

Independent Assurance report to Burberry Management

We have performed a limited assurance engagement on selected performance data and statements presented in the *Build our Culture* and *Director's Report* sections of the Burberry plc 2015-16 Annual Report & Accounts and on burberryplc.com ("the Report")¹.

Respective responsibilities

Burberry management is responsible for the collection and presentation of the information within the Report. Burberry management is also responsible for the design implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with our engagement terms with Burberry management, is to carry out a 'limited level' assurance engagement on selected data and performance claims in the Report ("the subject matter information"). We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The criteria we have used to evaluate the selected data ("the Criteria") are set out in the Report and Burberry's Basis of Reporting document.

Summary of work performed

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. Interviewed a selection of Burberry's management and reviewed documentation to understand Burberry's 2015-16 performance in relation to selected performance data. The selected data includes:

Ethical Trading	<ul style="list-style-type: none"> • Number of audits and assessments • Audit programme results • Number of training and engagement activities • Number of workers and factories who have access to confidential hotlines
Community Investment	<ul style="list-style-type: none"> • Number of Burberry Group employees volunteering • Number of cities where Burberry Group employees volunteer • Volunteering hours by Burberry Group employees
Greenhouse gas reporting	<ul style="list-style-type: none"> • Global greenhouse gas emissions data (Kg CO₂e per £1000 sales revenue) • Direct greenhouse gas emissions from fuel combustion and the operation of Burberry facilities (KgCO₂e) • Indirect greenhouse gas emissions from the purchase of electricity, heat, steam, and cooling (KgCO₂e) • Water consumption and waste output from selected UK sites

2. Carried out the following activities to review the selected data included in the table above:
 - Interviewed a selection of 'data owners' responsible for managing, collating, and reviewing data.
 - Reviewed and challenged supporting evidence from a sample of site data.
 - Reviewed any explanations provided for significant variances.
 - Tested whether the data has been collected, consolidated and reported correctly at company-level.
 - Reviewed the Report and Basis of Reporting document for the appropriate presentation of the data and including descriptions of limitations and assumptions.
3. Interviewed a selection of Burberry's management and reviewed supporting evidence in relation to reported progress against selected environmental targets in the Report.

¹ The selected performance data and statements in the Report are indicated by a ^ symbol and defined by Burberry in its Basis of Reporting document available at www.burberryplc.com. The reporting period is 1st April 2015 – 31st March 2016.

Limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE3000 Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on the Group's controls for managing and reporting the selected information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at the Group beyond those used for the selected data.

We have only sought evidence to support the 2015/2016 performance data. We do not provide conclusions on any other data from prior years.

Our conclusions

Based on the scope of our review our conclusions are outlined below.

How plausible are Burberry's assertions in relation to progress against its environmental targets?

- We have reviewed supporting evidence in relation to Burberry's progress against selected environmental targets and are not aware of any misstatements in the assertions made.

How complete and accurate is the selected data presented in the Report (outlined above in the "Summary of work performed")?

- With the exception of the limitations identified in the Report, we are not aware of any material reporting units (as defined by Burberry) that have been excluded from the Group level data relating to the topics above.
- Nothing has come to our attention that causes us to believe that the data relating to the above topics has not been collated properly at Group level.
- We are not aware of any errors that would materially affect the data as presented in the Report.

Observations and areas for improvement

Our observations and areas for improvement will be raised in a report to Burberry management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out earlier in this statement.

- With the exception of its target for chemical use in manufacturing, Burberry's current environmental targets draw to a close in 2016-17. The majority of these targets are quantitative, and we have seen clear evidence of Burberry's actions to meet these targets ahead of the deadline next year. Burberry has continued to develop its measurement approach for its raw materials targets during 2015-16, but has not yet set quantitative metrics for them. Where possible, we recommend that Burberry develops quantitative metrics in order to clearly demonstrate the progress it has made towards sustainable raw materials in its future reporting.
- Last year we recommended that Burberry disclose a metric that demonstrates the performance of its suppliers in managing ethical trading risks. During 2015-16, Burberry has developed its reporting definitions and processes, and is providing the results of its audit programme for the first time. Whilst our review did not identify any material errors to the data presented in the report, we observed that Burberry does not subject a small number of its tier 3 suppliers to full audits where it deems them to be low risk. We recommend that Burberry develops clear criteria to support decision-making on whether to accept suppliers without conducting a full audit.
- Burberry continues to offer its employees the opportunity to support charities of their choice through its volunteering programmes. Whilst we have observed that volunteering activities and reporting continue to be supported by clear processes and definitions, we encourage Burberry to consider collecting a greater level of information on the benefits of its volunteering initiatives and reporting on these outcomes in future.

Our independence and competence

With the exception of this work, we have provided no other services relating to Burberry's approach to Build our Culture reporting throughout 2015-16.

We have implemented measures to ensure that we are in compliance with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC². Our assurance team has been drawn from our UK Climate Change and Sustainability Services team, which undertakes engagements similar to this with a number of significant UK and international businesses.

Ernst & Young LLP

London, 9th June 2016

² Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1)