

OCTOBER CHEMICAL ELIMINATION ACTIVITIES UPDATE

PARTNER ENGAGEMENT

Burberry continues to engage with its internal and external stakeholders. Through regular and transparent communication and organised workshops, we have been able to bring clarity to some of the more complex issues concerning chemical elimination. Through these channels, we have also been able to explain more about the commitment Burberry has undertaken, and why.

By raising greater awareness and by making our commitment more widely relevant, our business and our supply chain partners have been able to align behind a shared ambition; to ensure that those chemicals that can have an environmental impact are fully absent from our manufacturing processes.

Official written communication continues to be an effective way for us to reinforce the importance of this work to our supply chain partners, as well as our key objectives and significant dates. Recent topics covered have included the PFC elimination deadlines and the importance of good flow through of stock.

Looking ahead, we have been working to prepare and support partners for the introduction of the revised MRSL and PRSL (towards the end of the calendar year). In relation to this effort, we have also been encouraging our supply chain partners to focus on due diligence and to stimulate further research into PFC alternatives.

Workshops have also proven to be a highly successful way for us to engage with our supply chain partners more deeply. Burberry recently hosted a workshop with all of our key partners in London, as well as several further workshops in Italy. These sessions were led by dedicated chemical elimination team members and allowed our supply chain partners to share their success stories with each other, increasing collective confidence in the attainability of Burberry's elimination targets. Ultimately, we aim to develop a network of ambassadors across our supply chain, to serve as leaders for the rest of our supply base.

Stakeholder engagement more broadly is another key area of work. Industry Associations are particularly influential among our partner base and we have been working extensively with relevant groups, especially in Europe, to develop strong relationships and a common understanding of chemical elimination. We are very pleased to say that this engagement has led to increased support of our chemical elimination objectives in this region.

At an industry level, we continue to engage heavily with the Zero Discharge of Hazardous Chemicals (ZDHC) Group. This has enabled us to collaboratively develop tools that have assisted us with the elimination of priority chemicals.

RESEARCH

Burberry is investing in research into innovative new processes that will allow chemical substitution without compromising quality, as well as trialling the best currently available technologies. Once a new application has been successful in initial trials, we test its scalability by putting it through the bulk processing stage.

We are currently accelerating our investigation into alternatives to chlorinated phenols and short chain chlorinated paraffins.

UPDATING PRSL AND MRSL

In November, Burberry plans to publish updates to its PRSL and MRSL to include chemicals that have most recently been identified for elimination. We also intend to split the leather and textile MRSL to make these documents more appropriate for our supply chain partners.

ANALYSIS

Alongside our programme of due diligence testing of raw materials and finished products, we are also investigating new analytical testing methodology to evaluate conformity of formulations to our MRSL. We are piloting a new methodology with a number of partners, targeting a significant number (1000) of formulations to evaluate the scalability and effectiveness of the methodology.

EFFLUENT TESTING

We have recently broadened our effluent testing programme to increase the intensity of the testing carried out at key supply chain partners' sites. This has enabled us to utilise the results to even greater effect.

In order to do this we have introduced a new three-step process which involves:

- 1) Assessing conformity of chemical inventory to the MRSL and effluent assessment
- 2) Identification, quarantine and substitution of problematic formulation and effluent analytical assessment
- 3) Further refinement of formulation substitution and effluent analytical assessment

This methodology has allowed for the correlation of chemical input (through chemical inventory) to chemical output (through untreated effluent) and to confirm the effectiveness of the substitutions.