

**SUSTAINABILITY BOND FRAMEWORK**

August 2020

**BURBERRY**  
LONDON ENGLAND

# TABLE OF CONTENTS

- SUSTAINABILITY AT BURBERRY ..... 3
- RATIONALE FOR ISSUANCE..... 12
- ALIGNMENT WITH THE SUSTANABILITY BOND GUIDELINES ..... 12
  - USE OF PROCEEDS ..... 12
  - ELIGIBLE SUSTAINABLE PROJECTS..... 13
  - PROCESS FOR PROJECT EVALUATION AND SELECTION..... 13
  - MANAGEMENT OF PROCEEDS ..... 14
  - REPORTING..... 14
- EXTERNAL REVIEW ..... 14

## INTRODUCTION

Burberry Group plc (“Burberry”) is a leading luxury brand, headquartered in London, offering men’s, women’s and children’s clothing, accessories, fragrance and beauty products which are distributed across (i) retail, (ii) wholesale, and (iii) digital channels. Burberry’s principal activities consist of design, sourcing, manufacturing, wholesaling, retailing and licensing activities. Burberry is listed on the London Stock Exchange and is a member of the FTSE100 index. In Financial Year (“FY”) 2019/20, Burberry generated revenues of £2,633m and an adjusted operating profit of £433m

Burberry was founded in 1856 by Thomas Burberry who in 1879 invented gabardine, a breathable, weatherproof and hard-wearing fabric that he manufactured into clothing to protect his customers against the elements. Burberry is now one of the most recognised luxury apparel and accessories brands worldwide, with iconic and seasonal designs that meet its customers’ increasingly high expectations. Burberry prides itself on being at the forefront of innovation, creativity and luxury, with a focus on nurturing employees, building long-lasting relationships with customers, suppliers and other stakeholders, as well as a steadfast commitment to reducing its environmental footprint and enabling social progress.

Further information on Burberry and the companies within its group (the “Group”) is available at [www.burberryplc.com](http://www.burberryplc.com)

## SUSTAINABILITY AT BURBERRY

Burberry’s commitment to sustainability is long-standing, grounded in the belief that for its future growth, Burberry needs to actively address the challenges facing its industry and the world in which it operates. Burberry is dedicated to reducing its environmental footprint and enabling social progress as it helps transform its industry through powerful collaborations<sup>1</sup>.

### RESPONSIBILITY AGENDA

Burberry is more than halfway through its current five-year Responsibility Agenda. The strategy was developed in collaboration with key stakeholders, to address the most material social and environmental impacts along Burberry’s value chain and builds on 15 years of progress. Burberry’s strategy is aligned to the Paris Climate Agreement and

---

<sup>1</sup> <https://www.burberryplc.com/en/responsibility/collaborations-and-partnerships.html>

informed by the UN's Sustainable Development Goals (SDGs). Its contribution towards the goals is referenced on page 63 in the FY 2019/20 Burberry Annual Report.

Burberry's sustainability goals are centered around the following three pillars of the Group's Responsibility Agenda to address the most material social and environmental impacts along the Group's value chain:

## 1. COMPANY

Goal 1: to achieve a zero-carbon footprint in Burberry's operational energy use by 2022 by reducing absolute emissions, improving energy efficiency and switching to renewable energy sources, before offsetting any remaining emissions.

Progress: As at end of FY 2019/20, 86% reduction in market-based emissions since base year FY 2016/17<sup>2</sup>.

Goal 2: as part of its RE100 commitments, Burberry has committed to 100% renewable electricity by 2022 and are driving this through close collaboration with its procurement and retail teams and engagement with landlords.

Progress: As at the end of FY 2019/20, 90%<sup>1</sup> of electricity across our global footprint is renewable.

Goal 3: to reduce and revalue waste. Burberry already reuses, repairs, donates or recycles unsaleable products and it will continue to expand these efforts<sup>3</sup>.

Progress: no destruction of unsaleable finished products and zero waste to landfill from key UK and Italy operations in FY 2019/20. In FY19/20 Burberry dealt with 14,750 repair and replacement part enquiries. By the end of FY 2019/20 Burberry had finished product revaluing pilots with 10 new partners.

## 2. PRODUCT

Goal 1: to have 100% of product with more than one positive attribute by 2022, where positive attributes relate to social and/or environmental improvements, achieved at either raw material sourcing or product manufacturing stage.

---

<sup>2</sup> Market based approach - A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments and takes into account renewable electricity consumption.

<sup>3</sup> <https://www.burberryplc.com/content/burberry/corporate/en/responsibility/focus-areas/company/waste.html>

Progress: In FY 2019/20, 89%<sup>4</sup> of Burberry products have at least one positive attribute and 67% of products have more than one.

Goal 2: to procure 100% of cotton<sup>5</sup> more sustainably by 2022, using a portfolio approach. This includes working with partners such as the Better Cotton Initiative (BCI)<sup>6</sup> and Textile Exchange, as well as exploring new sources, including organic and regenerative cotton.

Progress: 75% of cotton<sup>2</sup> procured is more sustainably produced than conventional cotton.

Goal 3: to source 100% of leather from tanneries with environmental, traceability and social compliance certifications by 2022. Burberry recognises certifications by the Leather Working Group (LWG), the Italian Istituto di Certificazione della Qualità per l'Industria Conciaria (ICEC) and the International Organization for Standardization (ISO).

Progress: In FY 2019/20, 64% of our leather is sourced from suppliers with such certifications.

### 3. COMMUNITIES

Goal: to positively impact one million people by 2022. The three pillars of Burberry's strategy focus on projects that tackle educational inequality, support social and economic development and community cohesion

Progress: Through partnerships with expert organisations such as Oxfam and Pur Projet 290,426 people were positively impacted in FY 2019/20 and 416,089 since the start of the programme. In FY2019/20, 184,000 people were positively impacted in the UK and US, 57,000 in Italy and 40,000 in Afghanistan.

### RENEWABLE ENERGY TARGETS

In addition to the renewable energy targets defined in the Responsibility Agenda, Burberry's renewable energy strategy defines further areas of engagement. Beyond sourcing 100% renewable electricity by 2022 through smaller, 100% renewable electricity suppliers (as energy consumption is too small and spread out over too many

---

<sup>4</sup> Please see page 71 in the FY 2019/20 Annual Report for details on external assurance.

<sup>5</sup> Where cotton is the product's main material.

<sup>6</sup> <https://www.burberryplc.com/content/burberry/corporate/en/responsibility/focus-areas/product/cotton.html>

countries for power purchase agreements (PPAs)) and the RE100 engagement<sup>7</sup>, Burberry is also supporting the transition to renewable energy in the supply chain. 41% of Burberry products are manufactured in facilities where a significant portion of energy used is renewable, either on site, or procured. In addition, Burberry actively engages with its supply chain partners to facilitate their transition to renewable energy where possible. To date, 16 supply chain partners have successfully switched to renewable energy or installed on-site solar at their facilities. Furthermore, Burberry is promoting renewable energy to employees through a successful partnership with the Big Clean Switch to encourage UK employees to change to renewable energy at home.

Burberry also has a dedicated resource to identify energy saving opportunities in house and in its supply chain and calculates the carbon and financial benefits of each initiative. Burberry has set targets to reduce the energy use within operations to help guide these opportunities. A management method for meeting targets is engaging with stores that consume the most energy. A specific case study on this is the focused store programme which was developed in EMEIA where a network of Responsibility Champions was established to drive continuous energy reductions.

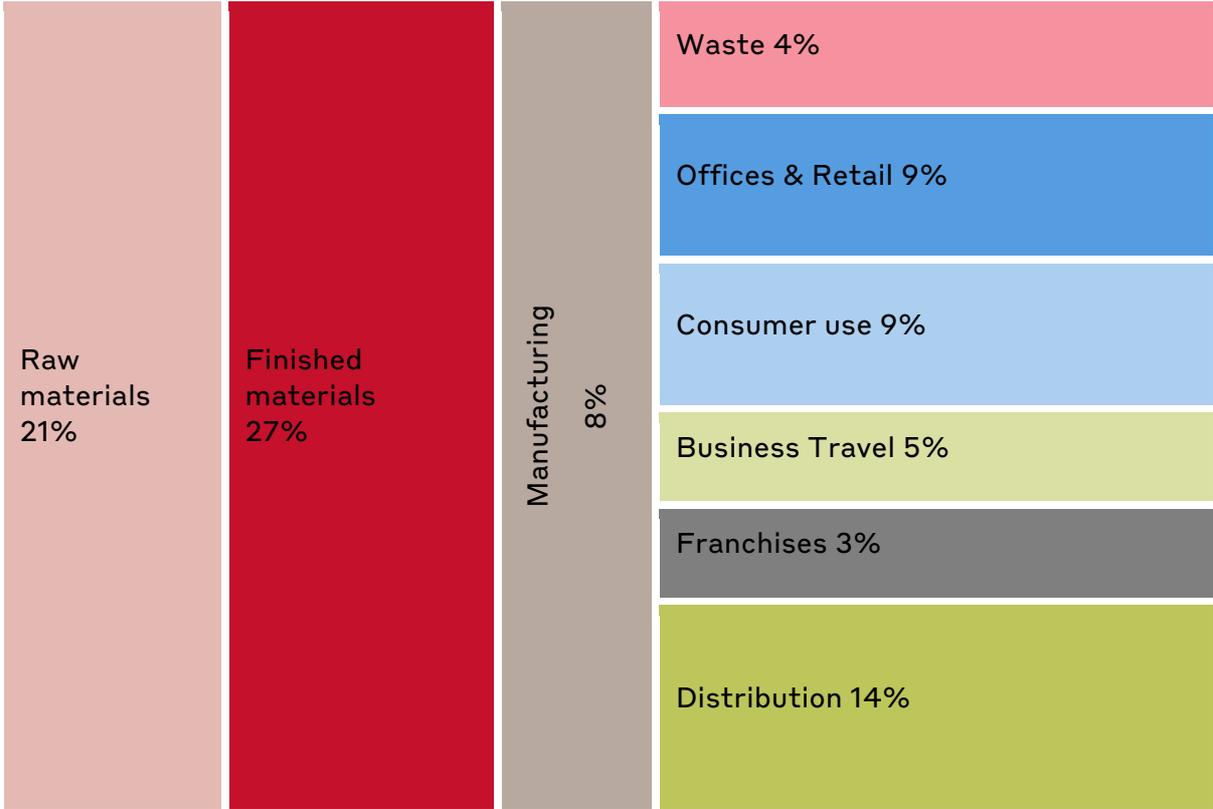
## BECOMING CARBON NEUTRAL

Burberry commissioned an independent baseline assessment in 2012 and updated this in 2017/18 to determine its most material carbon impacts. The results of the assessment are set out in the table over the page. Around half of Burberry's environmental impact as a group can be attributed to raw materials production. Together, leather, cotton and cashmere production account for c.30% of the Group's overall environmental impact, and this production has significant impacts on rural livelihoods and ecosystems within Burberry's supply chain.

---

<sup>7</sup> Burberry is a signatory to the RE100 Initiative and supports the aims of the organization to accelerate a global transition to a renewable electricity system by building and enabling the corporate market for renewable energy, at scale.

Table: Sources of greenhouse gases emissions in FY 2016/17:



Data from FY 2016/17 was used to establish the baseline for Burberry’s approved Science Based Target to reduce emissions in the supply chain 30% by 2030.

Burberry’s commitments in relation to climate change extend beyond its business operations and activities. In 2018 Burberry set itself two climate goals approved by the Science Based Target initiative (SBTi). From a 2016 base year Burberry aims to reduce:

1. Burberry’s absolute Scope 1 and 2 greenhouse gas emissions by 95% by 2022 and
2. its absolute Scope 3 greenhouse gas emissions by 30% by 2030.

The Scope 1 and 2 target focuses on emissions from Burberry’s direct operations (including electricity and gas consumption at stores, offices, internal manufacturing and distribution sites), while the Scope 3 target relates to indirect emissions in the extended supply chain (which includes the impact from the sourcing of raw materials and manufacturing of finished goods). The targets covering greenhouse gas emissions from Burberry’s operations (Scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement. To date, Burberry has reduced Scope 1 and 2 emissions by 86% (82% excluding offsets) compared to FY 2016/17. To achieve its climate-related goals Burberry focuses on

energy efficiency first and foremost. Burberry drives energy efficiency across stores by instilling good practice behaviour and installing more efficient lighting systems at new and refurbished stores. Savings are reinvested into renewable energy procurement in the region, before finally offsetting any remaining emissions, reducing the emissions footprint to zero. Burberry is now carbon neutral in its own operational energy use across 85% of sites globally and procures 83%<sup>^</sup> of its total energy (90%<sup>^</sup> of electricity) from renewable sources. Through engaging with suppliers on energy efficiency and renewable energy, Burberry has reduced emissions in the supply chain by more than 1600 tonnes of carbon in FY 2019/20 compared with the FY 2016/17 base year. These initiatives, alongside the transition to more sustainable raw materials, are contributing to our Scope 3 science based target. Burberry is supporting the UN Climate Change's efforts in the fashion industry and have taken a leadership position by collaborating with other brands to promote energy efficiency and renewable energy across the entire fashion industry. In addition, in 2019 Burberry signed the Fashion Charter Communiqué at the 25th session of the Conference of the Parties. The Communiqué encourages countries with major fashion production and consumer markets to partner with us to bring the industry in line with the Paris Agreement goal of limiting average global temperature rise to 1.5°C.

A key part of Burberry's Responsibility Strategy is the sustainable sourcing and manufacturing of raw materials, primarily leather, cotton and cashmere. In this respect, the Group's 2022 sustainability goals are to source 100% of leather from tanneries with environmental, traceability and social compliance certifications and to procure 100% of our cotton more sustainably, as reflected in Burberry's Responsibility Agenda outlined above. With regard to cashmere, Burberry has seed funded the Sustainable Fibre Alliance which seeks to promote responsible cashmere production (see Case Study below).

#### Case Study: Burberry Limited Mongolian Programme

Mongolia is the second-largest producer of cashmere in the world. Its economy was, until recently, primarily based on agriculture. Recent economic and climatic shifts have resulted in previously nomadic herding population to migrate on mass to the capital city which is becoming increasingly crowded and polluted. The Sustainable Fibre Alliance (SFA) is a global multi-stakeholder network with a mission to ensure the long-term viability of the cashmere industry. As a standard holding body, the SFA promotes the SFA Cashmere Standard to encourage the adoption of responsible cashmere production

that is better for people, livestock and the environment. Since launch, the programme has positively impacted approximately 4,000 herding families managing over 600k goats, resulting in the production of around 170 tonnes of more sustainable raw cashmere. More widely, over 2,800 Herder Handbooks were distributed to herding communities, six online training modules created and staff from the largest agricultural bank (Khan Bank) passed instructor exam for codes of practice to drive sustainable financing of herders. Burberry has seed funded the SFA since its inception and has remained a Board Member. The SFA now has 32 corporate members who are financially contributing to the development and implementation of the SFA Cashmere Standard.

## IMPROVING PACKAGING SUSTANABILITY

Burberry continues to constantly innovate and trial new packaging materials to find more sustainable solutions for its customers. Progress to date includes the following:

- 100% of paper-based customer-facing packaging is reusable or recyclable and certified by the Forest Stewardship Council.
- Through an innovative recycling technique, 40% of new packaging material is made from recycled coffee cups.

Since February 2019, Burberry has been responsible for recycling 58 million cups into packaging. Brand and care labels have been transitioned to 100% recycled polyester.

## SUSTANABILITY POLICIES AND STANDARDS

Within Burberry's Responsibility Agenda, the following policies and standards govern Burberry's Sustainability Approach:

Environmental matters: Global Environmental Policy, Responsible Sourcing Policy<sup>8</sup>, Chemical Management Standards<sup>9</sup>, Make Fashion Circular Initiative<sup>10</sup>, New Plastics

---

<sup>8</sup> Burberry operates a strict sourcing approval process which currently does not authorise sourcing from certain countries including, but not limited to, Bangladesh, Pakistan and Cambodia. Burberry has banned cotton from Uzbekistan, Turkmenistan and Syria. Burberry sources all raw materials from suppliers that are governed by the highest animal welfare standards and actively engage welfare experts to ensure good husbandry of animals in the supply chain. Burberry does not use real fur, having introduced a ban in September 2018; it does not test on animals; and never uses materials derived from endangered species. Burberry sources 100% of down from Responsible Down Standard certified suppliers; and does not permit the use of any feathers that are plucked from live birds or from farms where there are concerns about animal welfare. Burberry works with Textile Exchange, peer brands and the wool industry to promote the Responsible Wool Standard, which ensures sheep are treated responsibly. Burberry is an active member of the Business for Social Responsibility, Southeast Asia Reptile Conservation Alliance. Burberry also has a dedicated trade compliance team to ensure compliance with regulations regarding shipment of finished products. Burberry has a robust sourcing framework to limit the sourcing of exotic skins to three species from traceable and verified sources.

<sup>9</sup> All Burberry's targets on chemical are higher than minimum legal requirements. 87% of products and 62% of raw materials are sourced from "green rated" suppliers (i.e. those scoring over 70% on Burberry's rating system). 99% of products and 96% of raw materials are sourced from suppliers that have made an MRSL (Manufacturing Restricted Substances List) implementation Commitment. Burberry is actively involved in collaborative initiatives, including acting as a board member of the Zero Discharge of Hazardous Chemical (ZDHC) group.

<sup>10</sup> Burberry ended the practice of destroying unsaleable finished products in September 2018, the first and only luxury brand to have made this commitment. Burberry has made significant progress in managing excess inventory and formed a dedicated internal taskforce exploring

Economy Global Commitment, UN Climate Change Fashion Industry Charter for Climate Action

People: Our Culture and Values, Global Health and Safety Policy, Ethical Trading Code of Conduct, Responsible Business Principles

Respect for Human Rights: Human Rights Policy, Ethical Trading Code of Conduct, Transparency in the Supply Chain and Modern Slavery Statement, Data Privacy Policy, Information and Cybersecurity Policy, Model Wellbeing Policy

Social matters: Responsible Business Principles, Ethical Trading Code of Conduct, Local Stakeholder Engagement Policy, Volunteering and Match Funding.

Additional details of relevant Sustainability Policies and related management arrangements are set out in the relevant note below.<sup>11</sup>

## SUSTANABILITY STEERING COMMITTEE

Burberry's 2022 Responsibility targets are owned by senior leadership across key departments and progress is reviewed by the Sustainability Steering Committee (SSC). The SSC was established in 2019 to review and oversee the Group's strategy on environmental and social issues. The SSC convenes at least three times a year and is chaired by the CEO, who is accountable for ensuring oversight of climate-related risks and opportunities of the Group. The CO&FO, the Chief Supply Chain Officer and the VP of Corporate Responsibility are core participants in the SSC.

Updates from the SSC are shared regularly with Burberry's Board of Directors, Ethics Committee and Risk Committee.

---

how to maximise exit routes already in place for unsaleable products. Over the past two years, Burberry has expanded existing reuse, repair, donation and recycling routes, while developing new partnerships and revaluation solutions. Also limiting the causes of waste by having an increasingly global view of inventory management and new model of tighter more frequent collections; allows us to be much more targeted and precise in the way Burberry designs, buys and sells. Zero waste to landfill in Burberry's key UK and Italy operations. Engaged Burberry product teams through circular design and disassembly workshops.

<sup>11</sup> [https://www.burberryplc.com/content/burberry/corporate/en/responsibility/focus-areas/product/ethical\\_trading.html](https://www.burberryplc.com/content/burberry/corporate/en/responsibility/focus-areas/product/ethical_trading.html)

<https://www.burberryplc.com/content/burberry/corporate/en/responsibility/policies-and-commitments/people/ethical-trading-code-of-conduct.html>

[https://www.burberryplc.com/content/dam/burberry/corporate/Responsibility/Responsibility\\_docs/Policies\\_statements/Policies/Updated\\_Policies\\_2019/Burberry%20-%20Ethical%20Trading%20Code%20of%20Conduct%20\(updated%2006.08.2019\).pdf](https://www.burberryplc.com/content/dam/burberry/corporate/Responsibility/Responsibility_docs/Policies_statements/Policies/Updated_Policies_2019/Burberry%20-%20Ethical%20Trading%20Code%20of%20Conduct%20(updated%2006.08.2019).pdf)

<https://www.burberryplc.com/content/dam/burberry/corporate/oar/2020/pdf/Modern%20Slavery%20Statement%20FY201920.pdf>

<https://www.burberryplc.com/content/dam/burberry/corporate/oar/2020/pdf/Burberry%20Human%20Rights%20Policy%20FY201920.pdf>

## RECOGNITION FOR BURBERRY'S COMMITMENT TO SUSTANABILITY

Burberry's approach and commitment to sustainability have been recognised internationally.

Burberry is a member of the Dow Jones Sustainability Index and was included for the fifth consecutive year in 2019, ranking third in the 'Textiles, Apparel & Luxury Goods' sector and achieving its highest score to date. Burberry's overall percentile score was 95, made up of the following percentile scores for each dimension: Economic 100, Environmental 92 and Social 96.

Burberry is ranked sixth on the Responsibility 100 Index<sup>12</sup>, a ranking of the FTSE 100 companies on the basis of their commitment to social, environmental and ethical objectives, as inspired by the UN Sustainable Development Goals.

Further memberships and awards include: Walpole Award for Luxury Business with a Heart; RobecoSAM Sustainability Yearbook (Burberry received Gold Class Distinction); first luxury retailer and manufacturer to achieve accreditation as a UK Living Wage Employer in 2015; core partner of the Ellen MacArthur Foundation's Make Fashion Circular Initiative; signatory of the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation in collaboration with UN Environment; founding signatory of the UN Fashion Charter for Climate Action; active member of The Prince's Accounting for Sustainability Project, the CO&FO is a member of the Leadership Network for the Accounting for Sustainability initiative; member of the RE100 initiative, led by The Climate Group in partnership with The Carbon Disclosure Project (CDP) that brings together influential businesses committed to 100% renewable energy; signatory to The Fashion Pact, a global alliance of the world's leading fashion companies to tackle climate change, represented on the CEO-led Fashion Pact Steering Committee; signatory of the UN Global Compact; and recognised as a Leader by the Ethical Trading Initiative.

Burberry holds a Sustainalytics ESG Risk Rating which rates the company in the 'Low ESG Risk' category. Sustainalytics notes that "the company is at low risk of experiencing material financial impacts from ESG factors, due to its low exposure and strong management of material ESG issues." The Sustainalytics ESG Risk Rating for Burberry is available at <https://www.sustainalytics.com/esg-rating/burberry-group-plc/1010460442/>.

---

<sup>12</sup> <https://www.tortoisemedia.com/intelligence/responsibility>

MSCI, another leading ESG Ratings provider, rates Burberry as 'AAA' and therefore assesses Burberry as an ESG leader in the luxury apparel industry. MSCI ESG Ratings for Burberry are available at <https://www.msci.com/esg-ratings/issuer/burberry-group-plc/IID000000002160303>.

## RATIONALE FOR ISSUANCE

Burberry is committed to using its position and influence in the value chain to drive social and environmental improvements and foster sustainability innovation, from the sourcing of raw materials to the manufacturing of finished products, and its intention is to enlist the support of investors in further delivering these sustainability ambitions by linking Burberry's sustainability strategy to its funding requirements.

## ALIGNMENT WITH THE SUSTANABILITY BOND GUIDELINES

Burberry has aligned this Sustainability Bond Framework with the Sustainability Bond Guidelines, 2018<sup>13</sup>.

## USE OF PROCEEDS

An amount equal to the net proceeds of any Sustainability Bond issued will be used to finance and/or refinance, in whole or in part, Eligible Sustainable Projects as described in the "Eligible Sustainable Projects" table below.

Burberry intends to allocate an amount equal to the net proceeds raised by the Sustainability Bond issuance on a best efforts basis to Eligible Sustainable Projects:

1. Where investment has been made in the project within the three-year period preceding the date of the relevant Sustainability Bond issuance, and/or
2. where the investment is made between the date of the relevant Sustainability Bond issuance and the maturity date of the bonds issued.

---

<sup>13</sup> <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

## ELIGIBLE SUSTAINABLE PROJECTS

The table below sets out the projects that Burberry determines comply with the relevant eligibility criteria for sustainability projects.

Eligible Sustainable Project Categories	Eligibility Criteria	Example Sustainability Projects	Example Metrics	Relevant SDGs
<b>Green Buildings</b>	Expenditures relating to properties certified to LEED 'Platinum' or 'Gold' or BREEAM 'Outstanding' or 'Excellent' level.	Procurement and fit-out of energy efficient properties eg: Shanghai IAPM and Beijing Seasons Place stores achieved LEED Gold certification  Energy efficient refurbishment of stores	Energy consumption savings (in MWh)  % Energy consumption reductions  Greenhouse gas emissions avoided, tCO <sub>2</sub> e	
<b>Environmentally sustainable management of living natural resources and land use</b>	Expenditures related to procurement of BCI-certified material	BCI <sup>14</sup> Cotton Sourcing  products supporting more sustainably-grown cotton through the Better Cotton Initiative	% of certified materials sourced <sup>15</sup>	
<b>pollution prevention and control (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy);</b>	Expenditures relating to the proportion of recycled material in packaging materials	Sourcing of reusable, recyclable and Forest Stewardship Council (FSC) certified packaging materials  Sourcing of 100% recycled polyester for brand and care labels		

## PROCESS FOR PROJECT EVALUATION AND SELECTION

The Burberry SSC will have responsibility to ensure that allocations are made to Eligible Sustainable Projects. Burberry will amend the Terms of Reference of the Burberry SSC to include the following specific responsibilities:

<sup>14</sup> BCI - Better Cotton Initiative: <https://bettercotton.org/>

<sup>15</sup> Note: this is not strictly to be considered as an impact metric, rather a proxy measurement for a combination of anticipated positive environmental and social impacts.

- ensuring the proposed allocations are aligned with the relevant Burberry policies;
- ensuring the proposed Eligible Sustainable Projects are aligned with the eligibility criteria as specified in the Use of Proceeds section above, and approving any proposed changes in the event that the existing Projects no longer meet the eligibility criteria; and,
- reviewing and approving Sustainability Bond reports.

## MANAGEMENT OF PROCEEDS

The Burberry Treasury and Finance teams will track allocations of any Sustainability Bond proceeds to Eligible Sustainable Projects in a bespoke register.

Pending allocation, proceeds will be held on a temporary basis in accordance with the relevant internal policies, in cash, cash equivalents and/or invested in other short-term liquid instruments.

## REPORTING

Within 1 year of issuance, and annually thereafter until the full allocation of the proceeds of any Sustainability Bond to Eligible Sustainable Projects, Burberry will provide to investors and publish on its website at [www.burberryplc.com](http://www.burberryplc.com):

- (i) an Allocation Report – which is anticipated to include:
  - (a) total amount of proceeds allocated to Eligible Sustainable Projects per category;
  - (b) any unallocated proceeds; and,
- (ii) an Impact Report<sup>16</sup>, subject to the availability of suitable information and data.

## EXTERNAL REVIEW

Sustainalytics UK Limited have provided a Second Party Opinion on the Burberry Sustainability Bond Framework. The Second Party Opinion is available on the

---

<sup>16</sup> Impact reporting will continue to be made available through the established Burberry Annual Reporting process, and Burberry does not intend to provide a separate Impact Report. Link to current basis of reporting: [https://www.burberryplc.com/content/dam/burberry/corporate/oar/2020/pdf/Burberry%20Basis%20of%20Reporting%202020%20\(1\).pdf](https://www.burberryplc.com/content/dam/burberry/corporate/oar/2020/pdf/Burberry%20Basis%20of%20Reporting%202020%20(1).pdf)

Sustainalytics website at <https://www.sustainalytics.com/sustainable-finance/our-work/>

With regards to allocation reporting, Burberry also intends to commission an independent review within 1 year of issuance and annually thereafter, until full allocation of any proceeds of the Sustainability Bond issuance, with the intention of confirming that the Sustainability Bond proceeds have been allocated in accordance with the Uses of Proceeds specified in this Framework document.

Impact reporting will continue to be subject to independent assurance, as currently provided<sup>17</sup>.

---

<sup>17</sup> Link to most recent assurance statement:

<https://www.burberryplc.com/content/dam/burberry/corporate/oar/2020/pdf/Burberry%20Assurance%20Statement%202020.pdf>

## DISCLAIMER

The information and opinions contained in this Framework are provided as at the date of this document and are subject to change without notice.

Burberry does not assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise.

This Framework represents current Burberry policy and intent at the date of this Framework, is subject to change and is not intended nor can be relied on, to create legal relations, rights or obligations.

This Framework is provided for information purposes only and does not constitute or form part of, and should not be construed as, an offer or invitation to sell any Burberry securities, debt or bonds, or the solicitation of an offer to underwrite, subscribe for or otherwise acquire any debt or bonds of Burberry, and nothing contained in this Framework shall form the basis of or be relied on in connection with any contract or commitment whatsoever.

Any decision to purchase any Burberry securities, debt or bonds should be made solely on the basis of the information to be contained in any offering document produced in connection with the offering of such securities, debt or bonds.

Prospective investors are required to make their own independent investment decisions. No representation is made as to the suitability of any Burberry bonds or other securities or debt to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Burberry bonds or other securities or debt should determine for itself the relevance of the information contained or referred to in this Framework or the relevant bond or other documentation for such Burberry bonds or other securities or debt regarding the use of proceeds and its purchase of Burberry bonds or other securities or debt should be based upon such investigation as it deems necessary.

Burberry has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and investor reporting, in connection with the proposed issue of Burberry bonds in 2020. However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any Burberry bonds if the Burberry fails to adhere to this Framework, whether by failing to fund or complete Eligible Sustainable Projects or to ensure that proceeds do not contribute directly or indirectly to the financing of any excluded

activities, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the Eligible Sustainable Projects as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of a government or on a change in the composition of a government), changes in laws, rules or regulations, the lack of available suitable projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives.

In addition, each environmentally focused potential purchaser of Burberry bonds should be aware that Eligible Sustainable Projects may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts. On this basis, all and any liability, whether arising in tort, contract or otherwise which any purchaser of Burberry bonds or any other person might otherwise have in respect of this Framework or any Burberry Bonds as a result of any failure to adhere to or comply with this Framework is hereby disclaimed.

This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. This Framework contains certain statements which may constitute “forward-looking statements”. These statements are not guarantees or predictions of future performance, and are subject to risks and uncertainties. As a result, actual results or developments may differ from those expressed in the statements contained in this Framework.