

# BURBERRY

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## UNITED NATIONS GLOBAL COMPACT

### ADVANCED COMMUNICATION ON PROGRESS

2018 - 2019

#### CHIEF EXECUTIVE STATEMENT OF SUPPORT

At Burberry, we are passionate about driving positive change for our industry, our communities and the environment.

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 how we operate as a business. We are committed to upholding the core values of the initiative across human rights, labour standards, the environment and anti-corruption.

In 2017, we launched our latest five-year corporate responsibility strategy called 'Creating Tomorrow's Heritage', designed to drive positive change and build a more sustainable future. Our responsibility agenda 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 three headline goals for 2022:

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

Further details are available on the following pages, and on [burberryplc.com](http://burberryplc.com).

Marco Gobbetti

Chief Executive Officer

June 2019

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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
<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, is responsible for ensuring we achieve our responsibility goals to 2022. Burberry's Chief Supply Chain Officer is responsible for the delivery of our social and environmental programmes and reports on progress towards achieving targets to the Ethics Committee, the Group Risk Committee and the Board. 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="#">Burberry Annual Report</a>  <a href="#">Burberry Modern Slavery Statement</a>
Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.	Our five-year responsibility strategy is owned by our senior leadership team and supported by cross-functional delivery groups. Progress in achieving the responsibility goals is reviewed on a regular basis by our Transformation Management Office, ensuring functions are aligned and we are on track to achieve our targets by 2022.	<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.	Every two years we conduct a Human Rights Impact Assessment of our operations and activities, and those of our extended supply chain, to identify and address potential risks. This year, we are engaging representatives of relevant stakeholder groups to develop informed mitigation action plans. We have implemented a number of action plans in both our direct operations and supply chain, including a focus on migrant workers and women throughout the different levels of our supply chain. We identified that these groups are more vulnerable to modern slavery. Action plans include context specific interventions including mapping of recruitment journeys in specific geographies, building worker voice mechanisms in these areas and working with experts to integrate gender sensitive processes and metrics into our programmes. We have visibility of all finished goods manufacturing suppliers, their subcontractors and supporting facilities, as well as mills, tanneries and trims suppliers.	<a href="#">Human Rights</a>  <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 longstanding 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	<a href="#">Burberry Modern Slavery Statement</a>  <a href="#">Policies and Commitments</a>

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	finished goods suppliers, raw material suppliers, non-stock suppliers, construction contractors, licensees and franchisees.	
Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence.	<p>We have had a programme aimed at safeguarding the labour conditions in our product supply chains for 15 years. Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with our principles. This year, we continued to expand our responsibility programme to cover 70% of our raw material suppliers. During the period 2018/19, we conducted 481 audits and 221 engagement visits.</p> <p>We operate a strict approval process and conduct a transparency analysis with our vendors and commercial teams each season to ensure supply chain mapping is always up to date.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p> <p><a href="#">Ethical Trading</a></p>
Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners.	<p>We work closely with our supply chain partners and provide regular training and capacity building opportunities to suppliers and other business partners. Examples include providing resources on preventing modern slavery and building upstream monitoring systems.</p> <p>In 2016/17, we provided tailored training on identification and combatting of modern slavery to suppliers. In-person 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.</p> <p>In 2018/19, our UK responsibility team completed a course led by Gangmasters Labour Abuse Authority and Stronger Together to build skills to identify the risks of modern slavery through worker interviews. The skills learned will be used to enhance ethical trading audits</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>
<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)	<p>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.</p> <p>The Principles have been developed and informed by our longstanding 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> <li>- Partner Non-Compliance Policy</li> </ul>	<p><a href="#">Policies and Commitments</a></p> <p><a href="#">Burberry Modern Slavery Statement</a></p>
Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company.	<p>Burberry has a Human Rights Policy, which forms part of Burberry's Responsible Business Principles. The Chief Executive Officer is responsible for the principles.</p> <p>This year we reviewed and updated the Human Rights Policy to include references to the International Labour Organisation (ILO) core conventions throughout and our expectations of suppliers.</p>	<p><a href="#">Policies and Commitments</a></p>
Statement of policy stipulating human rights expectations of personnel, business partners and	<p>We require our network of business associates and extended supply chain to comply with our Responsible Business Principles. The Principles include the following policies:</p> <ul style="list-style-type: none"> <li>- Human Rights Policy</li> </ul>	<p><a href="#">Policies and Commitments</a></p>

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other parties directly linked to operations, products or services.	<ul style="list-style-type: none"> <li>- Ethical Trading Code of Conduct</li> <li>- Migrant Worker Policy</li> <li>- Responsible Sourcing Policy</li> <li>- Partner Non-Compliance Policy</li> </ul>	
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 <a href="#">website</a> . Compliance with this policy, which forms part of our Responsible Business Principles, is a requirement of doing business with Burberry. Adherence to the principles is included in contracts with suppliers. Finished goods suppliers sign a letter of undertaking confirming, among other matters, their commitment to the principles and that they will cascade the principles to their suppliers.	<a href="#">Policies and Commitments</a>
<b>Criterion 4: The COP describes effective management systems to integrate the human rights principles</b>		
Process to ensure that internationally recognized human rights are respected	We have had a programme aimed at safeguarding the labour conditions in our product supply chains for 15 years. 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>  <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. Every two years we conduct a Human Rights Impact Assessment of our operations and activities, and those of our extended supply chain, to identify and address potential risks. This year, we are engaging representatives of relevant stakeholder groups to develop informed mitigation action plans.	<a href="#">Ethical Trading</a>  <a href="#">Human Rights</a>  <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. In addition, we have trained members of our human resources, health and safety, construction and fulfilment functions on modern slavery, including how to identify it and appropriate actions to take. An online training programme designed to boost awareness has been rolled out to 112 employees in teams working with our business and product supply chains. In 2019/20, the Sourcing and Product teams will receive refresher training. On a quarterly basis, the responsibility team meet with the sourcing team to discuss human rights in our supply chain, as well as on a more frequent basis if 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 well-being. We have an internal whistleblowing helpline and web service managed by an independent company, allowing employees to anonymously report any concerns relating to malpractice. Where labour rights issues can include inadequate access to remedy, we have worked with local Non-Governmental Organisations to establish a hotline. It provides over 11,000 workers in our supply chain with improved access to remedy. During 2018/19, 572 calls (20 complaints, 504 consulting requests and 48 psychological support requests) were received. It is a priority during monitoring activities to highlight if improvements are required in this area. We continue to review access to remedy and we will extend the hotline where required, prioritising suppliers with migrant workers.	<a href="#">Burberry Modern Slavery Statement</a>

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<p>Allocation of responsibilities and accountability for addressing human rights impacts</p>	<p>We have a global corporate responsibility team consisting of 35 sustainability specialists, based in key product supply chain locations such as the UK, Italy and Hong Kong. Although ethical trading activities are coordinated by our corporate responsibility team, targets relating to working conditions in the supply chain are owned by our supply chain and relevant sourcing teams.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>
<p>Internal decision-making, budget and oversight for effective responses to human rights impacts</p>	<p>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 the Board.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>
<p>Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to</p>	<p>The Human Rights Policy sets out the procedures which we have put in place to protect and uphold human rights. Our first priority is to help safeguard any victim's wellbeing and then to support with the remediation process including any actions to identify and address root cause issues. This year we reviewed and updated the Human Rights Policy to include references to the International Labour Organization (ILO) core conventions throughout and our expectations of suppliers.</p>	<p><a href="#">Burberry Human Rights Policy</a></p>
<p>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>	<p>Every two years, we conduct a Human Rights Impact Assessment of our operations and activities, and those of our extended supply chain to identify and address potential risks. We have implemented a number of action plans in both our direct operations and supply chain, including a focus on migrant workers and women throughout the different levels of our supply chain. We identified that these groups are more vulnerable to modern slavery. Action plans include context specific interventions such as mapping recruitment journeys in hotspots, building worker voice mechanisms in these areas and working with experts to integrate gender sensitive processes and metrics into our programmes. We are a member of the Ethical Trading Initiative (ETI), a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. We were the first luxury brand to join the ETI in 2010, and we are a member of a number of working groups to collaborate with key stakeholders and improve working conditions. 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>
<p><b>Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration</b></p>		
<p>System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain</p>	<p>Every two years, we conduct a Human Rights Impact Assessment of our operations and activities, and those of our extended supply chain, to identify and address potential risks. 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 2018/19, we conducted 481 audits and 221 engagement visits. 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. In 2018/2019, Burberry's worker hotline received 572 calls,</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>

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	categorised as 20 complaints, 504 consulting requests and 48 psychological support requests.	
Leadership review of monitoring and improvement results	Burberry's Chief Supply Chain Officer is responsible for ensuring we meet our human rights commitments and regularly reports on this to the Group Risk Committee and the Board. The Supply Chain Delivery Group (SCDG) meets at least once a quarter to discuss human rights in the supply chain. The SCDG is chaired by the Chief Supply Chain Officer and attended by heads of supply chain teams.	<a href="#">Responsibility Approach</a>
Process to deal with incidents the company has caused or contributed to for internal and external stakeholders	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 the Board.	<a href="#">Burberry Modern Slavery Statement</a>
Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue	We continue to identify initiatives to strengthen workers' abilities to access information, raise grievances and measure worker wellbeing. Burberry employees, contractors and agency workers across our operations, have access to a whistleblowing helpline and web service managed by an independent company. This allows individuals to anonymously report any concerns relating to malpractice, with all cases treated in the strictest confidence. Where labour rights issues can include inadequate access to remedy, we have worked with local Non-Governmental Organisations to establish a hotline. It provides over 11,000 workers in our supply chain with improved access to remedy. During 2018/19, 572 calls (20 complaints, 504 consulting requests and 48 psychological support requests) were received. It is a priority during monitoring activities to highlight improvements required in this area.	<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 longstanding 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. This year we reviewed and updated our Human Rights Policy to include references to the International Labour Organization (ILO) core conventions throughout and our expectations of suppliers.	<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).	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 longstanding 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> <li>- Partner Non-Compliance Policy</li> </ul>	<a href="#">Policies and Commitments</a>

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<p>Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners</p>	<p>Compliance with our Responsible Business Principles is incorporated into our terms and conditions for our network of business associates and extended supply chain. Adherence to the principles is included in contracts with suppliers. Finished goods suppliers sign a letter of undertaking confirming, among other matters, their commitment to the Principles and that they will cascade the Principles to their suppliers. The principles state they were developed and informed by our longstanding 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><a href="#">Policies and Commitments</a></p>
<p>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).</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><a href="#">Collaborations and Partnerships</a></p>
<p><b>Criterion 7: The COP describes effective management systems to integrate the labour principles</b></p>		
<p>Risk and impact assessments in the area of labour</p>	<p>Every two years, we conduct a Human Rights Impact Assessment of our operations and activities, and those of our extended supply chain, to identify and address potential risks. 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 stages of the supply chain and across relevant areas of the business. In the event that any labour or human rights risks are identified, the Chief Supply Chain Officer will report on issues to the Group Risk Committee, which meets at least three times a year.</p>	<p><a href="#">Burberry Modern Slavery Statement</a> <a href="#">Ethical Trading</a> <a href="#">Human Rights</a></p>
<p>Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards</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 across Burberry's supply chain.</p>	<p><a href="#">Collaborations and Partnerships</a></p>
<p>Allocation of responsibilities and accountability within the organization</p>	<p>We have a global responsibility team consisting of around 35 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. Burberry's Chief Supply Chain Officer is responsible for ensuring we meet our labour commitments and regularly reports on this to the Group Risk Committee and the Board.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>

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<p>Internal awareness-raising and training on the labour principles for management and employees</p>	<p>All Burberry employees are introduced to Burberry’s corporate responsibility policies and programmes during their induction training to ensure an understanding of Burberry’s responsibilities in this area. Informed by our Human Rights Impact Assessment, a bespoke modern slavery and labour rights training programme has been delivered to key employee groups that 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. In 2019/20, the sourcing and product teams will receive refresher training.</p> <p>On a quarterly basis, the responsibility team meets with the sourcing team to discuss human rights in the supply chain, as well as on a more frequent basis if issues arise.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>
<p>Active engagement with suppliers to address labour-related challenges</p>	<p>In 2016/17, we provided tailored training on the 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 products. 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 and British vendors to increase their ability to manage the working conditions at sub-contractors’ facilities 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><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>
<p>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>	<p>We continue to work on programmes to capture comments and grievances from workers in our global supply chain. In partnership with Oxfam, we have developed a series of metrics to measure worker wellbeing in our supply chain and capture comments and feedback from workers. The tool has been used to survey approximately 1,400 workers across eight facilities.</p> <p>We have an internal whistleblowing helpline and web service managed by an independent company, allowing employees, contractors and agency workers across our operations to anonymously report any concerns relating to malpractice.</p> <p>Where labour rights issues can include inadequate access to remedy, we have worked with local Non-Governmental Organisations to establish a hotline. It is provided to over 11,000 workers in our supply chain with improved access to remedy. This year, Burberry’s worker hotline received 572 calls, categorised as 20 complaints, 504 consulting requests and 48 psychological support requests. It is a priority during monitoring activities to highlight improvements required in this area.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>
<p><b>Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration</b></p>		
<p>System to track and measure performance based on standardized performance metrics</p>	<p>All finished goods facilities are audited prior to approval and at frequent intervals during their contract with Burberry.</p> <p>A factory’s compliance with the principles and applicable local laws is assessed and Burberry’s responsibility team must be satisfied with the factory’s commitment to the principles before approval.</p>	<p><a href="#">Ethical Trading</a></p>



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<p>Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future</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. We were the first luxury brand to join the ETI in 2010 and we are 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>
<p>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</p>	<p>During the period 2018/19, we conducted 481 audits and 221 engagement visits. The majority of these activities are conducted by our internal responsibility team to build trust with supply chain partners 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 longstanding 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><a href="#">Ethical Trading</a></p>
<p>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>	<p>In partnership with Oxfam, we have developed a series of metrics to measure worker wellbeing in our supply chain and capture comments and feedback from workers. The tool has been used to survey approximately 1,400 workers across eight facilities. For more than five years, we have been implementing a capacity building programme with strategic Italian vendors, to increase their ability to manage the working conditions at their sub-contractors' facilities 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><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> <p><a href="#">Collaborations and Partnerships</a></p>
<p><b>Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship</b></p>		
<p>Reflection on the relevance of environmental stewardship for the company</p>	<p>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.</p>	<p><a href="#">Burberry Annual Report</a></p>
<p>Written company policy on environmental stewardship</p>	<p>Our Global Environmental Policy is publicly available on our PLC <a href="#">website</a>. This year we reviewed and updated the Global Environmental Policy to include additional requirements for water stewardship, biodiversity, packaging and logistics.</p>	<p><a href="#">Policies and Commitments</a></p>
<p>Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners</p>	<p>Compliance with our Responsible Business Principles is a requirement of doing business with Burberry. The principles are 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>	<p><a href="#">Policies and Commitments</a></p>
<p>Specific commitments and goals for specified years</p>	<p>As part of our current responsibility strategy 'Creating Tomorrow's Heritage', we have set ourselves ambitious goals to 2022 that sit across Burberry's entire footprint. This includes a goal to ensure every product 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. We are also strongly committed to addressing climate change</p>	<p><a href="#">Responsibility Approach</a></p>

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	<p>impacts as a result of our own operations, including in our offices, stores, and manufacturing and distribution sites. We have set two new goals for 2022: to become carbon neutral in our own operations, with a focus on driving energy efficiencies and renewable energy procurement, and to revalue waste by creating innovative solutions to the endemic waste challenge the fashion industry faces. In September 2018, we strengthened our commitment by ending the practice of destroying unsaleable products with immediate effect. We are also carbon neutral across the Americas region, EMEA retail stores and our UK operations.</p> <p>This year we also joined the New Plastics Economy Global Commitment which aims to create a new normal for plastic packaging by 2025, and signed up to the UN Framework Convention on Climate Change (UNFCCC). The Fashion Industry Charter for Climate Action will reduce the impact the fashion industry has on our climate. Looking beyond 2022, this year we set ambitious carbon goals for 2030. Our targets have been approved by the Science Based Target Initiative and include a commitment to reduce our Scope 1 and 2 emissions by 95% by 2022 and our Scope 3 emissions 30% by 2030, both from a 2016 base year.</p>	
<p><b>Criterion 10: The COP describes effective management systems to integrate the environmental principles</b></p>		
Environmental risk and impact assessments	<p>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.</p>	<p><a href="#">Burberry Annual Report</a></p>
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	<p>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 2017-2022 responsibility strategy, 'Creating Tomorrow's Heritage'. This includes the goal to revalue waste, by creating innovative solutions to the endemic waste challenge facing the fashion industry.</p>	<p><a href="#">Burberry Annual Report</a></p>
Allocation of responsibilities and accountability within the organisation	<p>We have a global responsibility team consisting of around 35 specialists, based in key product supply chain locations such as the UK, Italy and Hong Kong. Burberry's Chief Supply Chain Officer is responsible for ensuring we meet our environmental commitments and regularly reports on this to the Group Risk Committee and the Board.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>
Internal awareness-raising and training on environmental stewardship for management and employees	<p>Our current responsibility strategy 'Creating Tomorrow's Heritage' includes ambitious goals for 2022 to address our most material social and environmental impacts. The goals are owned by our senior leadership team and supported by cross-functional delivery groups. On a quarterly basis, the responsibility team meets with the sourcing team to discuss environmental stewardship in the supply chain, as well as on a more frequent basis if issues arise.</p>	<p><a href="#">Responsibility Strategy</a></p>
Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	<p>We have an internal whistleblowing helpline and web service managed by an independent company, allowing employees, contractors and agency workers across our operations to anonymously report any concerns relating to malpractice. Where labour rights issues can include inadequate access to remedy, we have worked with local Non-Governmental Organisations to establish a hotline. It provides over 11,000 workers in our supply chain with improved access to remedy.</p>	<p><a href="#">Burberry Modern Slavery Statement</a></p>

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<p><b>Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</b></p>		
<p>System to track and measure performance based on standardized performance metrics</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. These principles include our Global Environmental Policy.</p> <p>We are tracking suppliers’ progress against our target to eliminate by the use of chemicals that may have a negative environmental impact by 2020, going above and beyond the required international environmental and safety standards.</p> <p>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.</p> <p>Looking beyond 2022, we have set ambitious carbon goals for 2030 that have been approved by the Science Based Target Initiative. This includes a commitment to reduce our Scope 1 and 2 emissions by 95% by 2022 and our Scope 3 emissions 30% by 2030, both from a 2016 base year.</p> <p>PricewaterhouseCoopers LLP (PwC) provides limited assurance over selected corporate responsibility disclosures for Burberry on an annual basis.</p>	<p><a href="#">Burberry Annual Report</a></p> <p><a href="#">Basis of Reporting</a></p> <p><a href="#">Independent Assurance Statement</a></p>
<p>Leadership review of monitoring and improvement results</p>	<p>Burberry’s Chief Supply Chain 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.</p>	<p><a href="#">Responsibility Approach</a></p>
<p>Process to deal with incidents</p>	<p>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 the Board.</p>	
<p>Audits or other steps to monitor and improve the environmental performance of companies in the supply chain</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. These principles include our Global Environmental Policy.</p> <p>We have continued our efforts to improve chemical management, revalue waste, reduce energy and water consumption and increase the use of renewable energy in our supply chain.</p> <p>We work closely with all 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. We go above and beyond the required international environmental and safety standards.</p> <p>Currently, we have 19 supply chain partners participating in our Energy &amp; Water Reduction programme, modelled on the Natural Resource Defense Council’s ‘Clean by Design’ principles.</p>	<p><a href="#">Burberry Annual Report</a></p>
<p><b>Criterion 12: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</b></p>		
<p>Publicly stated formal policy of zero-tolerance of corruption</p>	<p>Burberry’s Anti-Bribery and Anti-Corruption Policy, which is incorporated into Burberry’s Global Ways of Working guidelines, prohibits bribery and corruption in all forms.</p>	<p><a href="#">Policies and Commitments</a></p>

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Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	Burberry employees (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 ongoing 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 ongoing 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's senior leadership team and to the 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 Risk Committee and 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 conducts one-to-one training with employees in the business whose job roles are deemed to be high risk and holds roadshows to increase awareness. 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 ongoing 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 team and to the 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, we send a reminder to key partners to confirm their ongoing compliance with Burberry's Responsible Business Principles, which include our Anti Bribery and Corruption Policy.	
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 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 ongoing 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 team and to the 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 ongoing 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 team and to the 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 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>

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**Criterion 15: The COP describes core business contributions to UN goals and issues**

<p>Align core business strategy with one or more relevant UN goals/issues</p>	<p>Our responsibility strategy is included in the core business strategy strand 'Inspired People' and were informed by the UN's 17 Sustainable Development Goals.</p> <p>The strategy focuses on a number of goals, such as Goal 8 (Decent Work and Economic Growth) through our commitment to drive positive change through 100% of our products.</p> <p>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. In the second year of our strategy, 36% of products had more than one positive attribute and a further 30% of products had one positive attribute.</p> <p>Through our responsibility strategy we have also committed not only to reduce, reuse and recycle any waste we generate, but also create new solutions and help drive positive system change, in line with Goal 12 (Responsible Consumption and Production). In May 2018 we became a core partner of the Ellen MacArthur Foundation's Make Fashion Circular initiative, aligning with other organisations to explore how our industry can work towards the vision of a circular fashion economy. Additionally, we became a signatory to the New Plastics Economy Global Commitment, which aims to eradicate plastic waste and pollution by 2025.</p> <p>Linked to Goal 10 (Reducing Inequalities) the Burberry Foundation partnered with Teach First, The Careers &amp; Enterprise Company and MyKindaFuture to tackle educational inequality and enhance career advice for young people in the UK. In the last year over 65,000 students and teachers were engaged through school workshops, teacher training, guest speaker sessions and work experience weeks at Burberry.</p> <p>Finally, 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. During 2018/19 we have reduced our global, absolute energy consumption by 7% and our procurement of renewable energy has increased to 58% of total energy consumed. We have also joined the UNFCCC's Fashion Charter for Climate Action. One of its headline goals is to reduce aggregate GHG emissions across the fashion industry by 30% by 2030.</p>	
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<p>Develop relevant products and services or design business models that contribute to UN goals/issues</p>	<p>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. For example, a product may 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.</p>	<p><a href="#">Responsibility Strategy</a></p>
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**Criterion 16: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption**

<p>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</p>	<p>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</p>	<p><a href="#">Responsibility Strategy - Communities</a></p>
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	fostering community cohesion in Italy and advancing economic and social development in Afghanistan.	<a href="#">Collaborations and Partnerships</a>
<b>Criterion 17: The COP describes advocacy and public policy engagement</b>		
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 at Burberry actively participate in conferences and roundtables. For example, in October 2017 Burberry became a founding member of the UK Home Office’s Business Against Slavery Forum. Burberry’s CEO, Marco Gobetti shares intelligence and best practice to help businesses identify, tackle and prevent slavery in their supply chains.	<a href="#">Burberry Modern Slavery Statement</a>
<b>Criterion 18: The COP describes advocacy and public policy engagement</b>		
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	<p>We are focused on working together with industry peers, business partners and other key stakeholder groups to find long-term solutions and promote wider industry change.</p> <p>In May 2018 we became a core partner of the Ellen MacArthur Foundation’s Make Fashion Circular initiative, aligning with other organisations to explore how our industry can work towards the vision of a circular fashion economy.</p> <p>We also joined the New Plastics Economy Global Commitment, which aims to create a new normal for plastic packaging and were a founding signatory of the UNFCCC’s Fashion Industry Charter for Climate Action to reduce the impact the fashion industry has on our climate.</p> <p>We are supporting the Burberry Foundation (UK registered charity number 1154468) in creating long-term partnerships that transform communities:</p> <ul style="list-style-type: none"> <li>- Tackling social mobility challenges in Yorkshire in partnership with Teach First, The Career &amp; Enterprise Company and MyKindaFuture</li> <li>- Fostering community cohesion in Italy with Oxfam</li> <li>- Advancing economic and social development in Afghanistan with PUR Projet and Oxfam</li> </ul>	<a href="#">Responsibility Strategy – Communities</a>  <a href="#">Collaborations and Partnerships</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	<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.</p> <p>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>This year we became a core partner of the Ellen MacArthur Foundation’s Make Fashion Circular initiative, working with other organisations to explore how our industry can work towards the vision of a circular fashion economy.</p> <p>Additionally, we became a signatory to the New Plastics Economy Global Commitment, which aims to eradicate plastic waste and pollution by 2025. This commitment is also led by the Ellen MacArthur Foundation in collaboration with UN Environment and aims to create a new normal for plastic packaging.</p> <p>As a founding signatory of the UNFCCC’s Fashion Industry Charter for Climate Action we have committed to reduce aggregate GHG emissions across the fashion industry by 30% by 2030.</p>	<a href="#">Collaborations and Partnerships</a>
<b>Criterion 19: The COP describes CEO commitment and leadership</b>		

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CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	The Chief Executive Officer is responsible for our responsibility strategy, which is delivered by our senior leadership team. Burberry's Chief Supply Chain Officer regularly reports on our social and environmental programmes and progress against targets to the Ethics Committee, the Group Risk Committee and the Board.	<a href="#">Responsibility Approach</a>
<b>Criterion 20: The COP describes Board adoption and oversight</b>		
Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance	Our latest five-year 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 Supply Chain Officer is responsible for the delivery of our social and environmental programmes and reports on our progress against targets to the Ethics Committee, the Group Risk Committee and the Board.	
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	Burberry's Annual Report, which includes reporting on the responsibility strategy, is approved by the Board. This Communication on Progress is approved by Chief Executive Officer, Marco Gobetti. Our Modern Slavery Statement is approved by the Board.	<a href="#">Burberry Annual Report</a> <a href="#">Burberry Modern Slavery Statement</a>
<b>Criterion 21: The COP describes stakeholder engagement</b>		
Define sustainability strategies, goals and policies in consultation with key stakeholders	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 an understanding of Burberry's sustainability work externally, 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. 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 external perspective on our programmes and to ensure we stay focused on the most material issues to drive real positive impact in the long-term.	<a href="#">Burberry Annual Report</a> <a href="#">Reflections Report</a>
Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance	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. 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 external perspective on our programmes and to ensure we stay focused on the most material issues to drive real positive impact for the long term. If a specific situation arises, we will consult with local stakeholders to ensure their views are represented in any resolution.	<a href="#">Burberry Annual Report</a>
Establish channels to engage with employees and other stakeholders to hear their ideas and address their	We continue to identify initiatives to strengthen our ability to engage with key stakeholders. We currently have the following channels in place:	

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concerns, and protect 'whistle-blowers'	<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 11,000 factory workers in our supply chain</li><li>- Ethics Committee</li></ul>	
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