BURBERRY ETHICAL TRADING CODE OF CONDUCT

OUR COMMITMENT

The Burberry Ethical Trading Code of Conduct (the “Code of Conduct”) sets out standards for Burberry to uphold in relation to its own employees and for its supply chain partners to uphold in relation to their employees. In terms of the supply chain, Burberry requires agreement to the Code of Conduct from all those involved in its extended supply chain, including all Business Associates.

Burberry believes that it is important to be a socially responsible business, promoting fair and sustainable employment practices internally and by supporting diversity and equal opportunities in the workplace both within its own operations and across its supply chain. Burberry recognises that, within its supply chain, there are many different countries each with their own laws, cultures, norms and traditions, which Burberry acknowledges and respects. Some Business Associates will therefore face more complex issues than others in implementing the Policy. Burberry is committed to working with all relevant bodies to deliver effective action plans for change. Burberry believes that, by working together with all Business Associates, Burberry can strengthen our business and improve the quality of life of the people who Burberry touch.

SCOPE OF POLICY

The Ethical Trading Code of Conduct is part of Burberry’s wider responsibility to safeguard the human rights of the people it touches, including but not limited to those working within its extended supply chain. The Ethical Trading Code of Conduct is one of the mechanisms outlined in Burberry’s Human Rights Policy (available at www.burberryplc.com) put in place to address potential infringements which may arise in connection with the Company’s operations and activities.

Through the implementation of the Ethical Trading Code of Conduct in Burberry’s global supply chain, we are aware that human rights risks may be disproportionately found within groups of vulnerable workforces. Subsequently, tailored policies in the Policy herein have been developed to address the rights and needs of our supply chain workers including migrant and home based workers.

The Ethical Trading Code of Conduct exists to promote fair working conditions and the responsible management of social issues in the Burberry supply chain. All Business Associates are expected to establish and maintain a system to deliver compliance with the Burberry Ethical Trading Code of Conduct, which is designed to promote the protection of all workers throughout its supply chain and operations, including any workers employed by third party contractors and recruitment agencies.

DEFINITIONS

“Business Associates” as defined in the Burberry Responsible Business Principles.

“Receiving Country” means the country where the Business Associate is located and where the
worker is contracted to work.

“Sending Country” means the country where the Worker has lived permanently or where the worker has resided before entering the contract of employment with the Business Associate.

“Recruitment Fees” refers to any fees paid directly or indirectly in the worker’s Sending Country or Receiving Country, for administration and processing and any other amounts required to secure the worker’s employment in the Receiving Country. Our definition of homework is based upon that of the International Labour Organisation (ILO):

“Homework” means any work carried out by a person in his or her home or in any other premises of his or her choice, other than the Business Associate’s facilities for remuneration which results in a product or service as specified by the Business Associate. This includes work taken home by workers who normally work within the Business Associate’s facilities but who take work home from the Business Associate’s facilities to complete in their own time.

“Modern Slavery” encompasses any slavery, servitude, forced and compulsory labour and human trafficking or analogous activity.

IMPLEMENTATION

- Business Associates shall enter into undertakings with Burberry in the form provided by Burberry from time to time, which contain, amongst other things, terms of engagement on both ethical trading, human rights and environmental issues.
- Burberry will provide reasonable assistance to the Business Associate in the implementation of the Ethical Trading Code of Conduct and may monitor such implementation using a variety of methods including audits and site visits to assess performance against the Ethical Trading Code of Conduct. The cost of any implementation of the Ethical Trading Code of Conduct, audit, or site visit will be met by the Business Associate.
- For the purpose of assessing compliance with the Ethical Trading Code of Conduct, Burberry and/or its authorised representatives, agents or professional advisors must be given immediate unaccompanied access to the Business Associate’s relevant site, without notice to the Business Associate. Burberry, its authorised representatives, agents or professional advisors must also be given immediate unaccompanied access to the Business Associate’s relevant site where any workers may reside, without notice to the Business Associate.
- Burberry is committed to working collaboratively with industry partners, government organisations, non-governmental organisations (NGOs) and trade unions to implement the Ethical Trading Code of Conduct effectively and use the most relevant techniques to assess policy adherence.

REPORTING AND REMEDY
• Burberry will report progress in the Burberry Annual Report.
• Burberry and its Business Associates will use reasonable endeavours to offer workers and other stakeholders a confidential means to report any actual or potential breach of the Ethical Trading Code of Conduct.

AUDIT AND COMPLIANCE

• Measurable steps, such as the onsite inspection of Business Associate’s facilities, will be carried out to assess whether the standards set forth in the Ethical Trading Code of Conduct are being properly implemented and complied with.
• Business Associates are expected to identify and correct any activities that conflict with the standard of the Ethical Trading Code of Conduct via verifiable continual improvement programmes agreed by Burberry.
• Business Associates shall immediately report any serious breaches of the Ethical Trading Code of Conduct together with a schedule for corrective action agreed by Burberry. Where serious breaches of the Ethical Trading Code of Conduct persist, Burberry will consider termination of the business relationship with the Business Associate concerned. Please see the Partner Non-Compliance Policy for further details on this.

ETHICAL TRADING CODE OF CONDUCT - STANDARD PROVISIONS

The standards outlined below apply to all Burberry’s Business Associates and compliance with these standards is expected of every Business Associate.

1. EMPLOYMENT SHALL BE FREELY CHOSEN

I. Under no circumstances shall Burberry nor any Business Associate use or in any way benefit from any form of Modern Slavery including but not limited to, forced, bonded or involuntary prison labour.
II. Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING SHALL BE RESPECTED

I. Workers, without distinction, have the right to join or form trade unions of their own choice and to bargain collectively.
II. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
III. Worker representatives are not discriminated against and have access to carry out
their representative functions in the workplace.

IV. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. WORKING CONDITIONS SHALL BE SAFE AND HYGIENIC

I. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practical, the causes of hazards inherent in the working environment.

II. As a minimum, building, including structural, fire and electrical safety standards must be compliant with local laws and regulations.

III. Workers shall receive regular and recorded health and safety training provided by Business Associate, and such training shall be repeated for new or reassigned workers.

IV. Access to clean toilet facilities and to potable (safe drinking) water, and, if appropriate, clean sanitary facilities for food storage shall be provided.

V. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

VI. Each Business Associate observing the Ethical Trading Code of Conduct shall assign responsibility for health and safety to a senior management representative.

4. CHILD LABOUR SHALL NOT BE USED

I. There shall be no child labour

II. Young persons between 16 and 18 shall not be employed at night or in hazardous conditions.

III. Burberry and its Business Associates will always conform to the relevant ILO standards.

5. LIVING WAGES SHALL BE PAID

I. Wages and benefits paid for a standard working week must meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

II. All workers shall be provided with clear, written information about their employment conditions in respect to wages before they commence their employment and about the particulars of their wages for the pay period concerned each time that they are paid.

III. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded.
6. WORKING HOURS ARE NOT EXCESSIVE

I. Working hours must comply with national laws, collective agreements, and the provisions of paragraphs 6I to 6VI below, whichever affords the greater protection for workers. Paragraphs 6I to 6VI are based on international labour standards.

II. Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.¹

III. All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

IV. The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by paragraph ‘V’ below.

V. Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:
   • this is allowed by national law;
   • this is allowed by a collective agreement freely negotiated with a workers’ organisation representing a significant portion of the workforce;
   • appropriate safeguards are taken to protect the workers’ health and safety; and
   • the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

VI. Workers shall be provided with at least one day off in every 7 day period or, where allowed/ required by national law, 2 days off in every 14 day period.

7. DISCRIMINATION SHALL NOT BE PRACTISED

I. There shall be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8. REGULAR EMPLOYMENT SHALL BE PROVIDED

I. To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.

II. Obligations to workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided. The use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment are not

¹ International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers’ wages as hours are reduced.
permitted, nor is the excessive use of fixed-term or flexible hour contracts of employment.

9. HARSH OR INHUMANE TREATMENT SHALL NOT BE ALLOWED

I. Physical abuse, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

II. Business Associates will have a formal disciplinary and grievance appeal procedure with documented records of individual disciplinary hearings. Such a procedure will support fair treatment of workers.

10. THE ENVIRONMENT SHALL BE PROTECTED

I. Business Associates shall carry out their activities in accordance with national laws, regulations, administrative practices and policies relating to the preservation of the environment of the countries in which they operate as well as in accordance with relevant international agreements, principles, objectives, responsibilities and standards with regard to the environment.

11. WORKERS SHALL HAVE LEGAL ENTITLEMENT TO WORK

I. Business Associates should only employ or use workers with a legal right to work in the country.

II. The Business Associate must validate, by reviewing original documents and then returning them to the workers, all workers’ and employment agency workers’ legal right to work.

III. Employment agencies can only supply workers registered with them.

IV. The Business Associate is expected to establish a process that effectively monitors the provisions of this paragraph.

12. SUB CONTRACTING AND HOME WORKING

I. Business Associates are not authorised to sub-contract any part of their business related to the production of goods or services they provide either directly or indirectly to Burberry without the prior written consent and approval of Burberry.

II. Similarly, sub-contractors are not authorised to sub-contract any part of their business related to the production of goods or services they provide either directly or indirectly to Burberry without the prior written consent and approval of Burberry.

III. Homeworking is not authorised without the prior written consent and approval of Burberry (see ‘Homeworker Policy’).

MIGRANT WORKER POLICY

1. BASIC PROVISIONS
I. The Business Associate cannot use illegal immigrants anywhere in its supply chain. Each worker must have all documentation required by law to work in the country of work.

II. In the event that illegal immigrants are hired or the Business Associate is unable to provide adequate evidence of the legally required documentation, the Business Associate is responsible for the cost of humane repatriation of the illegal immigrant if he/she so chooses.

III. The Business Associate must comply with all Laws including for the avoidance of doubt, in both the Sending Country and the Receiving Country relating to any worker.

IV. The Business Associate should ensure that it establishes and keeps an up-to-date list of all workers it employs, including but not limited to: contract terms, basic employment history, location of origin and a record of the recruitment fees paid by the Business Associate on behalf of the worker.

V. In the case of workers whose residence permit or visa is tied to their employment contract, the Business Associate should also record the workers' details of arrival date and date of departure. Such documentation should be available at the Business Associate's premises for review on request by Burberry at any time. The Business Associate should retain such information for at least 3 years after the date of departure of the worker or for a longer period if required by applicable law.

2. RECRUITMENT AGENCIES

I. Where possible, the Business Associate should avoid using recruitment agencies, and instead recruit workers directly. If using a third party, the Business Associate should work with a government registered recruitment agency where possible.

II. The Business Associate should have clear contracts with and ensure that any agency they use adheres to the Burberry Ethical Trading Code of Conduct. The Business Associate will pay the agency any and all legally allowed fees. The Business Associate should also keep copies of contracts between each party (e.g. agent and sub-agent) to show to auditors on behalf of Burberry if needed.

III. The recruitment agency should provide full details of the use of any sub-contractors or sub-agents used to hire workers.

3. RECRUITMENT FEES

I. Workers should not pay recruitment fees. The employer should bear the full cost of recruitment and placement. The Business Associate must pay all legally allowed Recruitment Fees in relation to each worker in the nation state, Sending Country and in the Receiving Country.

II. The Recruitment Fees should not be passed onto the worker and should not be deducted from the worker's wages.

III. If any worker already employed by the Business Associate has previously paid for any Recruitment Fees, the Business Associate shall reimburse such worker for any Excessive
RESPONSIBLE BUSINESS PRINCIPLES

Fees paid by the worker. If by law, the worker is required to pay any fee, any Excessive Fees will be reimbursed by the Business Associate where the worker can provide documentation and receipts of the fee paid.

IV. The Business Associate should not retain any Recruitment Fees from the worker’s wage. Furthermore, the Business Associate should not retain any money from the worker or deduct money from the worker’s wages including but not restricted to levies, deposits or guarantee monies (sometimes known as runaway insurance), or compulsory savings schemes.

V. The Business Associate is responsible for additional fees not covered by a recruitment agency incurred in the Sending Country and the Receiving Country for the employment of a worker including, but not restricted to: inbound airfare/transportation costs, outbound airfare transportation costs, visa expenses, visas, health checks, work permits, registration fees or any other fee. The Business Associate (including all employees and representatives or any person affiliated with the Business Associate) should not accept any reimbursement or bribe from any recruitment agency or other person or organisation involved in the recruitment of any worker.

4. DISCRIMINATION

I. All workers should be treated equally and without discrimination. Each worker should have the same rights and terms and conditions of employment as national or local workers employed by the Business Associate, including (but not limited to) being eligible for the payment of a national living wage (unless otherwise stipulated by law, such as in relation to social security benefits).

II. Health checks carried out on any worker should only indicate a worker’s ability to carry out the duties for which the worker has been employed or in order to comply with any Laws. Health checks should not be used for pregnancy testing or any other forms of discriminatory practice unless required by applicable law.

III. Workers should not be discriminated against on the grounds of ethnicity, gender, religion, age, sexual orientation, caste, political views or health in accordance with the Laws. The workers’ employment conditions should be no less favourable than those that apply to locals to the area or nationals of the Receiving Country including but not limited to remuneration, accommodation, social security payments and membership of trade unions. Allocation of employment, roles, tasks, overtime, shifts, availability for work and training opportunities should also match local workers.

5. REMUNERATION

I. All wages should be paid regularly, on time and in full. Final wages and any redundancy or equivalent payment, if applicable, should be paid in full at the end of the contract

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2. Excessive fees defined as those that exceed 1 month of the worker’s salary
before the worker leaves for the Sending Country.

6. RETENTION OF DOCUMENTS

I. No worker’s identity papers, including his/her passport, visa or equivalent papers, ATM, cards, bank / savings books or certificates of qualification should be held by the Business Associate or any third party.

II. Each worker should keep his/her passport or papers with his/her personal belongings. If any worker requires safe keeping of his/her passport or papers, the Business Associate should provide such safe keeping by secure lockers in the worker’s dormitory or living area and each worker should retain the key to his/her own locker.

7. REPATRIATION

I. Any worker shall have the right to leave any Receiving Country, and return to the Sending Country at any time.

II. The Business Associate must pay for the worker’s return to the Sending Country on expiry of the worker’s contract of employment with the Business Associate, or in the event that the worker wishes to terminate his/her contract of employment with the Business Associate (except where the worker’s contract of employment is terminated by the Business Associate due to illegal conduct) mid-contract. This should be included as part of the workers’ contract.

8. CONTRACT OF EMPLOYMENT

I. All workers’ contracts should be clear, accurate and transparent. All workers should understand the full details of the contract of employment before the worker leaves the Sending Country. Under no circumstance should the contract presented before the worker leaves the Sending Country be substituted with another contract upon arrival in the Receiving Country.

II. In the case that the worker is illiterate, the contract must be clearly explained to the worker in his/her native language and the worker must be provided with a written version with at least 1 week to consider its terms.

III. All Laws regarding contracts should be followed.

In the case of workers’ whose residency permit of visa is tied to the employment contract,

- The contract of employment of each worker must be enforceable in the Receiving Country
- Each worker should receive a copy of the contract of employment to review in their own language, at least 1 week before the worker is required to sign the contract in the Sending Country.
• The Business Associate should ensure that each worker signs a contract of employment in the worker’s own language and receives a copy of the employment contract signed by the Business Associate and any agents before leaving the Sending Country.
• The worker shall keep such contract with him/her before the worker leaves the Sending Country. This shall be the responsibility of the Business Associate.

In the case of all workers,

• The contract of employment and its terms cannot be changed after the worker has either signed the contract, or once the worker has arrived in the Receiving Country, unless any changes are required by Law of the Receiving Country or the changes are mutually agreed between the worker and the Business Associate.
• The Business Associate and the worker should re-sign the same contract of employment once the worker has arrived in the Receiving Country. It is the Business Associate’s responsibility to ensure that each contract of employment for a worker complies with the Ethical Trading Code of Conduct (available to access on Burberry World).

As a minimum, the contract of employment for each worker should cover the following issues:

• Personal information of the worker including name, date of birth and passport number;
• Term of the employment;
• Type of work to be performed, and details of any training programme required, and any tests which must be passed in the Receiving Country;
• Wages, including overtime rates to be paid;
• Maximum working hours and maximum overtime work hours permitted at work;
• Benefits provided including accident and medical insurance and any legally required pensions and other benefits;
• Any deductions to be taken. Deductions can only be taken if required by Law (e.g. for taxes, social security and pensions);
• Expected minimum net pay per month;
• Accurate details of living conditions including costs such as transportation and food;
• Grievance, harassment and disciplinary procedures in the place of employment;
• Details of how and when the employer will pay the costs of transporting the worker back to the Sending Country;
• All of the Business Associate rules and any grounds for termination of the contract of employment.

9. LIVING TERMS

I. The Business Associate cannot impose any written or unwritten workplace or accommodation
rules that are in violation of any Laws or international covenants of human rights, including the United Nations Declaration of Human Rights.

II. The Business Associate should retain no rights regarding the use of the monies earned by the worker nor can the Business Associate prevent any worker from using such monies in whichever way the worker sees fit. This may include, but is not limited to, personal transportation and means of communication. Each worker should have complete autonomous control of his/her own earnings and funds.

III. Living or overnight accommodation should be separate from any manufacturing facilities or any production floors and should be safe and fit for purpose.

IV. Workers should be free to choose whether to live in company provided housing or to make their own arrangements. Any accommodation provided by the employer should be safe, clean and hygienic with potable and running water. Buildings should meet all Laws concerning multiple occupancy dwelling and local building regulations. Any charge for accommodation should be fair and reasonable and not more than prevailing market rate for equivalent accommodation.

V. Workers should not be confined to their living quarters or have their freedom of movement restricted in any way.

VI. If needed, safe travel between company accommodation and the workplace should be provided or ensured.

VII. The Business Associate should assign a worker conversant in both the migrant worker’s language and management language to coordinate communication. Where there is no worker with such skills, the Business Associate should employ an onsite worker coordinator who is conversant in the languages of the migrant workers and management languages.

10. RECOMMENDATIONS

I. The Business Associate is encouraged to develop its own policies and practices that go beyond the required minimum to ensure good labour practices.

II. It is encouraged that the Business Associate prepares visual materials so that workers might view accurate working and living conditions in the Receiving Country.

III. The Business Associate is encouraged to put aside a fund equivalent to the cost of one transport ticket for a worker to return to the Sending Country.

HOMEWORKER POLICY

1. BASIC PROVISIONS

I. Homeworkers cannot be used without the prior written consent of Burberry.

II. All Homeworkers are subject to the Ethical Trading Code of Conduct and therefore the Business Associate shall procure that all working conditions of each of their Homeworkers comply with the Ethical Trading Code of Conduct and Laws.

III. Each Business Associate using Homeworkers shall have an internal Homeworking Policy,
approved by the Business Associate's most senior person. This should include verification that the location of work is safe, hygienic and appropriate for the type of work process to be undertaken.

IV. It is the responsibility of the Business Associate to have full information on each of the Homeworkers used for production including but not limited to, the name, the location of work and the wage rate paid to each Homeworker (and any other information as required by Burberry from time to time). The Business Associate shall provide this information to Burberry immediately on request. Each Homeworker shall be provided with all the materials and machinery required for the Homeworker to carry out the work process at no cost to the Homeworker. For the avoidance of doubt this includes no deductions from the Homeworkers wages being made in respect of such materials and machinery.

2. REMUNERATION

I. Verifiable systems should be in place to ensure that all Homeworkers are able to meet at least minimum wage.

II. The Business Associate should have up to date records of all wages paid for at least the previous 12 months which should be available to Burberry for review immediately on request.

III. If paid in cash, Homeworkers should sign to confirm that they have received the agreed and owed quantity of wages earned. These records should be available from the Business Associate for at least the previous 12 months (or as required by local law, if longer). Homeworkers should be provided with a payslip for their own records for the work completed and payment made.

3. REGULAR WORK

I. All Homeworkers should be provided with an employment contract unless the Homeworker is working on a self-employed basis, in which case the Homeworker and the Business Associate should have a formal contract in place setting out the terms of their business engagement. The relevant contract should include the site location that the work should be conducted in, the name of the Homeworker, the calculation of wages as well as specifying which party is responsible for paying any required tax and insurance or other deductions (and any other information as required by Burberry from time to time).

II. In the case that the Business Associate employs the Homeworker directly, the Business Associate should ensure that all local and national tax and insurance is paid. In the case that the Homeworkers are engaged on a self-employed basis it is the Homeworker's responsibility to pay all required local and national tax and insurance required.

III. Only the Homeworker named in the relevant contract should carry out the work and the work should not be further subcontracted without prior written approval of Burberry.
4. EXCESSIVE OVERTIME

I. Homeworkers working at the facility of the Business Associate should not be given work to take home unless such overtime is on a voluntary basis.

II. Verifiable systems should be in place to ensure that Homeworkers are not provided with more work than would exceed 48 hours weekly. Any work provided beyond that should not exceed an additional 12 hours (total 60 hours per week). Any hours over 48 hours should be compensated at an overtime premium in line with local or national law.

5. DISCRIMINATION

I. Homeworkers should be compensated at the same rate as all other workers employed by the Business Associate for the same work.

6. STANDARDS

I. Burberry’s Ethical Trading Code of Conduct is based on the following international standards:
   - The Ethical Trading Initiative (ETI) Base Code
   - The United Nations Universal Declaration of Human Rights
   - The Fundamental Conventions of the International Labour Organisation (ILO).

II. With respect to the International Labour Organisation (ILO) fundamental conventions on Labour Standards, the following provisions have been referenced in the development of this Code:
   - Freedom of association Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
   - Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
   - The abolition of forced labour Forced Labour Convention, 1930 (No. 29)
   - Abolition of Forced Labour Convention, 1957 (No. 105)
   - Equality Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
   - Equal Remuneration Convention, 1951 (No. 100)
   - The elimination of child labour Minimum Age Convention, 1973 (No. 138)
   - Private Employment Agencies Convention, 1997 (No. 181)
   - Worst Forms of Child Labour Convention, 1999 (No. 182)