BURBERRY SUPPLY CHAIN SCREENING AND MANAGEMENT PROCESS

Burberry places the highest importance on the welfare of its customers and employees globally, as well as on its broader societal and environmental impact.

We have an active and on-going programme dedicated to reducing the environmental impact of our supply chain, working in collaboration with our supply chain and NGOs. This includes a <u>commitment</u> to eliminate from our supply chain the release of chemicals that can have an environmental impact, going beyond required international environmental and safety standards.

To ensure that Burberry is appropriately positioned to deliver on its commitment we have dedicated programmes in place to achieve full traceability of our raw materials. This requires us to deeply engage with our supply chain in an effort to familiarise raw material manufacturers with our current standards and future expectations. Additionally, we are rolling out a programme to train our extended supply chain on chemical use and remain open to joint training initiatives with equally committed brands.

Burberry recognises the importance of identifying chemicals which have a potentially negative impact on our environment and this is core to our screening and management processes.

We will regularly analyse products in our ranges to identify any deliberate use of listed chemicals and work with suppliers who require specific action on compliance issues, in order to highlight and support any areas of concern.

In order to achieve this, we will build a formal and rigorous testing regime to identify problem areas in advance of product manufacture to target listed chemicals that are either used deliberately or present as traces.

As previously communicated, we are committed to phasing out the 11 chemical groups listed: APEO's, Phthalates, PFC's, Brominated and chlorinated flame retardants, Azo dyes, Organotin compounds, Chlorobenzenes, Chlorinated solvents, Chlorophenols, Short chain chlorinated paraffins and Heavy metals such as cadmium, lead, mercury and chromium (VI). As planned, when we are in a position to phase in fully evaluated and registered replacement chemicals that are proven to deliver customer satisfaction; we will take the necessary steps. This will require close collaboration with other stakeholders in the textile and chemical industry, especially in cases where suitable alternatives are not yet readily available.

We recognise that, whilst our current products are safe and legal according to existing standards, we must continue to work closely with our supply chain and leaders in the field of chemical management to continually reduce the use of potentially harmful chemicals in our industry. Burberry is also fully supportive of industry moves to substitute harmful substances with safer alternatives.

We also fully support initiatives to spread industry best practice and raise awareness of safer chemical use in the apparel industry. We will work to ensure substitution case studies are posted on Subsport, a database of resources for safer alternatives to such chemicals.

Burberry has been working to share the details of a past substitution case, in relation to the water and stain proofing of a key fabric. This case study is available on the Subsport website at http://www.subsport.eu/case-stories/403-en.

Next steps:

 Burberry will contribute to a joint initiative of brands collectively working towards eliminating the release of chemicals which may be harmful to the environment by 2020

- Through this forum and the support of industry experts (including NGOs) we will develop a plan to evaluate the inventory of chemicals used in textiles by their intrinsic risk to the environment and establish a sector wide list of such chemicals (black list).
- For chemicals that are identified to pose a risk to the environment, we will develop plans for elimination.
- We will set clear standards and guidelines and work with our supply chain.
- We will train and support our supply chain through the process of elimination with information and technical resources.
- Other chemicals may be identified for further research and analysis.
- We will work to develop an ongoing assessment framework which will link to other efforts of chemical analysis in the industry.