

BURBERRY ANNUAL PROGRESS REVIEW

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 commitment 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.

Specifically Burberry has delivered on the following.

PARTNER ENGAGEMENT: CONTRACT LANGUAGE

Burberry has revised its official contract language with supply chain partners, to reference our planned elimination of the 11 priority chemical groups and the specific timeframes for this elimination. These new terms and conditions have been issued to all existing and new Burberry partners.

PRODUCT

Burberry has implemented an intense programme to achieve chemical elimination in line with our commitment of January 2014 to eliminate chemicals from products which can have a negative impact on the environment, by prohibiting the use of these chemicals within our global apparel supply chain. The use of both APEO and Phthalates has already been banned in the production of Burberry products.

Burberry will continue to work closely with its supply chain partners, chemical companies and other brands to further overcome technological constraints to achieving and reporting complete chemical elimination.

Product and material compliance with the applicable chemical restriction is a mandatory requirement for all Burberry supply chain partners.

PRODUCTION

Burberry has initiated a testing regime on product, effluent, raw material and chemical formulations. The results of this testing specific to APEOs and Phthalates are publicly available on the Burberry Group Plc. website. Recent testing of PFCs demonstrates positive progress in the transition of water repellent finishing away from PFCs.

Burberry will continue to implement this testing regime, focusing efforts on chemical formulations and raw materials, to ensure the 11 priority chemical groups are not being used in accordance with our commitment deadlines.

In addition to this, Burberry has initiated a programme to monitor and improve chemical management in apparel supply chain partner facilities as part the rollout of the Burberry MRSL, which includes a tailored introduction session with our key partners involved in wet processing.

EFFLUENT TESTING

Burberry is committed to ensuring the highest quality of all its products, and as such sources items based on the highest level of expertise available within a specified product area.

The majority of Burberry finished goods manufacturing is based in Europe, with Italy as the largest sourcing country, focused on Burberry Prorsum (the most fashion forward collection centred around runway shows), London (the tailored collection) and accessories.

Approaching 10% of Burberry finished product is made in the UK including in Burberry's own manufacturing facilities. Predominantly Burberry Brit (the most casual collection) is manufactured outside of Europe.

Our second tier raw material suppliers, specifically where wet processing occurs, is where we have focused on effluent testing.

As of today's date, data is posted on the IPE Green Choice Alliance website (Detox platform) website representing 68% raw material wet processing by volume.

During the course of 2014 we have initiated testing at 66 wet processing sites accounting for over 80% of raw material wet processing volume and in accordance with our target deadline of the end of December.

All sites in China publish results of the effluent testing on both Detox and PRTR platforms on the IPE Green Choice Alliance website.

Effluent testing, at second tier raw material wet processing facilities, has taken place in the following countries:

	% Quantity
ITALY	21%
TURKEY	13%
CHINA	33%
S KOREA	4%
TAIWAN	6%
UK	4%
	81%

MRSL FUTURE FOCUS

Burberry has developed an MRSL with reference to the ZDHC MRSL and in consultation with industry experts. It contains strict limits on commercially available chemicals, chemical mixtures and chemical formulations used in manufacturing processes associated with Burberry products.

The Burberry MRSL takes into consideration the technical limitations of chemical manufacturing by establishing strict limits on unintentional substance use where zero use is not currently possible. Burberry intends to evolve the current MRSL detection limits to reflect developments in chemical manufacturing ensuring that the latest commercially available technological limits of detection are applied. This reflects the commitment undertaken in January 2014.

To meet these requirements Burberry will continue to engage both individually and in groups with stakeholders in the chemical manufacturing industry in order to support the improvement in the capabilities of chemical formulations.

CONCLUSION

Burberry will continue to publicly report progress towards its target to eliminate chemicals that can have a negative impact on the environment as part of its wider commitment to the reduction of its environmental impacts.