

# BURBERRY

## RESPONSIBILITY

### RECOGNITION



- Included in the **Dow Jones Sustainability Index** for third consecutive year
- Awarded **Bronze Class** distinction in **RobecoSAM's** Sustainability Yearbook
- Won two **CDP** awards for most improved company in the management of Timber and Cattle Products
- **FTSE4GOOD** constituent
- Recognised as **Leader** in the **Ethical Trading Initiative's** annual assessment

### GOVERNANCE



- Leanne Wood, Chief People, Strategy and Corporate Affairs Officer, is responsible for all internal people, health & safety matters and the delivery of responsibility goals for 2022.
- Progress against goals is regularly reviewed by the Executive Team.
- The Group Risk Committee and Company Board receive regular sustainability reports.
- Targets relating to 2022 goals are owned by senior leadership across key departments.
- Implementation of global policies and programmes is supported by cross-functional delivery groups.
- Responsibility teams are based in London, Leeds, Florence, Hong Kong and Tokyo to drive/ support implementation of programmes.
- Burberry's Responsibility Advisory Committee, comprising independent experts from the NGO, social enterprise and academic sectors and with expertise in different areas of sustainability, meet quarterly to hear progress updates, comment on draft strategies and generally challenge and support Burberry's Responsibility team.
- The Burberry Foundation Board meets 4 times a year and is responsible for upholding the Foundation's vision and ensuring delivery of its charitable purpose.

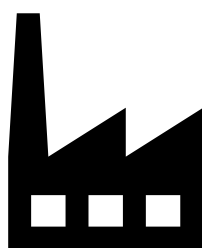
## R E S P O N S I B I L I T Y   G O A L S   F O R   2 0 2 2

### DRIVE POSITIVE CHANGE THROUGH ALL PRODUCTS



- The goal is to ensure 100% of products have more than one positive attribute by 2022. Positive attributes relate to social and/or environmental improvements achieved at either the raw material sourcing or product manufacturing stage.
- During 2017/18, positive attributes were allocated in relation to:
  - Main material: cotton sourced through the Better Cotton Initiative
  - Production facility: Leather Tannery Certification, Chemical Management Rating, Energy & Water Reduction, Living Wages, Renewable Energy
- **Progress during 2017/18:**
  - 28% of products with one positive attribute
  - 14% of products with more than positive attribute
- Supported the Burberry Foundation in launching a five-year partnership with the Royal College of Art, to establish the Burberry Materials Futures Group – the first of its kind, applying radical thinking to invent more sustainable materials, advance manufacturing processes and transform user experiences.

### B E C O M E   C A R B O N   N E U T R A L ,   R E V A L U E   W A S T E



- Carbon neutrality in Burberry's own operations will be achieved by improving energy efficiency, reducing absolute consumption and switching to renewable energy sources wherever possible, before offsetting any remaining emissions.
- Joined RE100, committing to 100% of energy from renewable sources by 2022.
- **Progress during 2017/18:**
  - 4% reduction in global, absolute energy consumption
  - 24% increase in energy from renewable sources
  - 20% reduction in market-based CO2e emissions
- Supported the Burberry Foundation in launching a five-year partnership with Elvis & Kresse, a sustainable luxury company, to transform Burberry leather offcuts into new products and affect real change in the leather goods industry.
- Became a core partner of the Ellen MacArthur Foundation's Make Fashion Circular Initiative, joining other leading organisations to explore how our industry can work towards the vision for a circular fashion economy.

### P O S I T I V E L Y   I M P A C T   1   M I L L I O N   P E O P L E



- This will be achieved mainly by supporting the Burberry Foundation (UK registered charity No. 1154468) in delivering impactful community programmes:
  - In Yorkshire and London – tackling educational inequality, enhancing career advice and inspiring young people about careers in the creative industries.
  - In Tuscany, Italy – fostering community cohesion in an area renowned for its luxury goods production, but facing challenging levels of poverty, youth unemployment and economic migration.
  - In Afghanistan – supporting social and economic empowerment through a more inclusive and sustainable cashmere industry.
- **Progress during 2017/18:**
  - 23,000 people positively impacted in Yorkshire, London and Italy

## MORE SUSTAINABLE RAW MATERIALS

	<h3>COTTON</h3> <ul style="list-style-type: none"><li>• Target is to source 100% of cotton via the Better Cotton Initiative by 2022 (currently at 21%).</li><li>• Supporting 'Cotton 2040', a cross-industry partnership, convened by Forum for the Future, to address long term resilience in cotton supply chains.</li></ul>
	<h3>CASHMERE</h3> <ul style="list-style-type: none"><li>• Founding partner of the Sustainable Fibre Alliance (SFA), a NGO working with key stakeholders involved in driving sustainable cashmere production in Mongolia; restoring grasslands, promoting animal welfare and improving the livelihoods of herders and their families.</li><li>• SFA has also established a training programme to help young herders develop skills and knowledge in agricultural practices and goat husbandry.</li></ul>
	<h3>LEATHER</h3> <ul style="list-style-type: none"><li>• Target is to source 100% of leather from tanneries that hold environmental, traceability and social compliance certifications. 64% of Burberry's leather products are made of leather sourced from tanneries with at least one of these certifications.</li><li>• Working with key tanneries to monitor their water, energy and chemical consumption and to validate effectiveness of waste water treatment processes and air emissions management.</li><li>• Policy in place not to source leather from cattle raised in the Amazon Biome.</li></ul>
	<h3>WOOL</h3> <ul style="list-style-type: none"><li>• Promoting adoption of Responsible Wool Standard – ensuring that wool comes from responsibly treated sheep and from farms with a progressive approach to land management.</li></ul>
	<h3>EXOTIC SKINS</h3> <ul style="list-style-type: none"><li>• Dedicated expert customs team responsible for managing compliance with CITES, which limits international trade of endangered species.</li><li>• Engaging with industry experts to explore initiatives to modernise and simplify established production techniques.</li></ul>
	<h3>DOWN</h3> <ul style="list-style-type: none"><li>• Sourcing 100% of down from Responsible Down Standard certified suppliers.</li></ul>
	<h3>FUR</h3> <ul style="list-style-type: none"><li>• Only sourcing fur from regulated EU farms.</li><li>• Well established fur traceability programme.</li><li>• Founding member of the BSR's Fur Luxury Industry Roundtable, working with key industry stakeholders to enhance welfare standards and traceability systems in the fur value chain.</li></ul>

# ENVIRONMENTAL SUSTAINABILITY



## ENERGY: DIRECT OPERATIONS

- Retail network is responsible for 74% of the company's direct carbon emissions.
- In 2017/18, global, absolute energy consumption reduced by 4%, mainly through real-time monitoring, behavioural changes and LED lighting.
- Steps taken to reduce consumption include:
  - Introduced real time energy monitoring & enhanced training
  - Introduced LED lighting, timers and intelligent controls
  - Integrated Energy KPIs into team objectives
- Joined RE100, committing to 100% renewable energy by 2022 (currently 48%)



## ENERGY/WATER: SUPPLY CHAIN

- Implemented Energy & Water Reduction programme, modelled on NRDC "Clean by Design" principles.
- 28 supply chain partners are currently participating in the programme, including 15 facilities with wet processing. Together, these facilities manufacture 43% of Burberry's products.
- As part of the programme, over 230 opportunities have been identified to improve energy and water in the supply chain.
- Assessing which suppliers are using renewable energy and, where possible, facilitating the transition to renewable energy sources.
- Mapping water risk to identify suppliers in water stressed areas, to inform site selection for water reduction programme.



## CHEMICALS

- Target is to eliminate the use of chemicals that may have a negative environmental impact by 2020.
- Adopted Manufacturing Restricted Substances List in 2015.
- Researching alternatives to PVC in key lines.



## WASTE MANAGEMENT

- Food waste from UK head office is turned into biogas/ bio-fertilisers.
- Across key UK operations, zero waste is sent to landfill.
- Construction: >95% waste diverted away from landfill
- Supply Chain waste management:
  - Partnering with Avena in the UK, recycling 52 tonnes of damaged garments into geotextiles during 2017/18
  - Partnering with Resmal & Green line in Italy, recycling 51 tonnes of pre-consumer textile waste into yarns, fabrics etc. during 2017/18
- Became core partner of the Ellen MacArthur Foundation's 'Make Fashion Circular' initiative.

# S O C I A L R E S P O N S I B I L I T Y

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## H U M A N R I G H T S

- Conducted Human Rights Impact Assessment in 2014 and reassessed in 2016. Risks & mitigation plan reviewed by Ergon and Oxfam.
- Became the first luxury retailer and manufacturer to achieve accreditation as a UK Living Wage Employer.



## E T H I C A L T R A D I N G

- All supply chain partners must agree with our Responsible Business Principles, including Burberry Ethical Trading Code of Conduct, Migrant Worker and Homeworker Policy.
- Existing and new suppliers are audited against international labour standards.
- 446 audits and 263 training and engagement visits conducted during 2017/18.
- No sourcing allowed from Bangladesh, Pakistan and Cambodia.
- Modern Slavery Statement published annually, setting out the steps Burberry has taken to mitigate and reduce the risk of slavery and human trafficking occurring in its supply chains or in any part of the business.



## C O M M U N I T Y I N V E S T M E N T

- 1% of Group adjusted PBT is donated each year to charitable causes worldwide. These range from supporting disaster relief efforts to nurturing emerging talent through scholarships to the Royal College of Art.
- Each year, a significant proportion of the 1% goes to the Burberry Foundation, to create long-term partnerships that fuel innovation and transform communities.
- Burberry Apprentices – a one-year programme offering young people exciting development opportunities in traditional craftsmanship, luxury retailing and HQ business operations.
- Volunteering – employees worldwide are encouraged to dedicate up to three working days a year to volunteer in their local community.
- In Kind Donations – these range from one-off gifts of fabric and materials to assist young people on creative courses, to donations of smart business clothing to support those enrolled in employability programmes.

# BURBERRY'S POLICIES & COMMITMENTS

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Burberry has various policies in place that guide economic, social and environmental responsibility across our business. These apply to our global operations and supply chain activities, where applicable, and implementation and adherence to policies is reviewed on a regular basis.

The policies and statements below are in the public domain and can be found on [www.burberryplc.com](http://www.burberryplc.com)

## C O R P O R A T E

Anti-bribery and Corruption Policy  
Corporate Governance  
Tax Policy  
UN Global Compact – Communication on Progress

## P E O P L E

Ethical Trading Code of Conduct  
Gender Pay Gap Report  
Health and Safety Policy  
Human Rights Policy  
Migrant Worker Policy  
Partner Non-Compliance Policy  
Transparency in the Supply Chain and Modern Slavery Statement

## C O M M U N I T I E S

Community Investment  
Local Stakeholder Engagement Policy  
The Burberry Foundation

## E N V I R O N M E N T

Chemical Management  
Global Environmental Policy  
Responsible Sourcing

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