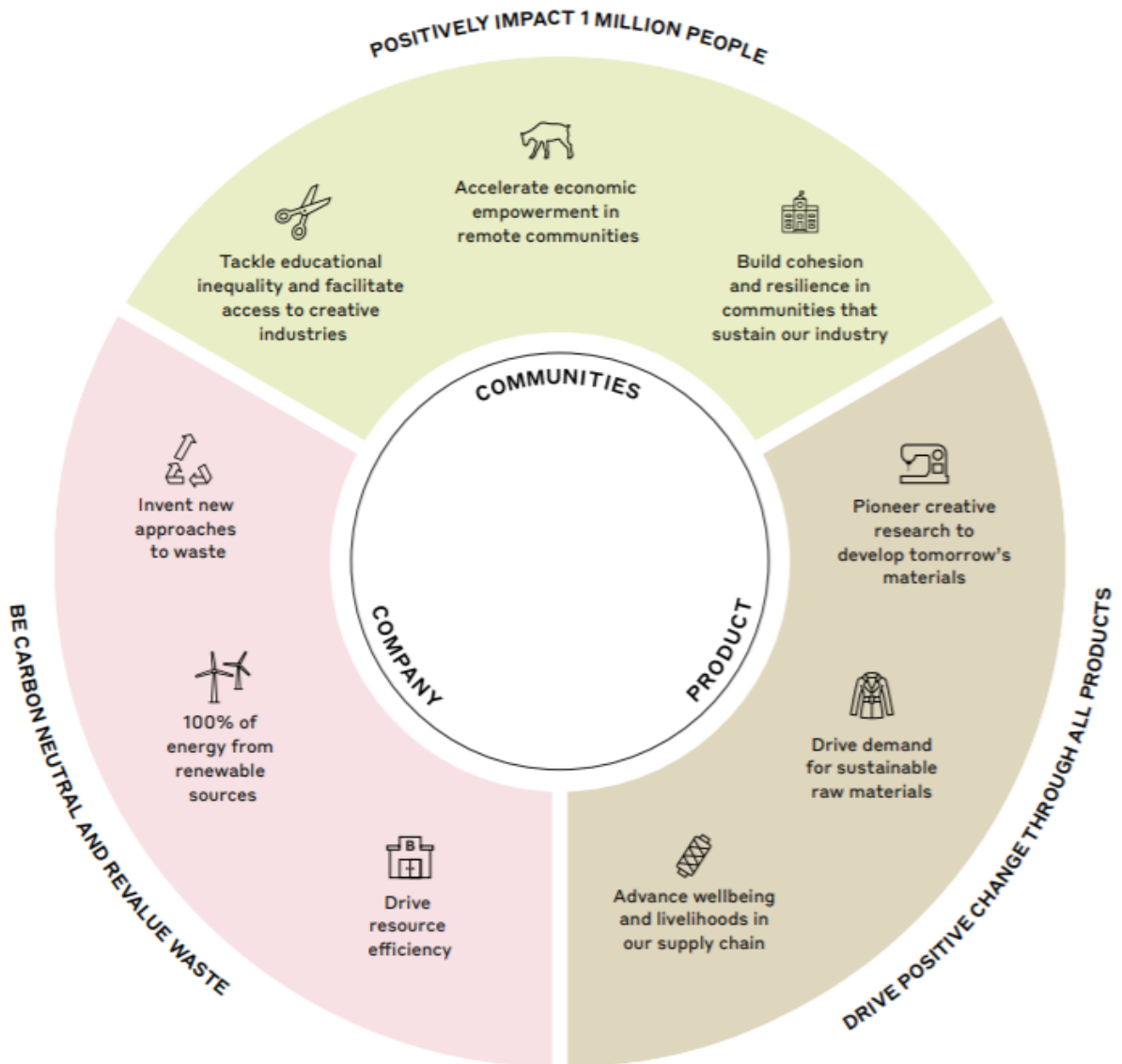


BURBERRY

LONDON ENGLAND

BUILDING A MORE SUSTAINABLE FUTURE

Burberry's commitment to sustainability is long-standing, grounded in the belief that for our future growth, we need to actively address the challenges facing our industry and the world in which we live. We are dedicated to reducing our environmental footprint and enabling social progress as we help transform our industry through powerful collaborations.



CREATING TOMORROW'S HERITAGE

Taking steps to protect our planet and ensure we have a positive impact on those in our supply chain and communities.

PRODUCT

Goal: 100% of products to have >1 positive attribute by 2022

- Positive attributes relate to social and/or environmental improvements either in raw material sourcing or product manufacturing
- Progress: 89% of product has 1 positive attribute; 67% of product has >1 positive attribute

Goal: 100% of cotton* to be procured more sustainably by 2022

- This includes working with the Better Cotton Initiative and Textile Exchange and exploring new sources, including organic and regenerative cotton
- Progress: 75% of cotton* procured more sustainably

Goal: 100% of leather to be sourced from tanneries with environmental, traceability and social compliance certifications by 2022

- Progress: 64% of our leather is sourced from certified suppliers

COMPANY

Goal: zero-carbon footprint in our own operations by 2022

- Reducing absolute emissions through improved energy efficiency and using renewable energy sources; remaining emissions to be offset
- Progress: 86% reduction in market-based emissions since FY 2017

Goal: 100% of electricity used in our own operations to be renewable by 2022

- This forms part of our RE100 commitments and will be achieved through collaboration with our procurement and retail teams and engagement with landlords
- Progress: 90% of electricity used in global footprint is from renewable sources

Goal: reduce and revalue our waste

- This includes reusing, repairing, donating or recycling unsaleable products
- Progress: no destruction of unsaleable finished products. Zero waste to landfill in key UK and Italy operations.

COMMUNITIES

Goal: To positively impact one million people by 2022

- This is largely through philanthropic donations to support community projects
- Progress: 290,426 people positively impacted in FY 2020 and 416,089 since the start of the programme.

Products with more than one positive attribute

67%

Cotton more sustainably sourced

75%

Leather sourced from suppliers with certifications

64%

Reduction in market-based emissions (FY16/17)

86%

Renewable electricity achieved globally

90%

Waste to landfill in key UK and Italy operations

0%

Number of people positively impacted in FY19/20

290,426

People positively impacted since 2017

416,089

| UK | Italy | Afghanistan | USA |
|---------|--------|-------------|-------|
| 191,456 | 57,388 | 40,003 | 1,297 |

* Where cotton is the product's main material

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our Responsibility Agenda contributes to a range of the United Nations Sustainable Development Goals, where we feel we are uniquely placed to make a positive difference. We recognise the power of working in collaboration to drive real change in the industry, which is why SDG 17 runs across the breadth of our strategy enabling progress in all areas of our work.

RELEVANT SDGs

| | | | | | |
|-----------|-------------------------------|---|---|---|--|
| PRODUCT | 6 CLEAN WATER AND SANITATION | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | SDG 6.3 SDG 6.4 SDG 8.7 SDG 8.8 SDG 9.4 SDG 12.5 SDG 12.6 SDG 13.3 SDG 15.A SDG 17.17 |
| | 13 CLIMATE ACTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS | | |
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| | | | | | |
| COMPANY | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS | SDG 7.2 SDG 7.3 SDG 7.A SDG 12.2 SDG 12.5 SDG 13.3 SDG 17.17 |
| | | | | | |
| | | | | | |
| | | | | | |
| COMMUNITY | 1 NO POVERTY | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | SDG 1.4 SDG 4.1 SDG 4.4 SDG 4.C SDG 5.5 SDG 8.3 SDG 8.6 SDG 10.2 SDG 17.17 |
| | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS | | | |
| | | | | | |
| | | | | | |

SOURCING OUR RAW MATERIALS

COTTON

- 100% of cotton to be more sustainably sourced by 2022. This includes working with the Better Cotton Initiative and Textile Exchange and exploring new sources, including organic and regenerative cotton
- Support 'Cotton 2040', a cross-industry partnership, convened by Forum for the Future, to address long term resilience in cotton supply chains
- Working directly with US cotton growers developing a traceable organic cotton supply
- Ban on cotton from Uzbekistan, Turkmenistan and Syria

CASHMERE

- Founding partner of the Sustainable Fibre Alliance (SFA), a NGO working to drive sustainable cashmere production in Mongolia, restore grasslands, promote animal welfare and improve the livelihoods of herders and their families
- Burberry Foundation programme in Afghanistan is working with Oxfam and PUR Project to develop a more inclusive and sustainable cashmere industry including by providing training to herders on improving the quality of cashmere and enabling herders to bulk and sell cashmere collectively. The programme also works with government to promote best practice standards

LEATHER

- Monitor water, energy and chemical use, effectiveness of waste water treatment and air emissions management at key tanneries
- We recognise certifications by the Leather Working Group, the Italian Istituto di Certificazione della Qualità per l'Industria Conciaria and the International Organization for Standardization
- Do not source leather from cattle raised in the Amazon Biome

WOOL

- Promoting adoption of Responsible Wool Standard – ensuring that wool comes from responsibly treated sheep and from farms with a progressive approach to land management.

DOWN

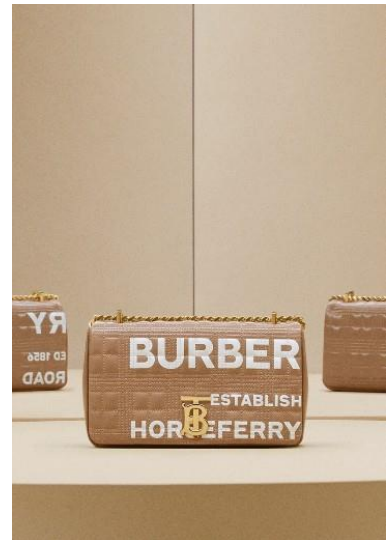
- 100% of down sourced from Responsible Down Standard certified suppliers
- Do not permit hair plucked from live animals or from farms where we have concerns around unacceptable treatment of animals

EXOTIC SKINS

- Active member of the Business for Social Responsibility, Southeast Asia Reptile Conservation Alliance
- Dedicated expert team responsible for managing compliance with CITES, to limit international trade of endangered species
- Engaging with industry experts to explore initiatives to modernise and simplify established production techniques

FUR

- Have not used real fur since September 2018



ENVIRONMENTAL SUSTAINABILITY

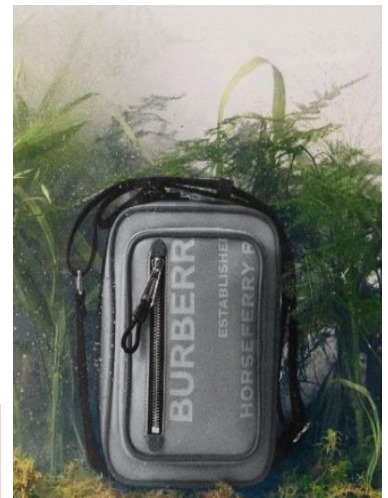
ENERGY: DIRECT OPERATIONS

- The retail network accounts for 77% of our direct carbon emissions
- Target to cut Scope 1 and 2 greenhouse gas emissions by 95% by 2022
- Scope 1 and 2 emissions down 82% vs FY 2017 using real time energy monitoring and enhanced training; LED lighting, timers and intelligent controls; integrating energy KPIs into team objectives
- 90% electricity across our global footprint is from renewable sources
- Carbon neutral across 85% of sites globally
- In FY 2020 both runway shows were carbon neutral
- Regeneration Fund created supporting carbon insetting projects



ENERGY/WATER: SUPPLY CHAIN

- Long-standing Energy & Water Reduction programme modelled on NRDC "Clean by Design" principles
- Regularly evaluate our water impact and assess potential water stressed regions using World Wide Fund for Nature Water Risk Tool
- In FY 2020, 80% of our key wet processing facilities were engaged in our Water Conservation Programme to address water risk mitigation
- Use of sustainable raw materials (such as BCI cotton and recycled yarns) increases water efficiency at farm and processing level
- Collaborate with stakeholders and brands to develop common strategies, tools and initiatives
- Where possible help transition suppliers to renewable energy sources
- Reduced emissions in the supply chain by >1600 tonnes of carbon



CHEMICALS

- Chemical requirements set above legal limits and first luxury brand to have a Manufacturing Restricted Substances List
- >99% of supply chain wastewater free from chemicals with negative environmental impacts
- Trained over 1,000 people in chemical management
- On the board of the Zero Discharge of Hazardous Chemicals
- Work with peers to drive industry and supply chains improvements
- 50 facilities in the supply chain using our online tool to help procure better chemical formulations



REVALUING WASTE & CIRCULARITY

- Partner of Ellen MacArthur Foundation Make Fashion Circular
- Signatory of Ellen MacArthur Foundation New Plastics Economy Global Commitment to reduce plastic packaging, and ensure remainder is easily reused, recycled or composted with >20% recycled content
- To maximise the lifecycle of products, a range of after-sale care and repair services are offered to customers
- Working with companies in the UK and Italy to recycle damaged garments and pre-consumer textile waste
- Donate to Smart Works to provide smart clothing to unemployed women for interviews
- Work with Elvis & Kresse, transforming our leather offcuts into new products
- Donate excess fabric to Progetto Quid providing disadvantaged people with employment opportunities
- Partnered with The RealReal in the US to promote and champion a more circular future
- Food waste from UK head office turned into biogas/ bio-fertilisers
- Partner of Alta Scuola di Pelletteria Italiana, a leather school, and San Patrignano, an organisation supporting marginalised youth to train residents in leather disassembly and repurposing using donated Burberry products

PROTECTING COMMUNITIES

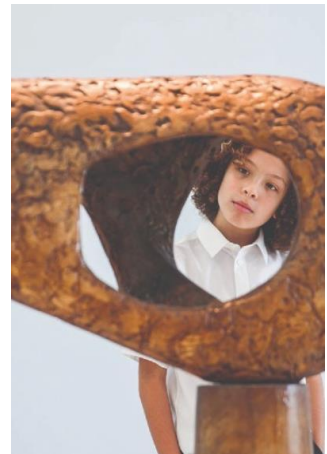
HUMAN RIGHTS

- Human Rights Impact Assessments completed every two years since 2014, next assessment in FY 2021
- Developing informed mitigation action plans with stakeholder representations
- First luxury retailer and manufacturer to achieve accreditation as a UK Living Wage Employer
- Provide grievance mechanisms for our global employees, as well as confidential hotlines run by NGOs for workers in our supply chain.
- Hotlines with resolutions monitored by our Responsibility team



ETHICAL TRADING

- Supply chain partners must uphold our Responsible Business Principles, including our Ethical Trading Code of Conduct, Migrant Worker Policy and Homeworker Policy
- Audit existing and new suppliers to international labour standards
- 631 audits and assessments, and 71 training and engagement visits, helping improve HR systems and worker engagement and wellbeing
- Do not source from Bangladesh, Pakistan and Cambodia
- Annual Modern Slavery Statement detailing mitigations to reduce risks of slavery and human trafficking across supply chain and business



COMMUNITY INVESTMENT

- 1% of adjusted PBT per year donated to charitable causes including disaster relief efforts and the Burberry Foundation
- The Burberry Foundation creates partnerships to fuel innovation and transform communities
- Burberry apprentices offers young people opportunities in traditional craftsmanship and HQ business operations
- Employees encouraged to dedicate up to 3 days a year volunteering
- Make in-kind donations eg fabric to help people on creative courses

DIVERSITY AND INCLUSION

- Want a diverse, open and inclusive culture where all perspectives are valued
- Broadening and deepening Diversity and Inclusion is a key business priority
- Implementing measures to increase consciousness and understanding of social issues and D&I including:
 - Inclusive leadership training rolled out globally for managers and above
 - Unconscious bias training for all employees
 - Established a global internal employee council focused on diversity and inclusion
 - Created a Cultural Advisory Board, consisting of external experts across industries and backgrounds
- Building a more diverse talent base for the future by:
 - Strengthening diverse employee representation goals and continued commitment to an inclusive culture
 - Expanding our creative arts scholarship programme internationally supporting students from diverse backgrounds and providing full-time employment for graduates
 - Extending Burberry Inspire internationally helping underprivileged young people access creative industries
- Supporting organisations that promote diversity and inclusion with partnerships to industry bodies and charitable organisations offering additional resources and support for employees and communities, e.g. the Samaritans.

INNOVATIVE NEW MATERIALS



RECYCLED POLYESTER

- Recycled polyester produced from sources including plastic bottles (PET) and industrial polyester waste used in products across menswear and womenswear, including our reversible vintage check recycled polyester jacket

BIO-BASED MATERIALS

- Runway eyewear made from bio-based acetate derived from renewable vegetation-based resources
- Replaced trench coat buttons, previously made from horn, with buttons made from a bio-polymer made from milk waste

ECONYL®

- Multiple nylon based outerwear and accessories products are made from ECONYL, a sustainable nylon yarn made from regenerated fishing nets, fabric scraps and industrial plastic

SUSTAINABLE COLLECTION

- Our S/S 2020 collection included 26 styles crafted from the latest sustainable materials used across our product range

PACKAGING

- At least 40% of our packaging material is made from recycled coffee cups, is fully recyclable and certified by the Forest Stewardship Council (FSC). Through this, we have recycled more than 58 million coffee cups into Burberry packaging.

PRODUCT LABELLING

- Global roll out of sustainability labelling across all key-product categories, giving customers an insight into the industry-leading environmental and social credentials of our products



OUR RESPONSE TO COVID-19

- Retooled our trench coat factory in Castleford to manufacture non-surgical gowns for medical and care workers
- >150,000 pieces of PPE donated to the UK's NHS and healthcare charities by the end of May, and this number continues to grow
- Funding research into a vaccine developed by the University of Oxford
- Donated to charities tackling UK food poverty including FareShare, The Trussell Trust and The Felix Project
- Engaged with industry and governmental organisations on coordinated responses to the pandemic including producing a document providing information on adapting operations to procure and/or manufacture PPE in the UK.
- Support creatives facing uncertainty during the pandemic by commissioning works for our Instagram news feed.



RECOGNITION AND AWARDS

- Achieved highest ever score in DJSI, including ranking 3rd in ‘Textiles, Apparel & Luxury Goods’ sector
- Named in *UK Environmental Audit Committee report ‘Fixing Fashion’* as one of the most engaged companies in the UK fashion industry on the issue of sustainability
- Best performer in the 2019 Hampton-Alexander Review of FTSE Women Leaders
- Gold Class distinction in RobecoSAM’s Sustainability Yearbook 2020
- CDP participant since 2014 with an A- Score for CDP Climate Change in latest assessment
- Long standing FTSE4GOOD Index constituent
- Walpole British Luxury Awards for driving systemic change, winner of ‘Luxury with a Heart’
- Recognised as Leader in the Ethical Trading Initiative’s annual assessment
- First luxury retailer and manufacturer to achieve accreditation as a UK Living Wage Employer in 2015
- Signatory of the UN Global Compact

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

- Sustainability Steering Group chaired by the CEO and attended by CO&FO established to review and oversee our strategy on environmental and social issues
- The CO&FO on Leadership Network for A4S
- Cross-functional TCFD working group reporting to the Risk Committee
- Reviewed sustainability commitments and identified key focus areas including water scarcity, carbon impacts and raw material availability against which we implemented initiatives
- Identified short, medium and long term risks and opportunities
- Defined risk management methodology and approach for identifying and assessing climate-related risks
- Highlighted existing mitigating activities and controls by assessing sustainability and climate-related risks

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

| | |
|---------------------------------|---|
| PEOPLE | CORPORATE |
| Ethical Trading Code of Conduct | Anti-bribery and Corruption Policy |
| Gender Pay Gap Report | Corporate Governance |
| Health and Safety Policy | Tax Policy |
| Human Rights Policy | UN Global Compact – Communication on Progress |
| ENVIRONMENT | COMMUNITY |
| Chemical Management | Community Investment |
| Global Environmental Policy | Local Stakeholder Engagement Policy |
| Responsible Sourcing | The Burberry Foundation |

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