Burberry is committed to making meaningful and long lasting improvements to workers’ employment and workplace conditions including, but not limited to, the prevention of forced, bonded and trafficked labour. This is upheld through the company's policies and governance and is supported by a committed organisation and leadership.

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and California Transparency in Supply Chains Act of 2010 (SB 657) and sets out the steps Burberry has taken to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business. It constitutes our slavery and human trafficking statement for the financial year 2015/16.

About Burberry
Founded in 1856, Burberry is a global luxury brand with a distinctive British identity. Since then, the brand has built a reputation for design, innovation and craftsmanship.

The Company designs, develops, makes, sources and sells products under the Burberry brand. Product design and development are centred in Burberry's London headquarters. Fabrics and other materials are bought from, and finished products manufactured at, both Company-owned facilities in the UK and through an external supplier network, predominantly located in Europe. Creative and marketing content and programmes are developed internally to engage and connect the brand and its products with consumers.

Burberry products are sold globally through its stores and Burberry.com, as well as through third-party wholesale customers, both offline and online. In a few selected areas, Burberry uses the product and distribution expertise of licensing partners to develop the business. These activities are executed by a global team of almost 11,000 employees.

Burberry's operating model is structured by channel, region and product division, supported by corporate functions. More information can be found on the Burberry Group plc website: http://www.burberryplc.com/about_burberry/group_overview/operating_model

Burberry’s core strategies include ‘Build our Culture’, to recognise the importance of Burberry's culture and values, and how these are critical to its overall success. This includes commitments to be a socially responsible business and to drive positive environmental and social change.

Our Supply Chain
Burberry has a supply chain network that exists to support the production of its apparel, accessories, and beauty products, as well as networks relating to its day-to-day business operations, including the transportation of products, construction of stores and an operation of its retail outlets.

Apparel & Accessories
Burberry designs the majority of its products in the UK. Finished products are manufactured at both Company-owned facilities in the UK and through an external supplier network. Approximately three quarters of this finished goods production takes place in the Europe, Middle East, India and Africa
region, including a large proportion in Italy, where Burberry has many long standing relationships some lasting over 25 years. Outside the EMEIA region, Burberry has a smaller number of suppliers.

Beauty
The majority of the Beauty supply chain (which includes fragrance and cosmetics) is based in EMEIA, with the majority in France and with some suppliers sourcing from outside the EMEIA region.

Licensees
Burberry has two product categories which are produced by a third party under licence – eyewear by Luxottica and watches by Fossil. Once the Fossil licence expires in December 2017, it will not be renewed. Burberry’s Corporate Responsibility team works with these suppliers to ensure they apply consistent standards which are aligned with those applied across the rest of Burberry’s supply chain.

Raw materials
In addition to the supply chain for finished goods, Burberry is also aware of the importance of its raw material supply chain and the sustainability of raw material suppliers. Burberry’s key raw materials include cotton, leather and cashmere, which are sourced from suppliers globally. Burberry is expanding its focus to work with these suppliers to evaluate their labour standards and also traceability in their own supply chains.

Business operations
As a large global organisation, Burberry has many other supply chains related to general business operations, including but not limited to retail stores, Burberry.com, offices, marketing and transport. Burberry continues to promote transparency throughout its operations with the aim of safeguarding employment conditions in these supply chains.

Respecting Human Rights
Burberry believes that respect for human rights is integral to being a responsible company. The prevention of forced, bonded and trafficked labour, are key elements of Burberry’s Human Rights Policy and Ethical Trading Code of Conduct. The policies are based on the Conventions of the International Labour Organisation and the United Nations Declaration of Human Rights and are available to view here: http://www.burberryplc.com/corporate_responsibility/our-approach/responsibility-policies-and-statements

For over 10 years, Burberry has had a programme aimed at safeguarding the labour conditions in its product supply chains. In 2014, Burberry conducted a Human Rights Impact Assessment on its business operations, developed alongside human rights specialists Ergon. This assessment highlighted some areas of its business operations where there was a potential human rights risk. For example, in the construction of retail stores and office space as the construction industry was known to pose a high risk to both local and migrant workers. Since the assessment, Burberry has been working with internal teams to promote transparency and Burberry’s Human Rights Policy and Ethical Trading Code of Conduct in these areas of its business operations.

Promoting Human Rights across our business
To help promote Human Rights across our business, our network of business associates and extended supply chain are required to comply with our Responsible Business Principles (“Principles”) (formerly known as the Ethical Trading Policy). Burberry’s Chief Creative & Chief Executive Officer (CC & CEO) has overall responsibility for the Principles, and their implementation is overseen by the Chief People & Corporate Affairs Officer who reports to the CC & CEO.
The Principles have been informed by our membership over several years of the United Nations Global Compact and the Ethical Trading Initiative, and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization. They also include commitments in accordance with the UK Bribery Act 2010 and the United Nations Guiding Principles on Business and Human Rights and its framework of Protect, Respect and Remedy.

The Principles apply to all Burberry business associates which include (but are not limited to): finished goods vendors, raw material and component suppliers, non-stock vendors, construction contractors, franchisees, consultants and service providers.

The Principles particularly cover the following policies (as well as the Code of Ethical Business Principles, Anti-Bribery and Anti-Corruption Policy and Global Environmental Policy):

- **Ethical Trading Code of Conduct.** This outlines requirements which all business associates must uphold in relation to their own employees and throughout their own supply chain networks. This code is based on the Ethical Trading Initiative (ETI) Base Code, United Nations Universal Declaration of Human Rights and The Fundamental Conventions of the International Labour Organisation (ILO). The code includes, amongst other standards, requirements that all business associates must follow: that employment is freely chosen, child labour shall not be used, freedom of association and no harsh or inhumane treatment shall occur. The Code of Conduct is available to view here: http://www.burberryplc.com/documents/corporate_responsibility/ethical_trading_code_of_conduct_1_.pdf

- **Burberry Migrant Worker Policy.** This is specifically intended to protect workers who may be potentially vulnerable to exploitation in the course of international migration. The Policy requires that associates do not retain their employees’ passports, ID cards and similar documents, in order to facilitate unhindered freedom of movement, and prohibits the levying of recruitment fees on employees by the business associate or their recruitment agencies. Within the Burberry finished goods supply chain, there are no workers being charged a recruitment fee. Other conditions laid out within the policy relate to repatriation, discrimination and living terms.

- **Responsible Sourcing Policy.** This outlines Burberry’s commitment to responsible and sustainable business principles throughout the supply chain, including at the sourcing stage of raw materials. The policy specifies requirements for many materials used by Burberry, including, cotton, leather and other materials whose cultivation or production presents a specific sustainability risk. Burberry outlines specific prohibited sourcing regions where the risk of modern slavery and other labour rights issues is recognised, this includes the prohibition of cotton sourced from Uzbekistan.

- **Burberry’s Partner Non-Compliance Policy.** Where breaches of our standards and policies are identified, Burberry collaborates to find solutions to address the non-compliance. Where improvements are not made within a given time or there is an unwillingness to address the issue, Burberry may consider terminating the business relationship. However, the policy is designed to allow a reasonable amount of time to rectify any non-compliance with the Principles to minimise any potential and/or detrimental impact on the workers’ livelihoods.
Compliance with the Principles

Compliance with the Principles is a requirement of doing business with Burberry. Burberry works with its business associates to support their compliance, and may take action against those that do not demonstrate sufficient commitment to the Principles, or are in breach of them. In the event of a business associate being found to be involved in modern slavery, Burberry would take action firstly to help safeguard the workers’ wellbeing and then to support the business associate with its remediation process including any actions to identify and address root cause issues.

Monitoring and verification activities are carried out throughout our finished goods supply chain to support compliance with the Principles. For example, before Burberry places an order for production in a finished goods factory, the factory owner is required to sign a Letter of Undertaking, confirming their agreement to abide by the Principles and applicable local laws and to being subject to regular and independent assessment by Burberry or a third party. A social audit (in some instances unannounced) is carried out to assess the factory’s compliance with the Principles and applicable local laws, and the Burberry Ethical Trading Team must be satisfied that the factory is committed to the Principles before the factory is sanctioned to produce goods for Burberry. Audits consist of worker interviews, document reviews and site tours, and are carried out periodically to confirm ongoing compliance and continuous improvement. These audits are carried out either by a Burberry auditor or third party auditor depending on the complexity of the audit.

Burberry is conscious that monitoring alone does not drive improvements in labour conditions and therefore has a number of other programmes to support its supply chain partners. In China for example, labour rights issues can include inadequate access to remedy. Burberry has worked with two local Non-Governmental Organisations – Inno Community Development Organisation and Institute of Contemporary Observation - to establish a hotline providing over 19000 workers across 33 factories with improved access to remedy. Burberry responds to complaints received through the hotline by working with the relevant supply chain partner. Burberry intends to extend this service to cover all its finished goods manufacturers, including Beauty, by the end of 2017. This hotline is an important source of access to remedy in the Burberry supply chain, and the information obtained through production worker calls assists Burberry in the development of its strategy in relation to labour rights issues including modern slavery.

Training

Burberry’s Ethical Trading team, includes specialists on labour rights and human rights, including modern slavery. All Burberry employees are introduced to the Company’s Corporate Responsibility policies and programmes during their induction training to ensure a general understanding of Burberry’s responsibilities in this area.

In 2015, Burberry convened a human rights training event at the London based Horseferry Campus, for both Burberry employees and those from a number of peer organisations in recognition of the need to collaborate to address the complex supply chain challenges. This training was carried out by Shift, the leading centre of expertise on the UN Guiding Principles on Business and Human Rights.

Informed by Burberry’s Human Rights Impact Assessment, specific modern slavery and labour rights training is currently being developed for key Burberry employees who interact with Burberry’s supply chain networks. It is also intended to support those travelling to supply chain facilities so that they are familiar with the risk areas, likely indications of human rights abuses (including instances of modern slavery) and possible actions to take in the event that an incident of modern slavery is identified.
Burberry is also in the process of developing online training to be rolled out to all supply chain partners. Participation and completion of the training will be recorded and monitored by nominated individuals at Burberry.

**Embedding human rights across our business**

Burberry has a Corporate Responsibility team consisting of over 30 specialists globally, based in locations aligned with its product supply chain such as the UK, Italy and Hong Kong. The CR team manage the ethical trading audit and engagement programme as well as progress towards environmental targets.

Although the ethical trading activities are coordinated by the Corporate Responsibility team, the targets to improve working conditions in the supply chain are the responsibility of the Supply Chain and relevant Sourcing teams. Burberry has a range of targets aimed at continuous improvement of labour conditions in finished goods factories. Last year, Burberry recorded a positive shift in ethical trading performance by the Company’s apparel and non-apparel partners. Burberry employees who are responsible for supply chain partner relationships and sourcing also have personal KPIs related to labour conditions, as Burberry recognises the potential impact of fair purchasing practices on labour conditions throughout the supply chain.

Burberry is in the process of developing additional performance indicators to measure how effective its human rights approaches have been to mitigate specific risks. Burberry expects these performance indicators to be region specific due to the varying risks posed globally.

The Ethical Trading Programme is supported and monitored internally by a number of management Committees. The Programme aims to ensure that the potential risks to labour and human rights (including forced, bonded and trafficked labour) are considered at all appropriate levels and areas of the business. The Chief People and Corporate Affairs Officer reports on this to the Group Risk Committee, which reports on its activities to the Board’s Audit Committee.

The Responsibility Working Group is chaired by the Chief People and Corporate Affairs Officer and provides a forum for the discussion of corporate responsibility matters at a senior level. This includes the exploration of emerging responsibility issues from an environmental, ethical trade and community perspective and the development of resulting strategies for recommendation to the Senior Leadership team. The Group consists of core members including, the Chief Operating Officer, Chief Financial Officer, Chief Customer Officer, Chief Supply Chain Officer and the Vice President of Corporate Responsibility.

Additionally, Burberry’s Ethical Trading targets and sustainability strategy are formally reviewed by the Burberry Impact Advisory Committee (BIAC) composed of International NGOs including Forum for the Future and an expert in labour rights representing an international NGO. The BIAC reviews the programme strategy and implementation and its views inform the Ethical Trading Programme. This forum provides an opportunity to gain an outside perspective to determine whether Burberry is focusing its actions and resources on the most salient labour rights’ risks throughout our operations.

**Looking ahead**

Burberry continues to develop its Ethical Trading programme to target areas of its business where there is a potential risk of labour rights abuses including incidences of modern slavery. Together with the priorities highlighted by the 2014 Human Rights Impact Assessment, Burberry believes that further training for employees and its supply chain, with an increased emphasis on transparency throughout the supply chain, may help identify modern slavery risks. Should any instances of modern...
slavery be identified, Burberry believes it is well positioned to address these and to support any affected workers’ in line with its core values.

Approved by the Board on 11 May 2016 and signed on its behalf by:

Carol Fairweather
Chief Financial Officer
2 June 2016