

BURBERRY

GLOBAL ENVIRONMENTAL POLICY

OUR COMMITMENT

Burberry is committed to respecting the environment, minimising our environmental impact and helping to reduce the speed of climate change and resource depletion.

Our Global Environmental Policy is informed by the Paris Climate Agreement and the Rio Declaration on Environment and Development. We are a member of the UN Global Compact, committed to supporting the United Nation's Sustainable Development Goals, and a signatory to the United Nations Fashion Industry Charter for Climate Action.

OUR APPROACH

Our responsibility programme is designed to drive positive change and build a more sustainable future through partnerships and innovation. We have set ourselves ambitious goals that address key risks and opportunities across the entire footprint of our operations. These goals are informed by an independent environmental impact assessment conducted in 2012, which measured the CO₂ impacts arising from materials, energy, water, chemical inputs and waste, across all areas of business and supply chain.

SCOPE OF THE POLICY

This policy covers commitments relating to energy, air emissions, waste, chemicals, asbestos, water, effluent treatment, raw material sourcing and packaging. It is mandatory and applies to all of our own and Business Associates' activities.

DEFINITIONS

- "Business Associates", as defined in [Burberry's Ethical Trading Code of Conduct](#).
- All references to a "Facility" apply to any Burberry site or Business Associate's site.
- "Effluent" refers to the process water, which leaves the site at the final discharge point.
- "Effluent treatment plant" or "ETP" refers to the plant where effluent is treated.
- The term 'consent limits' refers to the limits set out in local or national law.
- "Greenhouse gas (GHG) emissions" refers to the gases causing the greenhouse effect.

OUR ENVIRONMENTAL STANDARDS

Our activities have wide-ranging dependence and impact on the environment. Managing, reducing and even eliminating these is important to our global success.

We will:

- set targets and objectives for the business to drive continuous improvement in our performance, complying with or exceeding relevant legislative requirements. Where these are inadequate, we will aim to set our own standards.
- educate our employees and Business Associates on the importance of this policy
- develop and implement a set of procedures to monitor, control and review where we have an environmental impact and to make changes where necessary.
- design, develop, manufacture and build our products and built environments with consideration of the natural environment and local communities.
- move towards greater use of sustainable/ recycled materials and processes, while reducing waste.
- use lifecycle assessment methods where necessary to pursue a holistic approach to product.
- Conduct environmental due diligence when considering a merger or acquisition.

KEY FOCUS AREAS

Our most material environmental impacts are: energy use and carbon emissions, transport, air emissions, waste, chemicals, asbestos, water, effluent treatment, raw material sourcing and packaging.

All operations must be in full compliance with all applicable laws and regulations. All valid permits required by local and national law must be maintained by the Facility.

Energy use and associated carbon emissions

- We support the goals of the Paris Agreement to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels.
- We will quantify, track and publicly report our GHG emissions, consistent with standards and best practices in measurement and transparency.
- We will, and require all our key Business Associates to, set energy reduction targets and devise programmes to achieve the reduction within an agreed timeframe, while prioritising renewable energy. We will and encourage our key Business Associates to apply a hierarchy to ensure options that deliver additionality are considered first:
 - Promoting the use of renewable energy generated on site.
 - Where possible, transfer energy contracts to renewable energy tariffs.
 - Where it is not possible to source renewable electricity directly through local suppliers, look to purchase Renewable Energy Certificates.
- We will, and require all our key Business Associates to, run a maintenance programme and operating procedure in order to maintain a good level of operational efficiency, prioritising resource efficient options and machinery.
- We will and encourage all our key Business Associates to not install any new sources of coal-fired heat and power generation, with a strong preference given to alternative options.
- For new build sites, we will endeavour to achieve sustainable building certifications such as BREEAM, LEED, G-SEED or equivalent green building standards.
- We will endeavour to use low-energy LED lighting.

Energy use and associated carbon emissions in transport

- We support the global transition to low-carbon transport by giving preference to low-carbon logistics, encouraging logistics providers to:
 - Conduct fuel efficient training for all drivers.
 - Set targets for fuel emission reductions.
 - Invest in efficient vehicles and alternative fuels.
- We encourage third-party logistics suppliers to reduce their environmental impact.
- We will monitor business travel by employees regularly and aim to minimise its impacts: video conferencing is encouraged whenever possible.

Air Emissions

- We and our Business Associates should keep an inventory of:
 - All air emissions points within the Facility and the substances emitted from these.
 - Independent testing records of emissions discharge points.
- Noxious gases and particles should be treated prior to release from the Facility.
- Air extraction devices should be installed where fumes are released directly into the Facility.

- We and our Business Associates should set an air emission reduction target and devise a programme to achieve the reduction within an agreed timeframe.
- Maintenance programme and operating procedure should be developed and implemented for in-house air treatment facility.

Waste

- Principles of preventing, reducing, reusing, recycling and donating of all waste should be applied in accordance with the waste hierarchy to each waste stream, excess finished products, raw materials and sampling, promoting circular business models.
- The Facility should identify non-hazardous and hazardous waste streams and develop a procedure for disposal, storing them separately.
- A record should be kept of all hazardous waste produced, which should be stored in well-marked designated hazardous waste storage areas.
- There should be no landfill or incineration (with or without energy recovery) of our unsaleable finished products.
- No unauthorised burning or other disposal of solid waste should take place on site.
- Only authorised contractors with a licence to do so should handle:
 - any waste that is treated
 - non-hazardous and hazardous waste
- Containers should be dealt with appropriately e.g. cleaning and waste water treated before returning to an authorised handler.
- We and our Business Associates should measure on-site waste arisings, set a time-bound waste reduction target and devise a programme to eliminate waste in line with our long term goal to achieve circularity.

Chemicals

Our commitment to reducing chemical use in manufacturing is accessible on [our website](#).

We and our Business Associates will ensure that:

- No Burberry-branded products and/or components and/or raw materials, which either we or our Business Associates manufacture, process or supply, shall contain the restricted substances listed in our [Product Restricted Substances List](#), in concentrations higher than those listed therein.

Business Associates should assess the conformity of their finished products against the requirements of our Product Restricted Substances List.

- The chemical formulations used in the manufacturing processes for Burberry-branded products and/ or components and/ or raw materials shall not contain the restricted substances listed in our [Manufacturing Restricted Substances List](#), in concentrations higher than those listed therein.

Business Associates should assess the conformity of their chemical inventory against the requirements of our Manufacturing Restricted Substances List.

Both our Product Restricted Substances List and Manufacturing Restricted Substances List are updated from time to time. Business Associates are expected to check the lists for updates on a regular basis.

In addition to the points listed above, we and our Business Associates are required to implement the following measures:

- Chemicals will be delivered, handled, transported, stored, disposed of properly, and clearly marked, designated areas of temporary storage should be provided for the secure and safe storage of hazardous chemicals.
- All chemicals will be properly labelled and inventoried, including chemical identification data and the supplier of the hazardous chemical. Hazardous chemicals must also present warning signs in accordance with the chemical properties and legislative requirements.
- Safe handling equipment will be available in the areas where chemicals are used.
- Material Safety Data Sheets (MSDS) will be available and posted in the chemicals storage areas, and communicated to the employees who use the chemicals.
- Efforts should be made to:
 - Reduce the usage of hazardous substances at the Facility, setting a reduction target and devising a programme to achieve the reduction within an agreed timeframe.
 - Prevent spillages and leaks of hazardous substances. A chemical spill and emergency response plan will be in place and should be practiced periodically. A record will be kept of all employee and environmental incidents related to chemical spills and emergency response.
 - No chemicals can be washed down surface water drains.
 - Chemicals must not be allowed to contaminate soil.
- Use of hazardous substances should be measured on an on-going basis.
- All employees will be protected from chemical hazards, and the exposure to chemicals should be minimized, with sufficient ventilation in areas where chemicals are used.

Asbestos

The presence of any asbestos in the Facility will be identified and the conditions monitored. Should the conditions deteriorate, then we/ our Business Associate will take remedial action and discuss the situation with Burberry as a matter of urgency. Warning signs will also be posted for anyone working within this environment.

Water

- We will continue to map water risks to identify risks to our direct and Business Associates' operations in water stressed areas on an annual basis.
- We are committed to water stewardship and working collaboratively to protect this shared resource.
- We and our Business Associates should track industrial and/ or domestic water consumption and wastewater volumes on an on-going basis. Each Facility is encouraged to monitor its water balance, meaning the incoming quantity of water minus the outgoing quantity, to detect leaks.
- All of our sites and Business Associates' sites will comply with any local water withdrawal restrictions.
- Every effort should be made to reduce the water consumed at a Facility, including but not limited to, installing more water efficient equipment, setting reduction targets and devising programmes to achieve the reduction within an agreed timeframe.
- We and our Business Associates should explore opportunities for water-related innovation.

Effluent treatment

- All effluent must be treated in a fully functional effluent treatment plant (ETP) before being discharged.
- Untreated (going to an external treatment plant) and treated (if being treated onsite) effluent must be tested on a regular basis and records must be available for inspection for at least 12 months, including which wastewater guidelines were reported against.
- Facilities should have a back-up plan for when there is an emergency related to effluent.
- For onsite ETP, the system must be on and fully functioning and must include holding tanks with sufficient capacity to hold effluent in the event of a failure within the onsite ETP.
- The Facility must identify waste water discharge sources and monitor the discharge in accordance with legislative requirements.
- Facilities must measure the following parameters as a minimum at each discharge point: COD/BOD, pH, Temperature, Offensive colour, Suspended solids, Total Dissolved Solids, Specific metals and toxins. See the [ZDHC Wastewater testing guidelines](#).
- Facilities are encouraged to measure the following parameters in wastewater upstream and downstream of the effluent treatment plant or collective discharge pipes: APEO's, Phthalates, PFC's, Brominated and chlorinated flame retardants, Azo dyes, Organotin compounds, Chlorobenzenes, Chlorinated solvents, Chlorophenols, Short chain chlorinated paraffins, Heavy metals such as cadmium, lead, mercury and chromium (VI). See the [ZDHC Wastewater testing guidelines](#).
- Maintenance programme and operating procedure should be developed and implemented for in-house waste water treatment facility.

Raw Material Sourcing

- Due to concern around biodiversity loss, it is essential that we and our Business Associates keep records of raw materials' country of origin.
- We and our Business Associates should develop a traceability system for raw materials.
- It may be necessary, at times, for us to restrict the sourcing from certain geographies where we are unable to confirm environmental or animal welfare protection. We are committed to sourcing our products in a way that protects biodiversity. For further information, see our [Responsible Sourcing Policy](#).
- In order to reduce the environmental impact of raw materials, we will:
 - Prioritise raw materials with low-climate impact without affecting negatively other sustainability aspects
 - Stimulate the demand for more sustainable raw materials
 - Drive environmental sustainability in our supply chain
 - Fuel innovation in materials and processes

Packaging

- Efforts should be made to reduce the amount of packaging used and eliminate unnecessary plastic packaging, striving to ensure that all our plastic packaging is either reusable, recyclable or compostable.
- We are committed to avoiding deforestation and forest degradation associated with packaging through our commitment to only use Forest Stewardship Council (FSC) certified materials within our retail packaging.
- Where possible, we are committed to increasing the amount of recycled content within our packaging and to exploring opportunities for innovative packaging materials and processes.

COMMUNICATION

We will communicate our Policy widely and Business Associates shall be expected, from time to time, to communicate their compliance with this Policy.

MAKING SURE WE MEET OUR STANDARDS

We and our Business Associates shall each appoint (and declare if requested) a senior member of management responsible for the communication and implementation of the Policy. They shall be provided with appropriate training (and if necessary, additional extra support at the Facility) to deliver the implementation of the Policy at each Facility.

We and our Business Associates will operate in full compliance with the laws of the respective countries and with all other applicable laws, rules and regulations, and establish and maintain a system to deliver compliance with the Policy, including promoting the Policy to all stakeholders. Where there are differences or conflicts with this document and local law, the higher standard should prevail.

We are committed to working collaboratively with industry partners, Government organisations, Non-Governmental Organisations (NGOs) and trade unions to implement this policy effectively and use the most relevant techniques to assess policy adherence.

Compliance with this Policy may be subject to audit by us or any appointed third party nominated by us, at any time without prior notice and at our discretion. The cost of any audit or site visit will be met by the Business Associate.

Business Associates must immediately inform us if they are cited as having breached an environmental legislation limit at any of their Facilities. A remediation plan for each breach must immediately be established by the Business Associate and communicated to us for approval. Where serious breaches of this Policy persist, we will consider termination of the business relationship with the Business Associate concerned.