root cause issues.   | <a href="#">Burberry Human Rights Policy</a>   |

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| Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action | <p>In 2014 we conducted a Human Rights Impact Assessment of our operations and activities and those of our extended supply chain, to identify and address potential risks. We reviewed this assessment in 2016, to capture emerging risks in relation to new operations and projects and develop mitigation plans as required.</p> <p>We have implemented several action plans in both our direct operations and supply chain, including for example the construction of retail stores and office space, as the construction industry is known for potentially high human rights risks in relation to both local and migrant workers.</p> <p>We are a member of the Ethical Trading Initiative, a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Burberry was the first luxury brand to join the ETI in 2010, and is a member of a number of working groups, collaborating with key stakeholders to improve working conditions.</p> <p>We work closely with the Burberry Foundation (UK registered charity number 1154468) in creating long-term partnerships that transform communities along Burberry's supply chain – from tackling social mobility challenges in Yorkshire, to fostering community cohesion in Italy and advancing economic and social development in Afghanistan.</p> | <p><a href="#">Burberry Modern Slavery Statement</a></p> <p><a href="#">Collaborations and Partnerships</a></p> |
| Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration  |  |   |
| System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain   | <p>In 2014 we conducted a Human Rights Impact Assessment of our operations and activities and those of our extended supply chain, to identify and address potential risks. We reviewed this assessment in 2016, to capture emerging risks in relation to new operations and projects and develop mitigation plans as required.</p> <p>Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with our Responsible Business Principles. During the period 2017/18, 446 audits and 263 engagement visits were conducted.</p> <p>We have trained finished goods suppliers, their subcontractors and key raw material suppliers on the identification of modern slavery and building systems to prevent the occurrence of modern slavery. We continue to identify initiatives to strengthen workers' abilities to access information, raise grievances and measure worker wellbeing. This year, Burberry's worker hotline received 588 calls, categorised as 42 complaints, 469 consulting calls and 77 psychological support calls.</p>   | <p><a href="#">Burberry Modern Slavery Statement</a></p>  |
| Leadership review of monitoring and improvement results  | <p>Burberry's Chief People, Strategy and Corporate Affairs Officer is responsible for ensuring we meet our human rights commitments and regularly reports on this topic to the Group Risk Committee and the Board.</p> <p>The Supply Chain Delivery Group (SCDG) meets at least once a quarter, to discuss human rights in the supply chain. The SCDG is headed by the Chief Supply Chain Officer and attended by heads of supply chain teams.</p>   | <p><a href="#">Responsibility Approach</a></p>  |
| Process to deal with incidents the company has caused or contributed to for internal and external stakeholders   | <p>We have processes and resources in place to respond to any human rights issues which may arise. Policies are in place to ensure that the safety of the victim is the priority. Depending on the severity, issues may be escalated to the Senior Leadership Team and to Board level.</p>   | <p><a href="#">Burberry Modern Slavery Statement</a></p>  |

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| Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue   | <p>We continue to identify initiatives to strengthen workers' abilities to access information, raise grievances and measure worker wellbeing. We have an internal whistleblowing helpline and web service managed by an independent company, allowing employees to report, anonymously, any concerns relating to malpractice, with all cases treated in the strictest confidence.</p> <p>In China, labour rights issues can include inadequate access to remedy. We have worked with three local Non-Governmental Organisations to establish a hotline providing over 10,000 workers with improved access to remedy. This year, Burberry's worker hotline received 588 calls, categorised as 42 complaints, 469 consulting calls and 77 psychological support calls. It is a priority during monitoring activities to highlight improvements required in this area.</p> | <a href="#">Burberry Modern Slavery Statement</a> |
| <b>Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour</b>  |   |   |
| Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies  | To promote labour standards across our direct and indirect business operations, we require our network of business associates and extended supply chain to comply with our Responsible Business Principles. The Principles have been developed and informed by our 10 year-long membership of the United Nations Global Compact and the Ethical Trading Initiative (ETI), and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization.   | <a href="#">Burberry Modern Slavery Statement</a> |
| Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).              | <p>To promote labour standards across our direct and indirect business operations, we require our network of business associates and extended supply chain to comply with our Responsible Business Principles.</p> <p>The Principles have been developed and informed by our 10 year-long membership of the United Nations Global Compact and the Ethical Trading Initiative (ETI), and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization.</p> <p>The Principles include the following policies:</p> <ul style="list-style-type: none"> <li>- Human Rights Policy</li> <li>- Ethical Trading Code of Conduct</li> <li>- Migrant Worker Policy</li> <li>- Responsible Sourcing Policy</li> </ul>  | <a href="#">Policies and Commitments</a>          |
| Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners  | <p>Compliance with our Responsible Business Principles is incorporated into our terms and conditions for our network of business associates and extended supply chain.</p> <p>The Principles state that they have been developed and informed by our 10 year-long membership of the United Nations Global Compact and the Ethical Trading Initiative (ETI), and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization.</p>   | <a href="#">Policies and Commitments</a>          |
| Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government). | We are a member of the Ethical Trading Initiative, a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Burberry was the first luxury brand to join the ETI in 2010, and is a member of a number of working groups, collaborating with key stakeholders to improve working conditions.  | <a href="#">Collaborations and Partnerships</a>   |

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| Criterion 7: The COP describes effective management systems to integrate the labour principles                       |   |   |
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| Risk and impact assessments in the area of labour  | <p>In 2014 we conducted a Human Rights Impact Assessment of our operations and activities and those of our extended supply chain, to identify and address potential risks. We reviewed this assessment in 2016, to capture emerging risks in relation to new operations and projects and develop mitigation plans as required.</p> <p>Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with Burberry's Responsible Business Principles. Our Ethical Trading Programme is supported and monitored internally by a number of management committees. The Programme aims to ensure that the potential risks to labour and human rights are considered at all appropriate levels and areas of the business. In the event that any labour or human rights risks are identified, the Chief People, Strategy and Corporate Affairs Officer will report on such issues to the Group Risk Committee, which meets at least three times a year.</p> | <p><a href="#">Burberry Modern Slavery Statement</a></p> <p><a href="#">Ethical Trading</a></p> <p><a href="#">Human Rights</a></p>                               |
| Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards | <p>We are a member of the Ethical Trading Initiative, a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Burberry was the first luxury brand to join the ETI in 2010, and is a member of a number of working groups, collaborating with key stakeholders to improve working conditions across Burberry's supply chain.</p>  | <p><a href="#">Collaborations and Partnerships</a></p>  |
| Allocation of responsibilities and accountability within the organization  | <p>We have a global Responsibility team consisting of around 30 specialists, based in key product supply chain locations such as the UK, Italy and Hong Kong. Although ethical trading activities are coordinated by our Responsibility team, targets relating to working conditions in the supply chain are owned by our Supply Chain and relevant sourcing teams.</p> <p>Burberry's Chief People, Strategy and Corporate Affairs Officer is responsible for ensuring we meet our labour commitments and regularly reports on this topic to the Group Risk Committee and the Board.</p>  | <p><a href="#">Burberry Modern Slavery Statement</a></p>  |
| Internal awareness-raising and training on the labour principles for management and employees                        | <p>Informed by our Human Rights Impact Assessment, a bespoke modern slavery and labour rights training programme has been delivered to key employee groups who interact with Burberry's supply chain networks. In addition, we have trained members of our human resources, health and safety, construction and fulfilment functions on modern slavery, on how to identify it and appropriate actions to take.</p> <p>On a quarterly basis, the Responsibility team meet with the Sourcing team to discuss human rights in the supply chain, as well as on a case by case basis should issues arise.</p>  | <p><a href="#">Burberry Modern Slavery Statement</a></p>  |
| Active engagement with suppliers to address labour-related challenges  | <p>In 2016/17, we provided tailored training on identification and combatting of modern slavery and labour rights issues to suppliers. In-person training sessions were held with finished goods vendors who together manufacture 72% of our product. Participants were required to develop and implement plans around the recruitment and ongoing management of workers, to reduce the risk of modern slavery in their operations and supply chain. These action plans continue to be monitored on an ongoing basis by our Responsibility team.</p> <p>We have also designed a capacity building programme with strategic Italian vendors, to increase their ability to manage the working</p>   | <p><a href="#">Burberry Modern Slavery Statement</a></p> <p><a href="#">Ethical Trading</a></p> <p><a href="#">Enhancing Worker Wellbeing and Livelihoods</a></p> |



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|  | conditions at their sub-contractors and introduce their own ethical trading monitoring programmes. This helps us to reach more workers in line with our commitment to create a responsible supply chain.  |  |
| Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers | <p>We continue to work on programmes to capture comments and grievances from workers in our supply chain globally. This year, we have worked with Oxfam to develop a series of metrics to measure worker wellbeing in our supply chain and capture comments and feedback from workers. The new tool has been tested in our own factory in Yorkshire, England, and is now being piloted in a further three, key manufacturing facilities.</p> <p>We have an internal whistleblowing helpline and web service managed by an independent company, allowing employees and the supply chain to report, anonymously, any concerns relating to malpractice, with all cases treated in the strictest confidence.</p> <p>In China, where labour rights issues can include inadequate access to remedy, we have worked with three local Non-Governmental Organisations to establish a hotline. It is provided to over 10,000 workers with improved access to remedy. This year, Burberry's worker hotline received 588 calls, categorised as 42 complaints, 469 consulting calls and 77 psychological support calls. It is a priority during monitoring activities to highlight improvements required in this area.</p> | <a href="#">Burberry Modern Slavery Statement</a>  |
| Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration   |   |  |
| System to track and measure performance based on standardized performance metrics  | All finished goods facilities are audited prior to approval and at frequent intervals throughout their relationship with Burberry. A factory's compliance with the Principles and applicable local laws is assessed and the Burberry Responsibility Team must be satisfied of the factory's commitment to the Principles before approval.   | <a href="#">Ethical Trading</a>  |
| Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future   | We are a member of the Ethical Trading Initiative, a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Burberry was the first luxury brand to join the ETI in 2010, and is a member of a number of working groups, collaborating with key stakeholders to improve working conditions across Burberry's supply chain.   | <a href="#">Collaborations and Partnerships</a>  |
| Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards  | In 2017/18, we conducted 446 audits and 263 engagement visits or trainings. The majority of these activities are conducted by our internal Responsibility team to build trust in our ongoing partnerships and drive continuous improvement together. During an audit, compliance with our Responsible Business Principles is assessed. The Principles have been developed and informed by our year-long membership of the United Nations Global Compact and the Ethical Trading Initiative (ETI), and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization.   | <a href="#">Ethical Trading</a>  |
| Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices   | <p>This year, we have worked with Oxfam to develop a series of metrics to measure worker wellbeing in our supply chain and capture comments and feedback from workers. The new tool has been tested in our own factory in Yorkshire, England, and piloted in a further three, key manufacturing facilities in Europe. We are working with these suppliers to implement systems and initiatives to improve wellbeing. This approach will be rolled out to more key finished goods vendors in FY 2018/19.</p> <p>Over the last five years, we have designed a capacity building</p>   | <a href="#">Burberry Modern Slavery Statement</a><br><br><a href="#">Ethical Trading</a><br><br><a href="#">Enhancing Worker</a> |



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|   | <p>programme with strategic Italian vendors, to increase their ability to manage the working conditions at their sub-contractors and introduce their own ethical trading monitoring programmes. This helps us to reach more workers in line with our commitment to create a responsible supply chain.</p> <p>We have also partnered with BSR's HERProject and local specialist academic institutions, such as the medical faculty at Sun Yat Sen University, to implement tailored welfare and health programmes in a number of supply chain factories. In addition to providing benefits to workers, these programmes also aim to deliver real business benefits, for example by lowering absenteeism and increasing productivity.</p>  | <p><a href="#">Wellbeing and Livelihoods</a></p> <p><a href="#">Collaborations and Partnerships</a></p> |
| <b>Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship</b> |  |   |
| Reflection on the relevance of environmental stewardship for the company  | In 2012, we initiated an environmental baseline assessment of both direct and indirect carbon dioxide equivalent (CO2e) impacts from raw materials through to consumer use. This detailed analysis enabled the identification of risks and priority areas and informed the development of our Responsibility strategy.   | <a href="#">Burberry Annual Report</a>  |
| Written company policy on environmental stewardship   | Our Global Environmental Policy is publicly available on our PLC website.  | <a href="#">Policies and Commitments</a>  |
| Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners             | <p>Compliance with our Responsible Business Principles is incorporated into our terms and conditions for our network of business associates and extended supply chain. The Principles include the following policies:</p> <ul style="list-style-type: none"> <li>- Global Environmental Policy</li> <li>- Responsible Sourcing Policy</li> </ul>   | <a href="#">Policies and Commitments</a>  |
| Specific commitments and goals for specified years  | <p>As part of our current responsibility strategy Creating Tomorrow's Heritage, we have set ourselves ambitious goals for 2022 that sit across Burberry's entire footprint. This includes the goal that every one of our products has more than one positive attribute by 2022. Positive attributes relate to social and/ or environmental improvements achieved at either the raw material sourcing or manufacturing stage.</p> <p>We are also strongly committed to addressing climate change impacts from our own operations, including offices, stores, manufacturing and distribution sites. We have set two new goals for 2022: to revalue waste, by igniting a makers' movement and creating innovative solutions to the endemic waste challenge facing the fashion industry; and to become carbon neutral in our own operations, with a focus on driving energy efficiencies and renewable energy procurement.</p> | <a href="#">Responsibility Approach</a>   |
| <b>Criterion 10: The COP describes effective management systems to integrate the environmental principles</b>             |  |   |
| Environmental risk and impact assessments   | In 2012, we initiated an environmental baseline assessment of both direct and indirect carbon dioxide equivalent (CO2e) impacts from raw materials through to consumer use. This detailed analysis enabled the identification of risks and priority areas and informed the development of our Responsibility strategy.   | <a href="#">Burberry Annual Report</a>  |

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| Assessments of lifecycle impact of products, ensuring environmentally sound management policies  | In 2012, we initiated an environmental baseline assessment of both direct and indirect carbon dioxide equivalent (CO2e) impacts from raw materials through to consumer use. This has influenced our new responsibility strategy, Creating Tomorrow's Heritage. This includes the goal to revalue waste, by igniting a makers' movement and creating innovative solutions to the endemic waste challenge facing the fashion industry.   | <a href="#">Burberry Annual Report</a>            |
| Allocation of responsibilities and accountability within the organisation  | We have a global Responsibility team consisting of around 30 specialists, based in key product supply chain locations such as the UK, Italy and Hong Kong. Burberry's Chief People, Strategy and Corporate Affairs Officer is responsible for ensuring we meet our environmental commitments and regularly reports on this topic to the Group Risk Committee and the Board.  | <a href="#">Burberry Modern Slavery Statement</a> |
| Internal awareness-raising and training on environmental stewardship for management and employees  | During FY 2017/18, we launched our new Responsibility Strategy for 2022. Called 'Creating Tomorrow's Heritage', it sets out ambitious goals to address our most material social and environmental impacts. Goals for 2022 are owned by our senior leadership team and supported by cross-functional delivery groups. On a quarterly basis, the Responsibility team meet with the Sourcing team to discuss environmental stewardship in the supply chain, as well as on a case by case basis should issues arise.   | <a href="#">Responsibility Strategy</a>           |
| Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts | We have an internal whistleblowing helpline and web service managed by an independent company, allowing employees and the supply chain to report, anonymously, any concerns relating to malpractice, with all cases treated in the strictest confidence. In China, we work with three local Non-Governmental Organisations to establish a hotline providing over 10,000 workers with improved access to remedy.  | <a href="#">Burberry Modern Slavery Statement</a> |
| <b>Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</b>  |  |   |
| System to track and measure performance based on standardized performance metrics  | Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with Burberry's Responsible Business Principles. These principles include our Global Environmental Policy. We have systems in place to track our progress against our 2022 targets to procure 100% of cotton through the Better Cotton Initiative and source 100% of leather from tanneries carrying environmental, traceability and social compliance certifications. We are also tracking supplier's progress against our target to eliminate by 2020 the use of chemicals that may have a negative environmental impact, going above and beyond the required international environmental and safety standards. | <a href="#">Burberry Annual Report</a>            |
| Leadership review of monitoring and improvement results  | Burberry's Chief People, Strategy and Corporate Affairs Officer is responsible for the delivery of our new responsibility goals for 2022, addressing community, product and climate change related risks and opportunities, and regularly reports on these topics to the Group Risk Committee and the Board.   | <a href="#">Responsibility Approach</a>           |
| Process to deal with incidents   | We have processes and resources in place to respond to any environmental issues which may arise. Depending on the severity of an issue, it may be escalated to the Senior Leadership Team and to Board level.  |   |

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| Audits or other steps to monitor and improve the environmental performance of companies in the supply chain   | Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with Burberry's Responsible Business Principles. These principles include our Global Environmental Policy. We have continued our efforts to improve chemical management, reduce energy and water consumption and increase the use of renewable energy in our supply chain. Currently, we have 28 supply chain partners participating in our Energy & Water Reduction programme, modelled on the Natural Resource Defence Council's "Clean by Design" principles. We work closely with our partners to improve chemical management practices and support research into new technologies, while taking steps to eliminate the use of chemicals that may have a negative impact on the environment, going above and beyond the required international environmental and safety standards. | <a href="#">Burberry Annual Report</a>                      |
| <b>Criterion 12: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</b>                                   |   |   |
| Publicly stated formal policy of zero-tolerance of corruption   | Burberry's Anti-Bribery and Anti-Corruption Policy, which is incorporated into Burberry's Global Ways of Working, prohibits bribery and corruption in all forms.  | <a href="#">Policies and Commitments</a>                    |
| Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes | Burberry's employees must not (and third parties associated with Burberry must not), engage in any activity which is, or could be perceived to be, corrupt, improper or unlawful. Training on our Anti-Bribery and Anti-Corruption Policy is provided on an on-going basis.   | <a href="#">Policies and Commitments</a>                    |
| <b>Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle</b>  |   |   |
| Support by the organization's leadership for anti-corruption  | The Global Ethics Committee's responsibilities include the on-going review and monitoring of compliance with Burberry's Anti Bribery and Corruption Policy. The Committee sets priorities, considers key issues, implements processes and reports regularly on progress to Burberry senior leadership and to the Board Audit Committee.   | <a href="#">Burberry Anti-Bribery and Corruption Policy</a> |
| Carrying out risk assessment of potential areas of corruption   | Assurance processes are in place to monitor compliance in a number of key risk areas, with results being reported to the management Risk Committee and Board Audit Committee.   | <a href="#">Burberry Annual Report</a>                      |
| Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees             | All employees are required to complete Anti-Bribery & Corruption training e-modules. The Asset & Profit Protection team also conduct 1-2-1 trainings with employees in the business whose job roles are deemed to be high risk, the team also conduct roadshows to increase awareness and all induction programmes contain a number of sections that relate to risk management.   | <a href="#">Burberry Anti-Bribery and Corruption Policy</a> |
| Internal checks and balances to ensure consistency with the anti-corruption commitment  | The Global Ethics Committee's responsibilities include the on-going review and monitoring of compliance with Burberry's Anti Bribery and Corruption Policy. The Committee sets priorities, considers key issues, implements processes and reports regularly on progress to Burberry senior leadership and to the Board Audit Committee.   | <a href="#">Burberry Anti-Bribery and Corruption Policy</a> |
| Actions taken to encourage business partners to implement anti-corruption commitments   | On a regular basis, a reminder is sent out to key partners to confirm their ongoing compliance with Burberry's Responsible Business Principles, which include our Anti Bribery and Corruption Policy.   |   |

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| Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice  | Employees and third parties can report any concerns or seek advice through Burberry Confidential (Burberry's third-party managed confidential helpline). Employees can also report their concerns to the HR Director or the Regional Asset and Profit Protection Manager for their business area.   | <a href="#">Burberry Anti-Bribery and Corruption Policy</a>                           |
| Internal accounting and auditing procedures related to anticorruption   | The Global Ethics Committee's responsibilities include the on-going review and monitoring of compliance with Burberry's Anti Bribery and Corruption Policy. The Committee sets priorities, considers key issues, implements processes and reports regularly on progress to Burberry senior leadership and to the Board Audit Committee.   | <a href="#">Burberry Anti-Bribery and Corruption Policy</a>                           |
| <b>Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</b>  |   |   |
| Leadership review of monitoring and improvement results   | The Global Ethics Committee's responsibilities include the on-going review and monitoring of compliance with Burberry's Anti Bribery and Corruption Policy. The Committee sets priorities, considers key issues, implements processes and reports regularly on progress to Burberry senior leadership and to the Board Audit Committee.   | <a href="#">Burberry Anti-Bribery and Corruption Policy</a>                           |
| Process to deal with incidents  | Employees and third parties can report any concerns or seek advice through Burberry Confidential (Burberry's third-party managed confidential helpline). Employees can also report their concerns to the HR Director or the Regional Asset and Profit Protection Manager for their business area.   | <a href="#">Burberry Anti-Bribery and Corruption Policy</a>                           |
| <b>Criterion 15: The COP describes core business contributions to UN goals and issues</b>   |   |   |
| Align core business strategy with one or more relevant UN goals/issues  | Our Responsibility strategy is included within the core business strategy Inspired People.<br>It includes a focus on a number of Sustainable Development Goals, such as Decent Work and Economic Growth (Goal 8) through our goal to drive positive change through 100% of our products. Positive change can be achieved in different ways, such as through the implementation of a health and wellbeing initiative inside a factory, or the payment of a living wage to workers.<br>In relation to Goal 13, Climate Action, we have a goal to become carbon neutral in our own operations by 2022. We are continuing our efforts to reduce energy consumption and increase renewable energy use in our supply chain. |   |
| Develop relevant products and services or design business models that contribute to UN goals/issues   | As part of our Responsibility strategy, we have a goal to drive positive change through 100% of our products. Positive attributes relate to social and/ or environmental improvements achieved at either the raw material sourcing or manufacturing stage. A product may, for example, carry a positive attribute if it is made from cotton sourced through the Better Cotton Initiative, or if it was manufactured in a facility running health and wellbeing initiatives for its workers.   | <a href="#">Responsibility Strategy</a>   |
| <b>Criterion 16: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</b>  |   |   |
| Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy | Each year, Burberry donates 1% of group profit before tax to charitable causes. A large proportion of this funding is donated to the Burberry Foundation (UK registered charity number 1154468) . We are supporting the Burberry Foundation to create long-term partnerships that transform communities along Burberry's supply chain – from tackling social mobility challenges in Yorkshire, to fostering community cohesion in Italy and advancing economic and social development in Afghanistan.   | <a href="#">Responsibility Strategy – Communities Collaborations and Partnerships</a> |

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| Criterion 17: The COP describes advocacy and public policy engagement   |   |   |
| Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues  | Senior leaders within Burberry actively participate in conferences and roundtables. For example, in October 2017, the Home Secretary invited some of the UK's largest companies, including Burberry, to join the Business Against Slavery Forum. Alongside Burberry's CEO, Marco Gobetti, seven founding members have begun to share intelligence and best practice to help businesses, inside and outside the forum, to identify, tackle and prevent slavery in their supply chains.   | <a href="#">Burberry Modern Slavery Statement</a>     |
| Criterion 18: The COP describes advocacy and public policy engagement   |   |   |
| Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy   | We are supporting the Burberry Foundation (UK registered charity number 1154468) in creating long-term partnerships that transform communities:<br>- tackling social mobility challenges in Yorkshire in partnership with Teach First and Career & Enterprise Company<br>- fostering community cohesion in Italy with Oxfam<br>- advancing economic and social development in Afghanistan with PUR Project and Oxfam  | <a href="#">Responsibility Strategy – Communities</a> |
| Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain | We are a member of the Ethical Trading Initiative, a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Burberry was the first luxury brand to join the ETI in 2010, and is a member of a number of working groups, collaborating with key stakeholders to improve working conditions across Burberry's supply chain.   | <a href="#">Collaborations and Partnerships</a>       |
| Criterion 19: The COP describes CEO commitment and leadership   |   |   |
| CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation   | The Chief Executive Officer is responsible for oversight of our Responsibility strategy, which is owned by our senior leadership team. Progress is reviewed on a regular basis by our Inspired People Committee, which is chaired by our Chief People and Corporate Affairs Officer, who regularly reports to the Board.  | <a href="#">Responsibility Approach</a>               |
| Criterion 20: The COP describes Board adoption and oversight  |   |   |
| Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance   | Our 2022 Responsibility strategy is owned by our senior leadership team and supported by cross-functional delivery groups. Progress is reviewed on a regular basis by our Transformation Management Office, and is assessed against key commitments and performance indicators covering three strategy pillars: Product, Company and Communities.   | <a href="#">Responsibility Approach</a>               |
| Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.   | Burberry's Chief People, Strategy and Corporate Affairs Officer is responsible for all internal people, health and safety matters and the delivery of our new responsibility goals for 2022, addressing community, product and climate change related risks and opportunities, and regularly reports on these topics to the Group Risk Committee and the Board. The Chief People, Strategy and Corporate Affairs Officer also chairs a steering committee, consisting of senior executives from relevant business units to oversee the implementation of Burberry's responsibility commitments. |   |

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| Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)                       | <p>Burberry's Annual Report, which includes reporting on the Responsibility strategy, is approved by the Board.</p> <p>This Communication on Progress is approved by Chief Executive Officer, Marco Gobetti.</p> <p>Our Modern Slavery Statement is approved by the Board.</p>  | <p><a href="#">Burberry Annual Report</a></p> <p><a href="#">Burberry Modern Slavery Statement</a></p> |
| Criterion 21: The COP describes stakeholder engagement   |   |  |
| Define sustainability strategies, goals and policies in consultation with key stakeholders   | <p>In July 2015, we convened a large group of external stakeholders, including experts from academia, NGOs and businesses from a variety of industries, to build external understanding of Burberry's sustainability work, share plans, invite stakeholders' input and leverage their collective knowledge and experience in shaping our journey ahead. Stakeholder feedback has subsequently informed our approach to supply chain improvement programmes, impact reduction, community engagement, and measurement and reporting.</p> <p>Our ethical trading targets and sustainability strategy are reviewed by the Burberry Responsibility Advisory Committee (BRAC), including international NGOs Forum for the Future and Oxfam. This forum provides an important opportunity to gain an outside perspective on our programmes and determine whether we are focusing our actions and resources on the most salient labour rights' risks throughout our operations.</p> | <p><a href="#">Burberry Annual Report</a></p> <p><a href="#">Reflections Report</a></p>                |
| Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance         | <p>We recognise the importance of collaborating with industry peers, business partners and other key stakeholder groups to find long term solutions and promote wider industry change.</p> <p>Our ethical trading targets and sustainability strategy are reviewed by the Burberry Responsibility Advisory Committee (BRAC), including international NGOs Forum for the Future and Oxfam. This forum provides an important opportunity to gain an outside perspective on our programmes and determine whether we are focusing our actions and resources on the most salient labour rights' risks throughout our operations.</p> <p>If a specific situation arises, we will consult with local stakeholders to ensure their views are represented in any resolution.</p>   | <p><a href="#">Burberry Annual Report</a></p>  |
| Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers' | <p>We continue to identify initiatives to strengthen our ability to engage with key stakeholders. We currently have the following channels in place:</p> <ul style="list-style-type: none"> <li>- Internal whistleblowing hotline and web service, managed by an independent company</li> <li>- Internal Disciplinary and Grievance Policy</li> <li>- Annual all-employee engagement survey</li> <li>- Confidential hotline for over 10,000 factory workers in China</li> <li>- Ethics Committee</li> <li>- Company-wide strategy sessions for employees to learn and feedback on the company's strategic pillars.</li> </ul>   |  |