

BURBERRY
LONDON ENGLAND

GLOBAL ENVIRONMENTAL POLICY

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OUR COMMITMENT

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

Our Global Environmental Policy (the “Policy”) is informed by the Paris Climate Agreement and the Rio Declaration on Environment and Development. We are members of the UN Global Compact, the G7 Fashion Pact, and a signatory to the United Nations’ Fashion Industry Charter for Climate Action. In addition, we actively contribute towards the United Nations’ Sustainable Development Goals.

GOVERNANCE

The Responsibility team coordinates the day-to-day delivery of this policy’s commitments, liaising with each relevant internal team and tracking progress against them.

The Burberry Board is responsible for the oversight of this policy and Burberry’s senior leadership and management teams are responsible for the adherence and delivery which enables the company to continue to perform successfully and sustainably for our shareholders and wider stakeholders.

Environmental and social responsibility is an essential element of Burberry’s strategy for which the Board is responsible. The Board is also responsible for ensuring its approach to ESG topics is integrated into, and implemented across, the business. The governance framework of committees and advisory forums provide updates and key information to the Board to ensure it is able to make informed decisions. The Board receives updates on priorities relating to the environment, people, supply chain, communities, sustainable finance and communications regularly.

In FY 2019/20, a Sustainability Steering Committee chaired by the CEO was established to review and oversee the Group’s strategy on environmental and social issues. During FY 2021/22, we reviewed the governance of ESG topics. As part of this review, the Sustainability Steering Committee evolved to the Sustainability Committee, which will meet four times a year and is co-chaired by the CEO and CO&FO. The Sustainability Committee will report to the Board at least twice a year to enhance the Board’s monitoring of progress. The Chief Supply Chain Officer, the Chief People Officer, the Head of Ready-to-Wear, General Counsel, Senior Vice President Strategy, Vice President Corporate Responsibility and Senior Vice President Corporate Relations and Engagement are also members of the Sustainability Committee. Senior leaders are responsible for ensuring all decisions are taken with environmental and social impacts in mind.

The Company has a cross-functional working group responsible for delivering the recommendations of the TCFD and evolving the company's TCFD disclosures. The TCFD working group includes members from the Risk Management, Finance and Corporate Responsibility teams, and reports to the Risk Committee, which is chaired by the CO&FO. The Ethics Committee covers topics relating to ethics, compliance, environment and communities, and reports to the Audit Committee. The remuneration of the Executive Directors is partly linked to our progress in building a more sustainable future, including progress towards the Group's Responsibility goals.

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. The goals of our own operations are aligned to the Paris Climate Agreement 1.5 degree pathway and informed by an independent environmental impact assessment, initially conducted in 2012 and updated in 2018 and 2021, which measured the CO2 impacts arising from materials, energy, water, chemical inputs and waste, across all areas of our business and supply chain.

SCOPE OF THE POLICY

This Policy covers Burberry's 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" refers to any individual, entity, business, company, partnership or any other body or group associated with Burberry including, without limitation, any such individual, entity, business, company, partnership or any other body or group supplying products, goods, raw materials, components, services, real estate or anything else, directly or indirectly, to any member of the Burberry Group or otherwise working directly or indirectly with or on behalf of any member of the Burberry Group. This also includes any person (an "Indirect Supplier") providing products, goods, raw materials, components, services or anything else to (i) a direct supplier of Burberry or any other member of the Burberry Group or (ii) any other Indirect Supplier.

Burberry Associates include, without limitation, the following:

- finished goods vendors
- raw material and/or component suppliers
- people or entities who carry out any processing on any goods directly or indirectly supplied to Burberry
- all production sites of any Business Associate
- non-stock vendors
- construction contractors (and their construction sites)
- franchisees
- licensees
- joint-venture partners
- consultants
- contractors
- wholesale customers
- service providers
- agents
- landlords, and
- any subcontractor of the above

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.

BURBERRY 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 environmental 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 distribute our products and ensure our own built environments consider 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.

1. Energy use and associated carbon emission

1.1 We support the goals of the Paris Agreement to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels.

1.2 We will quantify, track and publicly report our GHG emissions, consistent with standards and best practices in measurement and transparency.

1.3 We will, and we require all our key Business Associates to, set energy reduction targets and devise programmes to achieve the targeted reduction within an agreed timeframe, while prioritising renewable energy. We will and we 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.

1.4 We will, and we 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.

1.5 We will, and we urge all our key Business Associates to, not install any new sources of coal-fired heat and power generation, and to promote the use of renewable sources. This is part of our commitment to no new coal-fired boilers in the supply chain by 2025.

1.6 For new and renovated Burberry operated build Facilities, we will endeavour to achieve sustainable building certifications such as BREEAM, LEED, or equivalent green building standards.

1.7 We will endeavour to use low-energy LED lighting in Burberry-operated Facilities.

2. Energy use and associated carbon emissions in transport

2.1 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.

2.2 We encourage third-party logistics suppliers to reduce their environmental impact, and work with key distribution partners on their carbon reporting relating to Burberry shipments and distribution.

2.3 We will monitor business travel by employees regularly and aim to minimise its impacts: video conferencing is encouraged whenever possible. The Burberry Group has embraced virtual communications as a standard business practice, internally and externally.

3. Air Emissions

3.1 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.

3.2 Noxious gases and particles should be treated prior to release from the Facility.

3.3 Air extraction devices should be installed where fumes are released directly into the Facility.

3.4 We and our Business Associates should set an air emission reduction target and devise a programme to achieve the reduction within an agreed timeframe.

3.5 Maintenance programme and operating procedure should be developed and implemented for in-house air treatment facility.

4. Waste

4.1 Principles of preventing, reducing, reusing, recycling and donating of all waste should be applied in accordance with the waste hierarchy to each waste stream

4.2 The Facility should identify non-hazardous and hazardous waste streams and develop a procedure for disposal, storing them separately.

4.3 A record should be kept of all hazardous waste produced, which should be stored in well-marked designated hazardous waste storage areas.

4.4 There should be no landfill or incineration (with or without energy recovery) of Burberry-owned unsaleable finished products.

4.5 No unauthorised burning or other disposal of solid waste should take place on site.

4.6 Only authorised contractors with a licence to do so should handle:

- any waste that is treated;
- non-hazardous and hazardous waste.

4.7 Containers should be dealt with appropriately e.g. cleaning and waste water treated before returning to an authorised handler.

4.8 We and our Business Associates should measure on-site waste arising, set a time-bound waste reduction target and devise a programme to eliminate waste in line with our long term goal to achieve circularity.

5. Chemicals

5.1 Burberry is committed to zero discharges of all hazardous chemicals from the whole lifecycle and all product procedures that are associated with the making and using of all products. This commitment is accessible [on burberryplc.com](https://www.burberryplc.com).

5.2 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 \(PRSL\)](#), in concentrations higher than those listed therein.
Business Associates should assess the conformity of their finished products and incoming raw materials 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 \(MRSL\)](#), 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.

5.3 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.

5.4 It remains the responsibility of Business Associates to comply with all applicable legislation by each country/state where the Business Associate conducts business, in addition to the Burberry Product Restricted Substances List and the Manufacturing Restricted Substances List.

5.5 In addition to the points listed above, we and our Business Associates are required to implement the measures outlined in the *Burberry Ethical Trade Audit – Chemical Questions* section [which can be found in the appendix of our Manufacturing Restricted Substances List]

5.6 Business Associates are required to comply with the requirements of the [Zero Discharge Hazardous Chemicals \(ZDHC\)](#) programme (as updated from time to time) in order to facilitate better chemical management practices.

6. Asbestos

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

7. Water

7.1 We will continue to assess our supply chain resilience to water to identify risks to our direct and Business Associates' operations and to drive improvements.

7.2 As part of our supply chain resilience assessment, we will map the geographical water risks of our entire wet processing supply chain, and support our business associates to do the same at least on an annual basis.

7.3 We and our Business Associates should track industrial and/ or domestic water consumption and wastewater volumes on an on-going basis.

7.4. Each Facility with wet processing is encouraged to elevate its water management practices, including monitoring its water balance, setting policies and procedures, setting water usage targets, promoting recycling and carrying out internal engagement.

7.5 Every effort should be made to reduce the water consumed at a Facility, including but not limited to, installing more water efficient equipment, adopting best practices, technology and innovations, recycling water and devising programmes to achieve the reduction within an agreed timeframe.

7.6 We and our Business Associates should explore opportunities for water-related innovation on an ongoing basis.

7.7 All of our sites and Business Associates' sites will comply with any local water withdrawal and discharge restrictions.

7.8 We are committed to water stewardship and working collaboratively to protect this shared resource.

8. Effluent Treatment

8.1 All effluent must be treated in a fully functional effluent treatment plant (ETP) before being discharged to the environment.

8.2 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 following the test, including the permit parameters they were reported against.

8.3 Facilities should have a back-up plan for when there is an emergency related to effluent.

8.4 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.

8.5 The Facility must identify waste water discharge sources and monitor the discharge in accordance with legislative requirements.

8.6 Wet processing Facilities must perform wastewater testing in accordance with the ZDHC Wastewater guidelines and disclose results on the ZDHC Gateway – Wastewater Module See the ZDHC Wastewater testing guidelines.

8.7 Maintenance programmes and operating procedures should be developed and implemented for in-house waste water treatment facility.

9. Raw Material Sourcing

9.1 Due to concern around biodiversity loss, it is essential that we and our Business Associates keep records of the country of origin of all raw materials.

9.2 We and our Business Associates should develop a traceability system for raw materials.

9.3 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](#).

9.4 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; and
- Fuel innovation in materials and processes.

10. Packaging

10.1 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.

10.2 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.

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

COMPLYING WITH 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 this 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 require our Business Associates to ensure that their own subcontractors and suppliers adhere to this Policy, as well as any requirements of the Business Associate's own sustainable procurement or environmental policies.

We and our Business Associates will operate in full compliance with the laws of the respective countries where they are carrying out operations 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 between this Policy 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 to 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.