

**MODERN SLAVERY ACT 2015 AND
TRANSPARENCY IN SUPPLY CHAINS ACT 2010
FY 2019/20 BURBERRY GROUP PLC STATEMENT**

BURBERRY

LONDON ENGLAND

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). It sets out the steps we have taken during the financial year 2019/20 (the “Year”) to prevent slavery and human trafficking from taking place in our supply chains or in any part of our business.

This statement is also made on behalf of the following subsidiaries of Burberry Group plc (company number 3458224); Burberry Limited (company number 162636), Burberrys Limited (company number 230931), Burberry (UK) Limited (company number 4288292), Burberry International Holdings Limited (company number 4251867), Burberry Europe Holdings Limited (company number 4458720), Thomas Burberry Holdings Limited (company number 3509143), Burberry Haymarket Limited (company number 4868493), Burberry Holdings Limited (company number 4251948) and Burberry London Limited (company number 4251951) and the actions and operations set out below are effective across the Burberry group.

INTRODUCTION

As a luxury fashion brand, with over 10,000 employees, a global retail network and a supply chain touching the lives of thousands of people worldwide, we are committed to being socially and environmentally responsible.

Burberry has a long-standing commitment to sustainability and supports a wide range of social and environmental programmes. These programmes, which cover our operations, our supply chain and extend to the communities around us, are designed to drive positive change and build a more sustainable future through continuous innovation and collaboration. Combatting slavery and human trafficking are core to this agenda.

As part of our current five-year responsibility strategy, we set ambitious goals for 2022, focused on addressing our most material social and environmental impacts, while supporting The Burberry Foundation in fostering innovation and transforming the lives of people in our communities. This agenda supports the aims of the Paris Climate Agreement and progress towards attainment of the United Nations Sustainable Development Goals.

We published our fourth Modern Slavery Statement in June 2019 and over the past year have continued to increase the depth and breadth of our ethical trading programme by reviewing our policies, developing our due diligence efforts upstream in our supply chain and delving deeper into our modern slavery risks. We have also collaborated with cross-industry groups, such as the Ethical Trading Initiative's Modern Slavery Working Group, Business Against Slavery Forum and The Issara Strategic Partner Program to help target modern slavery.

OUR BUSINESS AND SUPPLY CHAIN

We design, source, make and sell luxury fashion under the Burberry brand and our business model is focused on creating long term sustainable value for all our stakeholders.

Design: Several areas of the business, including the design, strategy, marketing and responsibility teams are involved in the early stages of product development. Having a cross-functional approach ensures we remain relevant while enabling us to deliver maximum value and control costs. Product design and development are centred in Burberry's headquarters in London, UK.

Source: We source materials based on their quality and sustainability, working closely with our network of global suppliers. We innovate to bring our brand vision to life with new materials, techniques and design considerations to remain at the forefront of fashion, while limiting the environmental impact of our activities.

Make: We are focused on reducing, reusing and recycling the waste we create, while looking for innovative solutions to move towards a circular business model. In parallel, we continue to invest in product to drive improvement in quality.

Sell: We sell our products globally in our stores (both owned and franchised) and online at Burberry.com, as well as through third-party wholesale partners. In a few selected areas such as beauty and eyewear, we use the product and distribution expertise of licensing partners.

Contributing to local economies and partner value: Operating across the world, we contribute to local economies and support the communities around us. We add value to societies both directly and indirectly through our business operations and by partnering with Non-Governmental Organisations (NGOs) on community programmes.

SUPPLY CHAIN

Our supply chain network supports the production of our apparel and accessories products, and our general day-to-day business operations.

APPAREL AND ACCESSORIES

Finished products are manufactured at both company-owned facilities in the UK and Italy, and by an external supplier network. A large proportion of our finished goods production takes place in Europe, where Burberry has many long-standing relationships, including some for more than 15 years. Over 75% of the finished goods facilities we source from are covered by National and/or Industrial Collective Bargaining Agreements and many have established union representation enabling workers to remain informed and involved in discussions about their rights. We believe that these strong supplier relationships are key to ensuring continuous improvement in supply chain working conditions and we work towards minimising supplier turnover, where possible. We have visibility of all finished goods manufacturing suppliers, their sub-contractors and supporting facilities, as well as mills, tanneries and trim suppliers.

RAW MATERIALS

We believe that the sustainability of suppliers within our raw material supply chain is key to ensuring overall responsible sourcing of our products.

The key raw materials we use are cotton, leather and cashmere and we have targets within our five-year strategy to source these more sustainably. Further detail on our raw material sourcing targets is available here: [Burberry Product Strategy](#).

This year, we continued to expand our responsibility programme to also include the assessment of mills, tanneries and trim suppliers and their sub-contractors, covering 70% of our raw material suppliers.

LICENSEES

We have granted two product category licences under the Burberry brand to third parties, namely to Coty to produce beauty products and to Luxottica to produce eyewear.

Our responsibility team works with both to ensure they apply consistent standards which align with those applied across the rest of Burberry's supply chain.

BUSINESS OPERATIONS

As a large global organisation, we have many other supply chain operations across EMEA, Americas and Asia Pacific relating to general business operations, including but not limited to retail stores, our e-commerce and business websites, offices, marketing and transport.

We continue to communicate our commitments and policies designed to prevent forced, bonded and trafficked labour through our Responsible Business Principles (the "Principles"). Further details are set out in the following sections.

From FY 2018/19 onwards, we included our packaging, visual merchandising, repurposing and recycling supply chains within our ethical trading programme, assessing risk, completing audits when required and working with suppliers to implement continuous improvement plans.



POLICIES

We believe that respect for human rights is integral to being a responsible company. The prevention of forced, bonded and trafficked labour is a key element of Burberry's Human Rights Policy and Ethical Trading Code of Conduct.

To promote human rights across our direct and indirect business operations, we require our network of business associates and extended supply chain to comply with our Principles.

The Principles have been developed in line with our commitments and experience over a number of years. They have been informed by our longstanding membership of the United Nations Global Compact and the Ethical Trading Initiative (ETI), and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization.

We review and update the Principles on an annual basis to ensure that they align to the latest good practice guidelines and any emerging regulatory requirements. The Principles apply to all our business associates, which include, but are not limited to: finished goods suppliers, raw material suppliers, non-stock suppliers, construction contractors, licensees and franchisees.

Since 2016, the Principles have expressly addressed modern slavery risks. Incorporation of the Principles into our contracts with business associates ensures the provisions targeting modern slavery are also included. The Principles are overseen by Burberry's Ethics Committee, chaired by our General Counsel.

The policies are monitored by our responsibility and supply chain teams and enforced pursuant to the Burberry Non-Compliance Policy, detailed below.

The Principles include Burberry's Code of Ethical Business Principles, Anti-Bribery and Anti-Corruption Policy and Global Environmental Policy, and the following six policies.

ETHICAL TRADING CODE OF CONDUCT

This outlines requirements which all our business associates must uphold in relation to their own employees and throughout their own supply chain. The code includes, amongst other standards, the following requirements: that employment is freely chosen, child labour is not used, freedom of association is respected and no harsh or inhumane treatment occurs.

The full Code of Conduct is available here: [Burberry Ethical Trading Code of Conduct](#).

MIGRANT WORKER POLICY

This is specifically intended to protect workers who may be vulnerable to exploitation in the course of international migration. The Policy contains requirements including, but not limited to, the prohibition of withholding passports and similar documents and the levying of recruitment fees. Within the year, we updated and recommunicated this policy to suppliers to provide more guidance on implementation of the Dhaka Principles for Migration with Dignity.

The full Migrant Worker Policy is available here: [Burberry Migrant Worker Policy](#).

HUMAN RIGHTS POLICY

Burberry's Human Rights Policy sets out four key stakeholder groups – our people, workers in our supply chain, our customers and our communities – and the procedures we have put in place to protect and uphold human rights, including mechanisms in place to address any instances of potential infringement. The policy was developed with

reference to the United Nations Guiding Principles on Business and Human Rights. We assess human rights impacts and monitor labour conditions in both our own operations and our supply chain on a regular basis to ensure the policy is upheld.

This year, we reviewed and updated the Human Rights Policy to include greater detail on our human rights due diligence processes in relation to monitoring, reporting and assessment. In addition, we made reference to our willingness to collaborate as part of multi-stakeholder initiatives to combat modern slavery risks where relevant to our business. We also included further detail on our commitment to prohibit retaliation against anyone raising a complaint and to respect the rights of stakeholders raising human rights related concerns, including human rights defenders.

Further details of Burberry's Human Rights Policy are available here: [Burberry Human Rights Policy](#).

CHILD LABOUR AND YOUNG WORKER POLICY

We prohibit all forms of child labour in our own operations and throughout our supply chain. In our Ethical Trading Code of Conduct, we state that we will never use child labour and outline provisions for young workers.

Our Child Labour and Young Worker Policy expands on the Code of Conduct and includes standards relating to implementation, monitoring and remediation procedures which must be followed by all business associates.

Further details of the Child Labour and Young Worker Policy are available here: [Burberry Child Labour and Young Worker Policy](#).

RESPONSIBLE SOURCING POLICY

This outlines Burberry's commitment to responsible and sustainable business principles throughout the supply chain. The Policy outlines specific prohibited sourcing regions, where the risk of modern slavery and other labour rights issues is recognised. For example, the Policy prohibits sourcing from certain countries including, but not limited to, Bangladesh, Pakistan and Cambodia and prohibits any sourcing of cotton from Uzbekistan, Turkmenistan and Syria.

Further details of the Responsible Sourcing Policy are available here: [Burberry Responsible Sourcing Policy](#).

PARTNER NON-COMPLIANCE POLICY

Where breaches of our standards and policies are identified, Burberry collaborates with local partners 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, we may consider terminating a particular business relationship. The Policy is designed to allow partners a reasonable amount of time to rectify any non-compliance with the Principles, to minimise any potential detrimental impact on workers' livelihoods, while always reserving the right to terminate contracts and take any other legal action possible, depending on the nature of the breach.

Further details of the Partner Non-Compliance Policy are available here: [Burberry Partner Non-Compliance Policy](#).

In addition to the Principles, Burberry provides a range of resources and guidelines for employees to follow, which relate to a wide range of matters including personal conduct and whistleblowing. Burberry employees, contractors and agency workers across our operations also have access to a confidential whistleblowing hotline which



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ensures that there is always a way to report issues if usual routes of escalation are unavailable or restricted.

We continue to implement additional risk management of our global non-stock procurement supply chain to gain more visibility of areas of greater risk, such as labour suppliers and construction contractors. Suppliers are required to take responsibility for the prevention of forced, bonded and trafficked labour in their supply chain and certify that neither they nor any of their affiliates, contractors or sub-contractors engage or have engaged in any form of modern slavery. Over the last two years, we have increased the scope of due diligence to include our visual merchandising supply chain.

Compliance with the Principles is a requirement of doing business with Burberry. Adherence to the Principles is included in contracts with suppliers. Finished goods suppliers sign a letter of undertaking confirming, amongst other matters, their commitment to the Principles and responsibility to cascade the Principles to their suppliers. We work with our business associates to support their compliance, and may act 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, we would act first to help safeguard the affected workers' wellbeing and then to support the business associate with its remediation process, including any actions to identify and address root cause issues.

GOVERNANCE

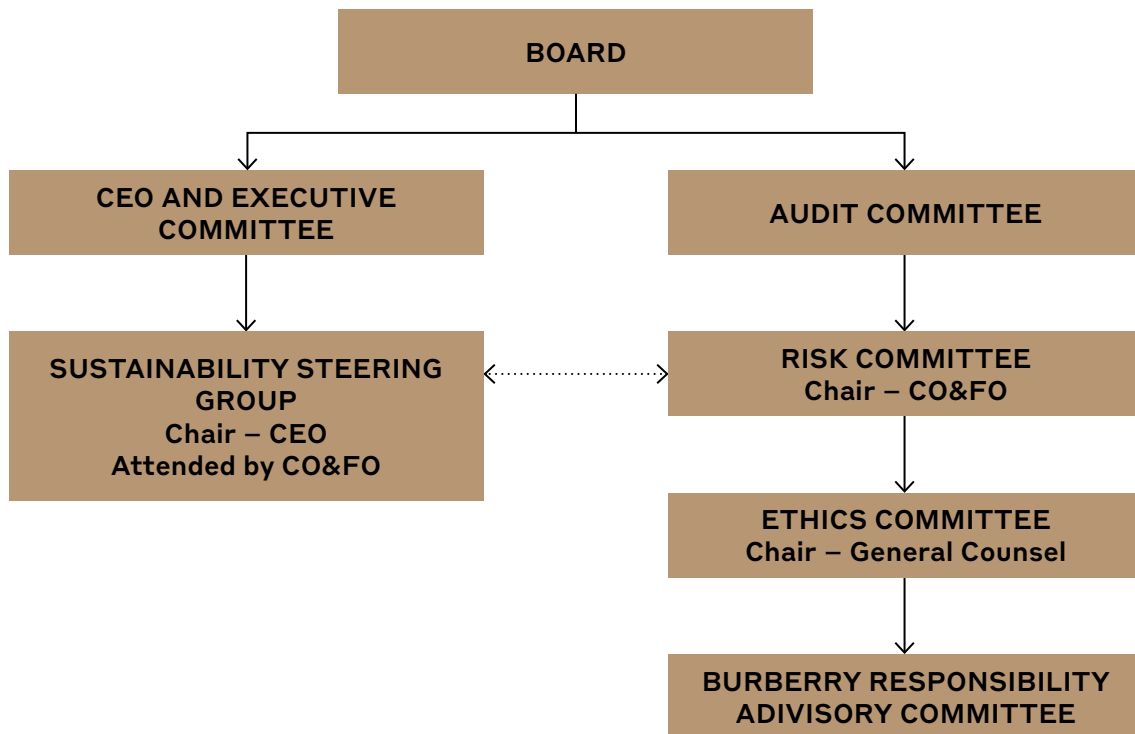
We continue to promote the management of modern slavery risks within Burberry and externally. In October 2017, Burberry became a founding member of the Business Against Slavery Forum alongside some of the UK's largest companies. The forum member companies share intelligence and best practice to help businesses identify, tackle and prevent slavery in their supply chains.

We have a global responsibility team consisting of 36 specialists in key locations globally. Although ethical trading activities are coordinated by our responsibility team, targets relating to working conditions in the supply chain are owned by our supply chain and relevant sourcing teams. Burberry employees who are responsible for supply chain partner relationships and sourcing also have personal KPIs relating to labour conditions, recognising the potential impact of fair purchasing practices on labour conditions throughout our supply chain.

Our 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 are considered at all appropriate levels and areas of the business.

Policies relating to human rights are reviewed and approved by the company's Ethics Committee. In the event that any labour or human rights risks are identified, the Vice President of Corporate Responsibility will report on such issues to the Ethics Committee as well as the Group's Risk Committee, which meets at least three times a year. The Risk Committee is chaired by the Chief Operating and Financial Officer, who sits on the Burberry Group plc board. The Risk Committee reports into the Group's Audit Committee, which is chaired by an independent non-executive director. Additionally, our ethical trading targets and sustainability strategy are reviewed by the Burberry Sustainability Steering Group, which is chaired by Burberry's Chief Executive Officer, and attended by the Chief Operating and Financial Officer, Chief Merchandising Officer, Chief Supply Chain Officer, Chief People Officer, Senior Vice President of Strategy and Vice President of Corporate Responsibility.

In addition, the Burberry Responsibility Advisory Committee (BRAC), which includes representation from Forum for the Future, the ethical trading and human rights consultancy Impactt and international NGOs including Oxfam, provides a third-party perspective on our programmes to help determine whether we are focusing our actions and resources on the most salient labour rights risks. Please refer to our governance structure chart below.



DUE DILIGENCE AND ASSESSMENT OF OUR SUPPLY CHAIN

Over the last 16 years, we have had a programme aimed at monitoring the labour conditions in our product supply chains and safeguarding the workers engaged in that supply chain.

Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chains to support compliance with the Principles. To ensure our supply chain mapping stays up to date, we operate a strict approval process and conduct a transparency analysis with our vendors and commercial teams each season. Following this analysis, we conduct an assessment to identify any new or emerging areas of risk.

New raw material suppliers are required to confirm they will adhere to the Principles and comply with applicable local laws. They agree that we may visit and assess their own compliance and that of their suppliers. Before any new supplier is approved to participate in the Burberry supply chain, they are risk assessed for social compliance

and any indication of forced, bonded or trafficked labour. If during this risk assessment a vulnerable workforce or geographical location risk is identified, a full audit will be completed and the results and the remediation plans (if any) will be evaluated before a decision on whether or not to approve is taken.

In addition, before a factory is approved to produce Burberry finished goods, we assess its compliance with the Principles and applicable local laws and commitment to uphold them. The responsibility team must be satisfied that the factory will uphold these standards before giving approval for production to begin. Audits, announced or unannounced, consist of worker interviews, document reviews and site tours, and are repeated periodically to confirm ongoing compliance and continuous improvement. The frequency of audits depends on the level of performance in previous audits – better performing factories are audited less frequently. Worker interviews are always conducted confidentially and workers are selected at random with fair representation of the workforce, including, for example, union and worker representatives, first aiders and migrant workers. Our audit methodology prescribes that we interview at least 10% of the workers in a factory. Between audits, our responsibility team works closely with facilities to implement systems to prevent modern slavery and improve the management of human rights and safety risks, amongst others. During the period FY 2019/20, we conducted 631 audits and 71 engagement visits.

ASSESSING OUR HUMAN RIGHTS IMPACT

Every two years, we conduct a Human Rights Impact Assessment of our operations and activities and those of our extended supply chain to identify and address potential risks. As part of this process we regularly engage representatives of affected stakeholder groups, such as through supply chain worker interviews and by engaging with local NGOs, to develop informed mitigation plans.

We have implemented a number of action plans in both our direct operations and supply chain, including a focus on migrant workers and women throughout the different levels of our supply chain as we identified that these groups are more vulnerable to modern slavery risk. Action plans include context specific interventions such as mapping recruitment journeys in identified hotspots, building worker voice mechanisms in these areas and working with experts to integrate gender sensitive processes and metrics into our programmes.

After the 2016 assessment, we expanded our ethical trading assessments to cover select construction projects and all distribution and fulfilment centres globally. From FY 2018/2019 we have been assessing the repurposing and recycling facilities we work with as recycling facilities in particular can rely on a large contingent labour workforce. Other areas identified in the FY 2018/19 assessment include recruitment practices in all owned and third-party distribution centres globally, promotion of access to remedy in our key supply chain locations, and upholding of labour rights in our raw material supply chains. Where we have identified a salient forced labour risk, ethical trading assessments are conducted by our internal teams or by a local NGO, where local expertise is needed, to identify any labour rights issues and remediation required.

Further details on our Human Rights Impact Assessment are available here: [Burberry Human Rights Impact Assessment](#).



Monitoring alone does not drive improvements in labour conditions and therefore we have several programmes in place to support our supply chain partners to improve labour conditions:

WORKER GRIEVANCE MECHANISM

Labour rights issues can include inadequate access to remedy. Where this occurs, we work with local NGOs to establish a hotline to share information with workers on their labour rights, create a mechanism to report grievances and provide psychological support. The effectiveness of the hotline is frequently reviewed and, during FY 2019/20, 598 calls (26 complaints, 533 consulting requests and 39 psychological support requests) were received. Resolutions were monitored closely by our local responsibility teams.

We continue to review access to remedy and we will extend the hotline where required, prioritising suppliers with migrant workers.

WORKER WELLBEING

We continue to work on programmes to capture comments and grievances from workers in our supply chain globally and address issues raised.

We have used a tool we developed with Oxfam to measure worker wellbeing in our supply chain. We have captured comments and feedback from approximately 2750 workers across 15 facilities globally.

The results have been used to develop specific action plans for each factory. To date, these action plans have focused on the development of human resources management systems, worker and supervisor training programmes and policy implementation.

CHAMPIONING DIVERSITY AND ENSURING INCLUSIVITY

Diversity and Inclusion is a key priority for our business. To champion diversity and ensure inclusivity, we review and monitor where we could make a greater impact and help where its most needed.

Following our FY 2018/19 Human Rights Impact Assessment, we have created a theory of change and programme plan for migrant workers within our supply chain, focused on ensuring fair treatment, no discrimination and ensuring workers can flourish both at work and in their community.

We have mapped particular risk areas and are working closely with local expert organisations and our suppliers to develop roadmaps to mitigate risk to domestic and international migrant workers in key supply chain locations.

In FY 2019/20, we introduced an inclusivity programme in Italy with a third-party communication agency and a cultural mediator association to increase vulnerable workers' access to local institutions and public services. The overall aim of the programme is to empower workers, thereby reducing risk of modern slavery and in the long run, have a positive impact on social inclusion. The programme utilises social media platforms to connect vulnerable people to over 40 local institutions and services. This year has seen high engagement rates for articles, especially those sharing information on coronavirus, health services, education and parenting services.

We will continue to strengthen our commitment by continuously reviewing our programmes and taking action where needed.

TRAINING AND RESOURCES

Our responsibility team includes specialists in labour, human rights and modern slavery. All Burberry employees are introduced to Burberry's responsibility policies and programmes during their induction training to ensure a general understanding of Burberry's responsibilities in this area.

INTERNAL TRAINING

Informed by Burberry's Human Rights Impact Assessment, in FY 2016/17 we developed a bespoke modern slavery and labour rights training programme in collaboration with the ethical trade, human rights and labour standards consultancy, Impactt. The training was delivered to key employee groups who interact with Burberry's supply chain networks. The targeted training helps those travelling to supply chain facilities to be familiar with the risk areas, likely indications of human rights abuses (including instances of modern slavery) and possible actions to take if an incident of modern slavery is identified. In addition, we have trained members of our human resources, health and safety, construction and fulfilment teams on modern slavery, how to identify it and appropriate actions to take. This training has helped embed respect for human rights and a policy of zero tolerance for modern slavery throughout the business. In FY 2020/21 we will create new online resources and refresher trainings to reach a wider audience of employees to further embed awareness and risk mitigation into our culture.

SUPPLY CHAIN TRAINING

In FY 2016/17, we provided day-long tailored training to suppliers on identifying and combatting modern slavery. In-person training sessions were held with finished goods vendors who together manufacture over 70% of our products. Initially, this training was provided to key finished goods and raw material suppliers, third-party labour contractors and suppliers operating in sectors with a greater risk of modern slavery issues arising. Participants were required to develop and implement plans around the recruitment and ongoing management of workers to reduce the risk of modern slavery in their operations and supply chain. These plans continue to be monitored on an ongoing basis by our responsibility team. In FY 2018/19, our UK responsibility team completed an "Investigative Interviewing Skills" course developed and delivered by the Gangmasters Labour Abuse Authority and Stronger Together. The skills learned have been used to improve our ethical trading audit methodology and have provided insight when working with our regional teams.

KEY PERFORMANCE INDICATORS

We monitor the Key Performance Indicators (KPIs) set out below on an ongoing basis. These KPIs help us ensure the effectiveness of our efforts to address modern slavery risks and are continually reviewed

INTERNAL TRAINING

We train all internal teams working with our business and product supply chains. This includes sourcing, supply chain and logistics, product development, human resources, legal, construction, procurement and workplace services.

In FY 2020/21, the supply chain, sourcing and product teams will receive online resources and a refresher training to raise awareness of modern slavery risks.

SUPPLY CHAIN TRAINING

We have trained finished goods suppliers, their key sub-contractors and key raw material suppliers on the identification of modern slavery and building systems to prevent the occurrence of modern slavery.

WORKER VOICE

We continue to implement initiatives to strengthen workers' access to information and the ability to raise grievances as well as to measure worker wellbeing.

In FY 2019/2020, Burberry's worker hotline received 598 calls, categorised as 26 complaints, 533 consulting requests and 39 psychological support requests. We have also surveyed approximately 2,750 workers across 15 facilities globally to build a better understanding of workers' wellbeing and identify opportunities for improvement. Following this, we introduced a communication training programme in two European production facilities. The aim of the programme was to build communication skills between workers, supervisors and factory management. As a result, the facilities introduced stronger worker consultation and feedback mechanisms, therefore improving dialogue with their colleagues.

In the coming year, we will continue to use the results of the facility-level wellbeing surveys to improve the KPIs we review across facilities.

AUDITS & ASSESSMENTS

In FY 2019/20, we conducted 631 audits and 71 engagement visits or training sessions. The majority of these activities were conducted by our internal responsibility team who endeavour to build trust in our ongoing partnerships and drive continuous improvement.

The audit and assessment programme covers all our finished goods facilities and their sub-contractor supply chains, and 70% of our raw material supplier mills, tanneries and trim or component facilities.

Through this year's audits of the product and licensee supply chains, we have identified instances at 11 facilities where workers have paid recruitment related fees, specifically for pre-employment health checks. We have worked with the facilities' management teams to ensure workers were refunded. To prevent future issues, we continue to work with our suppliers to review recruitment journeys and develop fee-free recruitment chains

In addition, in an area of our supply chain where we identified a group of migrant workers paying fees during a complex recruitment journey, we have been working with a local NGO, Issara Institute, and two suppliers who operate four facilities to build worker voice and remediate any fees paid by existing workers, whilst developing an ethical recruitment route for workers in the future.

LOOKING AHEAD

We continue to strengthen the breadth and depth of our ethical trading programme and implement the action plans resulting from our FY 2018/19 Human Rights Impact Assessment. In FY 2020/21, we will conduct another Human Rights Impact Assessment to capture any new or emerging risk and impact areas and will develop mitigation plans where required. We will also develop online tools and resources to provide employees with relevant training to help them identify risks of modern slavery and to further embed risk mitigation into our culture. We believe that our focus on transparency and traceability throughout the supply chain will help identify modern slavery risks which can then be addressed.

We continue to review our own business operations and procurement procedures to ensure that risks of modern slavery are considered.

Should any instances of modern slavery be identified, we believe we are well positioned to address these and to support any affected workers in line with our core values.

Approved by the Board on Thursday 7 May 2020 and signed on its behalf by:

Marco Gobbetti

Chief Executive Officer and Executive Director

Burberry Group plc

A handwritten signature in black ink, reading "Marco Gobbetti". The signature is written in a cursive, flowing style with a prominent initial 'M'.