

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” refers to any individual, entity, business, company, partnership or any other body or group associated with Burberry including, without limitation, any such individual, entity,

business, company, partnership or any other body or group supplying products, goods, raw materials, components, services, real estate or anything else, directly or indirectly, to any member of the Burberry Group or otherwise working directly or indirectly with or on behalf of any member of the Burberry Group. This also includes any person (an “Indirect Supplier”) providing products, goods, raw materials, components, services or anything else to (i) a direct supplier of Burberry or any other member of the Burberry Group or (ii) any other Indirect Supplier.

“Burberry Associates” include, without limitation, the following

- finished goods vendors;
- raw material and/or component suppliers;
- persons or entities which carry out any processing on any goods directly or indirectly supplied to Burberry;
- all production sites of any Business Associate;
- non-stock vendors;
- construction contractors (and their construction sites);
- franchisees;
- licensees;
- joint venture partners;
- consultants;
- contractors;
- wholesale customers
- service providers;
- agents;
- landlords; and
- any subcontractor of the above.

“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 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 Group 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. 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 the Business Associate, and such training shall be repeated for new or reassigned workers.
- IV. Access to clean toilet facilities and to 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.

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.

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 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').