

**MODERN SLAVERY ACT 2015 AND  
TRANSPARENCY IN SUPPLY CHAINS ACT 2010**

**2021/22 BURBERRY GROUP PLC STATEMENT**

**BURBERRY**

**LONDON ENGLAND**

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and California Transparency in Supply Chains Act of 2010 (SB 657). It sets out the steps we have taken during the financial year 2021/22 (the “Year”) to prevent slavery and human trafficking from taking place in our supply chains or in any part of our business. Burberry’s definition of slavery and human trafficking is aligned to section 54 (12) of the Modern Slavery Act 2015.

This statement is also made on behalf of the following subsidiaries of Burberry Group plc (company number 3458224): Burberry Limited (company number 162636), Burberry (UK) Limited (company number 4288292), Burberry International Holdings Limited (company number 4251867), Burberry (España) Holdings Limited (company number 5265289), Thomas Burberry Holdings Limited (company number 3509143), Burberry Haymarket Limited (company number 4868493), Burberry Holdings Limited (company number 4251948) and Burberry London Limited (company number 4251951) and the actions and operations set out below are effective across the Burberry group.

# INTRODUCTION

We are committed to being a force for good – through how we design, source, create and advocate. Our Responsibility strategy has three focuses – climate, nature and people – underpinned by our determination to continually evolve and innovate our approach to safeguarding our planet for generations to come and enhance our metrics to track, guide and report on progress.

To positively impact people within and beyond our value chain, we are drawing together work across our business, from protecting and nurturing luxury craftsmanship skills, to driving progress towards our diversity, equity and inclusion targets, in order to establish and evaluate the full picture of our impact on people within and beyond our company. Respecting and upholding human rights, combatting the risk of modern slavery and increasing transparency throughout our supply chain are core to this agenda.

This is our seventh Modern Slavery Statement and provides an overview of the progress we've made over the past year in strengthening our systems to prevent modern slavery in our supply chain and operations and how we have addressed identified risks.

During this time, the COVID-19 pandemic remained a key source of concern and we have focused on maintaining effective communication channels with our business associates to address the challenges of returning to work and maintaining a safe environment for our people.

In FY 2021/22, we continued to adapt our Ethical Trading Programme and in compliance with updated COVID-19 restrictions resumed in-person engagement and monitoring activities at our supply chain partners' facilities where safe and legally authorised to do so. We also delved further into our raw materials supply chains to identify new potential modern slavery risks.

We expanded and strengthened our training programme for both internal teams and supply chain partners to spread awareness and build more effective prevention and mitigation actions.

Whilst our policies remained consistent throughout FY 2020/21 and FY 2021/22, our global Ethical Trade team has remained vigilant to potential risks and the need to update our policies accordingly.

We have continued to collaborate with cross-industry groups, such as the Business Against Slavery Forum and the ILO Call to Action, to help target modern slavery. We continue to monitor and assess our response to new emerging risk areas, including those caused by the global pandemic.

As a responsible business, Burberry is closely monitoring the increasing trends towards mandatory human rights and ethical trading due diligence legislation. We continue to raise awareness and support our supply chain partners' compliance with such standards.

# OUR BUSINESS AND SUPPLY CHAIN

Burberry is a global luxury brand, headquartered in London, UK. We design, source, make and sell luxury products under the Burberry brand and our business model is focused on creating long-term sustainable value for all our stakeholders. Creativity has fuelled Burberry throughout our brand's 165-year history and our shared conviction in its power is central to how we operate as a company.

- Over 9,000 employees
- 115 nationalities
- Across 33 countries
- 415 stores
- Over 30 Responsibility Specialists
- FY2021/22 revenues: 2.8 billion £

**Our Purpose:** At Burberry, we are guided by the core belief that Creativity Opens Spaces. Reflective of how we operate as a company, our purpose informs the choices we make and shapes our long-term goals.

**Our Values:** Our purpose is underpinned by our values. Being creatively driven, forward thinking, open and caring, and proud of our heritage are hallmarks of our organisation at its best and have remained core to our brand since the Company was founded in 1856.

**Design:** We harness creativity to design beautiful luxury goods that are made to last. Our teams collaborate from the earliest stages of product development so that our design, strategy, marketing and responsibility functions are aligned and working with common goals in mind. Sustainability and doing the right thing for the environment are always a priority.

**Source:** To create beautiful sustainable luxury goods, we source the finest materials available from our global network of suppliers. We think and act creatively in order to inspire and delight our customers while ensuring sustainability and environmental considerations are prioritised.

**Make:** We make our products at Burberry-owned sites in the UK and Italy, as well as through a network of global suppliers. We strive to deliver products of the highest quality to our customers and invest in driving improvements throughout our supply chain. We are aware of the impact of our production processes on the environment and actively reduce, reuse and recycle the waste we create while investing in innovative solutions to help us move towards a circular business model.

**Sell:** We sell Burberry products through our directly operated and franchised stores, as well as via wholesale partners and online. We use the product and distribution expertise of licensing partners for certain product categories, such as eyewear and beauty. To inspire and excite our customers and prospective customers, our creative, marketing and communications teams create distinctive and meaningful content as well as luxury experiences that speak to our brand heritage and purpose.

**Contributing to local economies and partner value:** Operating across the world, we contribute to local economies and support the communities around us. We add value to societies both directly and indirectly through our business operations and by partnering with NGOs on community programmes.

## SUPPLY CHAIN

We rely on a global network of raw material and finished good suppliers that support the production of our products and our general day-to-day business operations.

Our supply chain partners are accurately screened and assessed at onboarding to identify any human rights and modern slavery risk. Additionally all suppliers are required to acknowledge and sign Burberry's Responsible Business Principles during onboarding to ensure mutual agreement that any form of modern slavery, included forced, bonded or involuntary prison labour, is not permitted whatsoever.

As part of our commitment to uphold human rights within our supply chain, we also continually assess human rights risks and labour conditions across our global supply chain through our Ethical Trading Programme, established in 2004. Since 2019 we have continued to expand our responsibility programme to also include the assessment of mills, tanneries and trim suppliers and their sub-contractors. In FY2021/22 this includes the suppliers of raw materials for approximately 45% of our products.

Further details on our supply chain due diligence process are provided in the section below "Due diligence and assessment of our supply chain".

## APPAREL AND ACCESSORIES

Finished products are manufactured at both company-owned facilities in the UK and Italy and by an external supplier network. A large part of our finished goods production takes place in Europe, where Burberry has many long-standing relationships, several extending beyond 15 years. Over 85% of the finished goods facilities we source from are covered by National and/or Industrial Collective Bargaining Agreements and many have established union representation enabling workers to remain informed and involved in discussions about their rights. We believe that these strong supplier relationships are key to ensuring continuous improvement in supply chain working conditions and help us to minimise supplier turnover, where possible. We have visibility of all finished goods manufacturing suppliers, their subcontractors and supporting facilities, as well as mills, tanneries and trim suppliers that supply our finished goods partners.

## RAW MATERIALS

We are conscious that our raw materials supply chains are at risk of modern slavery and human rights violations. For this reason, we've introduced new targets in our raw material supply chains to strengthen our supply chain visibility. These include:

- Ensure all key materials are 100% traceable by 2025. The key raw materials we use are cashmere, cotton, wool, polyester, nylon and leather. For these materials we will achieve traceability to a minimum of country level. This target achievement will be supported by our use of certified materials where the country of origin is verified and disclosed.
- Source 100% certified recycled nylon and recycled polyester by 2025, where nylon or polyester is the product's main material.
- Source 100% certified wool by 2025, supporting certifications that uphold the highest animal welfare standards.
- Source 100% certified organic cotton by 2025<sup>1</sup>.
- Source 100% of our leather from certified tanneries by 2025 with environmental, traceability and social compliance certificates<sup>2</sup>.

<sup>1</sup>This builds on our target to source 100% of our cotton more sustainably by 2022

<sup>2</sup>This builds on our target to source 100% of our leather from certified tanneries by 2022

## LICENSEES

Production of our beauty and eyewear products is licensed to Coty and Luxottica respectively. Our Responsibility team works with both licensees to ensure they apply consistent standards which align with those adhered to across the rest of Burberry's supply chain. Further information can be found on [Coty](#) and [Luxottica's](#) Modern Slavery Statement.

## BUSINESS OPERATIONS

As a large global organisation, we work with a number of suppliers that support our broader business operations across EMEA, Americas and Asia Pacific including, but not limited to, retail stores, our e-commerce and business websites, offices, marketing and transport. We continue to communicate our commitments and policies designed to prevent forced, bonded and trafficked labour through our Responsible Business Principles (the "Principles") to these suppliers. Further details are set out in the following sections.

In addition, we included our distribution centres, packaging, visual merchandising, repurposing and recycling supply chains within our Ethical Trading Programme as of FY2018/2019. We conduct a risk-based analysis of new suppliers prior to procurement and run Ethical Trading audits where any risk is identified.

## COVID-19

Through the COVID-19 pandemic our Responsibility team remained in close contact with supply chain partners. Last year we organised regular calls and desktop assessments to identify supply chain needs, while this year, we have largely resumed onsite visits and audits, maintaining a blended physical and virtual ethical trade auditing approach.

Building on our COVID-19 safety and containment measures, in FY 2021/22, we focused on providing our key vendors with mental health coaching sessions to support team members throughout the pandemic. Led by an external, specialist consultancy, the training provided our key vendors' Corporate Responsibility teams with knowledge and tools to manage their emotional wellbeing and that of the people in their supply chains. The training covered topics such as how to control emotions under stress, how to build empathy, how to motivate themselves and others in challenging environments.

We are also making full use of our confidential worker hotlines to ensure that we remain responsive to workers' needs.

In addition, an Infection Control Management Policy was communicated to all vendors and key raw material suppliers in 2020 to support them in providing a safe working environment and we continued to closely monitor its implementation at supply chain partners' sites.

In June 2020, we became signatories of the [COVID-19: Action in the Global Garment Industry call to action](#), set out by the International Labour Organisation (ILO) and endorsed by organisations such as the Fair Labour Association and International Trade Union Confederation. The initiative is working towards bringing the industry together in regards to implementing more efficient social security systems as a collaborative group. As well as working in collaboration with these stakeholders, we have continued to work with NGOs, suppliers, vendors and strategic partners across our sourcing regions to continue the development of our Ethical Trading Programme to ensure workers' rights are maintained during the course of the global pandemic.



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# POLICIES

We believe that respect for human rights is integral to being a responsible company. The prevention of forced, bonded and trafficked labour is a key element of Burberry's Human Rights Policy and Ethical Trading Code of Conduct.

## BURBERRY POLICIES

To promote human rights across our direct and indirect business operations, we require our network of business associates and extended supply chain to comply with our Responsible Business Principles contained within Burberry's Code of Conduct.

The Principles have been developed in line with our commitments and experience over a number of years. They have been informed by our longstanding membership of the United Nations' Global Compact, and are underpinned by the ETI Base Code, International Bill of Human Rights and the Fundamental Conventions of the International Labour Organisation. We review and update the Principles on an annual basis to ensure that they align to the latest good practice guidelines and any emerging regulatory requirements. The Principles apply to all our business associates, which include, but are not limited to: finished goods vendors, subcontractors, supporting facilities, raw material suppliers, non-stock suppliers, construction contractors, licensees and franchisees.

Since 2016, the Principles have expressly addressed modern slavery risks. Incorporation of the Principles into our contracts with business associates ensures the provisions targeting modern slavery are also included. The Principles are overseen by Burberry's Ethics Committee, chaired by our General Counsel, and are monitored by our Responsibility and Supply Chain teams. They are enforced pursuant to the Burberry Non-Compliance Policy, detailed below.

The Principles include Burberry Code of Ethical Business Principles, Anti-Bribery and Anti-Corruption Policy and Global Environmental Policy, and the following seven policies:

## ETHICAL TRADING CODE OF CONDUCT

This outlines requirements which all our business associates must uphold in relation to their own employees, contracted labour and throughout their own supply chain. The code includes, amongst other standards, the following requirements: that employment is freely chosen, child labour is not used, freedom of association is respected and no harsh or inhumane treatment occurs.

The full Ethical Trading Code of Conduct is available here: [Burberry Ethical Trading Code of Conduct](#).

## MIGRANT WORKER POLICY

This is specifically intended to protect workers who may be vulnerable to exploitation in the course of international migration. The policy contains requirements including, but not limited to, the prohibition of withholding passports and similar documents and the levying of recruitment fees. During FY 2020/21, we updated this policy based on learnings from partnering with Issara Institute, an NGO specialised on recruitment journeys for migrant workers in supply chains. We then recommunicated this policy to business associates to provide more detailed guidance on implementation of the policy and meeting the standards within it.

The full Migrant Worker Policy is available here: [Burberry Migrant Worker Policy](#).



## HUMAN RIGHTS POLICY

Burberry's Human Rights Policy sets out four key stakeholder groups – our people, workers in our supply chain, our customers and our communities – and the procedures we have put in place to protect and uphold human rights, including mechanisms in place to address any instances of potential infringement. The policy was developed with reference to the United Nations' Guiding Principles on Business and Human Rights. We assess human rights impacts and monitor labour conditions in both our own operations and our supply chain on a regular basis to ensure the policy is upheld. The policy was updated during FY 2020/21.

Further details of Burberry's Human Rights Policy are available here:

[Burberry Human Rights Policy](#).

## CHILD LABOUR AND YOUNG WORKER POLICY

We prohibit all forms of child labour in our own operations and throughout our supply chain. In our Ethical Trading Code of Conduct, we state that we will never use child labour and outline provisions for young workers.

Our Child Labour and Young Worker Policy expands on the Ethical Trading Code of Conduct and includes standards relating to implementation, monitoring and remediation procedures which must be followed by all business associates.

This policy was updated in FY 2020/21.

Further details of the Child Labour and Young Worker Policy are available here:

[Burberry Child Labour and Young Worker Policy](#).

## RESPONSIBLE SOURCING POLICY

This outlines Burberry's commitment to responsible and sustainable business principles throughout the supply chain. The policy outlines specific prohibited sourcing regions, where the risk of modern slavery and other labour rights issues is recognised. For example, the policy prohibits sourcing from certain countries including but not limited to Bangladesh, Pakistan and Cambodia.

The policy was last reviewed in FY 2020/21.

Further details of the Responsible Sourcing Policy are available here:

[Burberry Responsible Sourcing Policy](#).

## PARTNER NON-COMPLIANCE POLICY

Where breaches of our standards and policies are identified, Burberry collaborates with local partners to find solutions to address non-compliance. Where improvements are not made within a given time or there is an unwillingness to address the issue, we may consider terminating a particular business relationship. The policy is designed to allow partners a reasonable amount of time to rectify non-compliances with the Principles, to minimise any potential detrimental impact on workers' livelihoods, while always reserving the right to terminate contracts and take any other legal action possible, depending on the nature of the breach.

Further details of the Partner Non-Compliance Policy are available here:

[Burberry Partner Non-Compliance Policy](#).

## INFECTION MANAGEMENT CONTROL POLICY

To support our business associates in ensuring a safe and healthy environment for employees, customers, partners and visitors during the COVID-19 pandemic, this policy sets out the minimum standards which Burberry requires its business associates to comply with.

The policy covers infection controls such as social distancing, Personal Protection Equipment (PPE) requirements and cleaning programmes that must be observed on site. In addition, Burberry recognises, within its supply chain, that there are many different countries each with their own laws and therefore all business associates must ensure that, in addition to compliance with this policy, it continues to comply with local regulations, laws and industry best practices.

In addition to the Principles, Burberry provides a range of resources and guidelines for employees to follow, which relate to a wide range of matters including personal conduct and whistleblowing. Burberry employees, contractors and agency workers across our operations also have access to a confidential whistleblowing hotline which ensures that there is always a way to report issues if usual routes of escalation are unavailable or restricted.

We continue to implement additional risk management of our global non-stock procurement supply chain to gain more visibility of areas of greater risk, such as labour suppliers and construction contractors. Suppliers are required to take responsibility for the prevention of forced, bonded and trafficked labour in their supply chain and certify that neither they nor any of their affiliates, contractors or sub-contractors engage or have engaged in any form of modern slavery.

Compliance with the Principles is a requirement of doing business with Burberry. Adherence to the Principles is included in contracts with suppliers. They sign a letter of undertaking confirming, amongst other matters, their commitment to the Principles and responsibility to cascade the Principles within their own supply chains. We work with our business associates to support their compliance and we reserve the right to cease our sourcing relationship with those that do not demonstrate sufficient commitment to the Principles or are in significant breach of them. In the event of a business associate being found to be involved in modern slavery, we would act first to help safeguard the affected workers' wellbeing and then to support the business associate with its remediation process, including any actions to identify and address root cause issues.

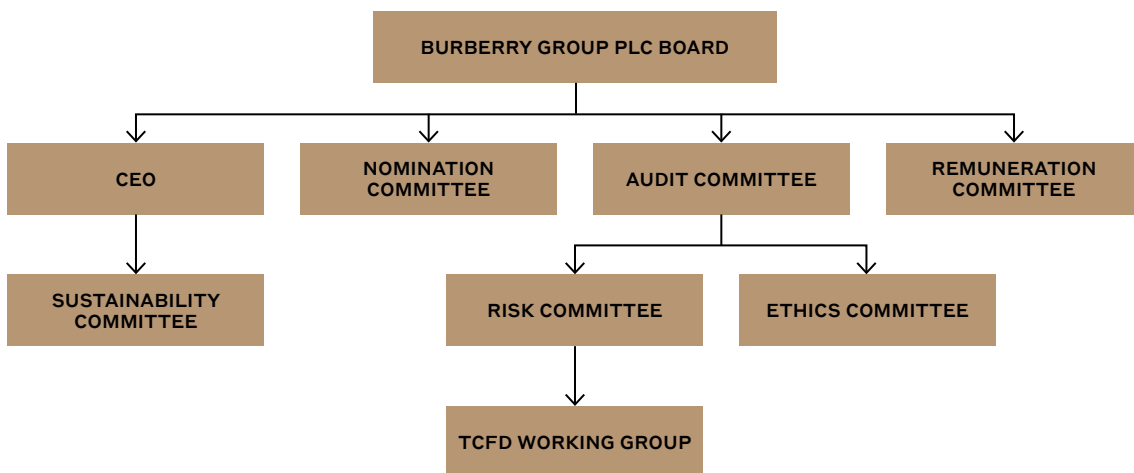
# GOVERNANCE

We continue to promote the management of modern slavery risks within Burberry and externally.

We have a global Responsibility team consisting of over 30 specialists in key locations globally. Although ethical trading activities are coordinated by our Responsibility team, targets relating to working conditions in the supply chain are owned by our Supply Chain and Sourcing teams. Burberry employees who are responsible for supply chain partner relationships and sourcing also have personal KPIs related to labour conditions, recognising the potential impact of fair purchasing practices on labour conditions throughout our supply chain.

Our Ethical Trading Programme is supported and monitored internally by a number of management committees. The programme aims to ensure that the potential risks to labour and human rights are considered at all appropriate levels and areas of the business. Policies relating to human rights are reviewed and approved by the company's Ethics Committee. In the event that any labour or human rights risks are identified, the Vice President of Corporate Responsibility will report on such issues to the Ethics Committee as well as the Group's Risk Committee, which meets at least three times a year. The Risk Committee is chaired by the Chief Operating and Financial Officer, who sits on the Burberry Group plc Board. The Risk Committee reports into the Group's Audit Committee which is chaired by an independent non-executive director.

Additionally, our social responsibility and sustainability strategies are reviewed by the Sustainability Committee co-chaired by the CEO and CFO/COO. The CEO is also a member of the steering committee of the Fashion Pact, while the CFO/COO is also a member of the Leadership Network for the Accounting for Sustainability initiative (A4S), the Sustainable Market Initiative and N.10 Business Council. Objectives and progress on social responsibility and human rights topics are reviewed by our Impact Forum, comprising independent external experts who play the role of "critical friends". The governance structure chart below outlines the reporting lines of each of the committees.



In October 2017, Burberry became a founding member of the Business Against Slavery Forum alongside some of the UK's largest companies. Since then, our Responsibility team has been participating in the forum's quarterly meeting and ad hoc workshops. The forum is convened by the UK Home Office and member companies share intelligence and best practice as well as inform the Government action to help businesses identify, tackle and prevent slavery in their supply chains.

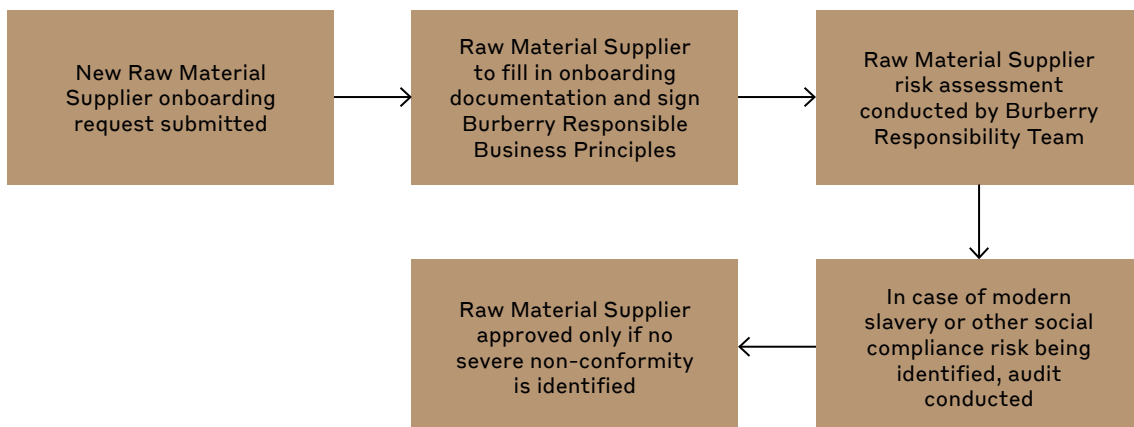
## DUE DILIGENCE AND ASSESSMENT OF OUR SUPPLY CHAIN

Since 2004, we have implemented a programme to monitor the labour conditions in our product supply chains and safeguard the workers engaged in them.

Monitoring and verification activities are completed throughout our finished goods and key raw material supply chains to support compliance with the Principles. To ensure our supply chain mapping stays up to date, we operate a strict approval process and conduct a transparency analysis with our vendors and commercial teams at regular intervals. Following this analysis, we conduct an assessment to identify any new or emerging areas of risk.

New raw material suppliers are required to confirm they will adhere to the Principles and comply with applicable local laws. Right from the onboarding stage, they are also required to agree that we may visit and assess their own compliance and that of their suppliers at any time. Before any new supplier is approved to participate in the Burberry supply chain, they are risk assessed for social compliance and any indication of forced, bonded or trafficked labour. If during this risk assessment a vulnerable workforce or geographical location risk is identified, a full audit will be completed and the results and the remediation plans (if any) will be evaluated before a decision on whether or not to approve is taken.

New raw materials suppliers onboarding process:

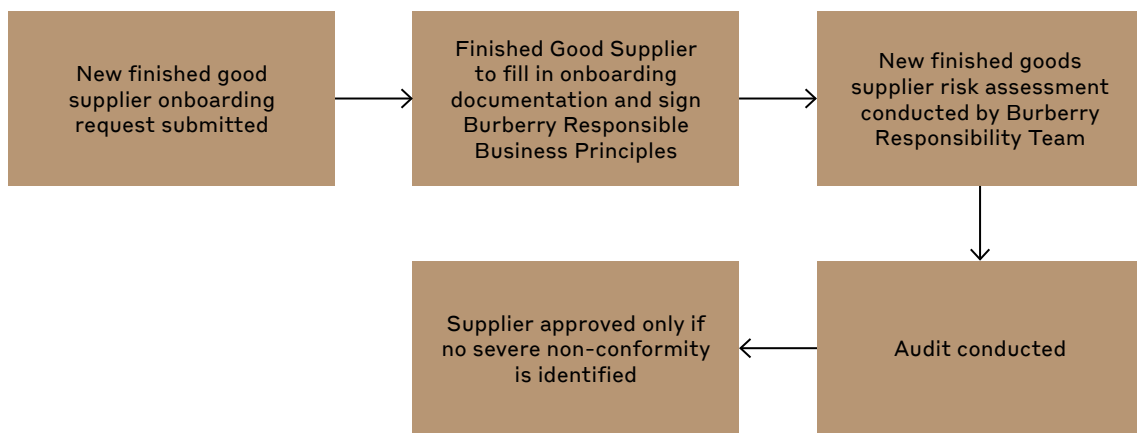


In addition, before a factory is approved to produce Burberry finished goods, we assess its compliance with the Principles and applicable local laws and commitment to uphold them. The Responsibility team must be satisfied that the factory will uphold these standards before giving approval for production to begin. Such assessment includes an Ethical Trading Audit. Audits are conducted by qualified internal auditors, and are supported by interpreters and cultural facilitators where required. External accredited auditing agencies are appointed to conduct audits only in a limited number of cases. Audits, announced or unannounced, consist of worker interviews, document reviews and site tours, including workers dormitories and communal facilities, and are repeated periodically to confirm ongoing compliance and continuous improvement. The frequency of audits depends on the level of performance in previous audits – better performing factories are audited less frequently. Facilities where more severe non-conformities are identified are audited every three to six months and, between audits, our Responsibility team works closely with them to support the implementation of required improvements. Worker interviews are always conducted confidentially and workers are selected at random with fair representation of the workforce including, for example, union and worker representatives, first aiders, migrant workers and a gender diverse sample. Our audit methodology prescribes that we interview at least 10% of the workers in a factory.

In normal circumstances, interviews take place within the factory premises, but offsite interviews might be conducted if necessary to validate the findings while protecting workers. Between audits, our Responsibility team works closely with facilities to implement systems to prevent modern slavery and improve the management of human rights and health and safety risks. During the FY 2021/22, we conducted 601 audits and 28 engagement activities.

Our audits also address the risk posed by unauthorised subcontracting. As a global organisation, we accept our responsibility to support and guide our partners by raising awareness of associated risks of modern slavery at subcontractors. Our partners have extended the no-tolerance policy of unauthorised subcontracting to all of their partnerships and in some cases implemented digital tracking systems to prevent outsourcing.

New finished goods suppliers onboarding process:





## ASSESSING OUR HUMAN RIGHTS IMPACT

Every two years, we conduct a Human Rights Impact Assessment (HRIA) of our operations and activities and those of our extended supply chain. If a forced labour risk is identified, ethical trading assessments are conducted by our internal teams or by a local NGO, where local expertise is needed, to identify any labour rights issues and remediation required.

We have implemented this process since 2014 and continue to evolve and develop our human rights diligence approach as well as our Ethical Trading Programme. As part of this, over the last two years we have implemented a number of mitigation action plans focused on migrant workers and women in our supply chain as we identified that these groups are disproportionately more vulnerable to modern slavery risks. Action plans included context specific interventions such as mapping recruitment journeys in identified hotspots, building worker voice mechanisms in these areas and working with experts to integrate gender sensitive processes and metrics into our programmes.

We have expanded our Ethical Trading Programme to cover all distribution and fulfilment centres globally, including the evaluation of recruitment practices across these sites.

In FY 2020/21, our Human Rights Impact Assessment highlighted three areas as those where human rights violations are more likely to be identified across our finished goods and raw materials suppliers. These are:

- Diversity, Equity and Inclusion
- Worker voice
- Modern Slavery

We have implemented actions addressing all three areas. On diversity, equity and inclusion, we have strengthened our partnership with cultural mediators and provided migrant workers with tools to expand their awareness about public services and facilitate access to them. In relation to worker voice, we have continued to sponsor our hotlines, which remain a key tool to capture workers' needs. Over the last year, we have also expanded the hotlines reach to new countries. As our supply chain evolves, we'll continue to monitor that our hotline reach remains relevant and workers in the geographies we operate in are provided with adequate tools to make their voice heard, raise any concerns and seek support. Finally, in response to modern slavery risks, we monitor that our policies remain relevant, we strictly implement our due diligence process at onboarding and we keep refining our audit tools. We also conduct training for both internal teams and supply chain partners to raise awareness and provide tools to prevent and mitigate this risk.

In addition, our FY 2020-21 HRIA highlighted increased risk for workers in relation to the COVID-19 pandemic, particularly in relation to workers' health and wellbeing. In response to this, the Burberry Responsibility team has supported supply chain partners through the challenges presented by the pandemic by communicating Burberry's Infection Control Management Policy, training on safe work environments and mental health, conducting onsite visits as well as remote engagement activities to assess risks and provide guidance.

In FY 2021/22, we also continued to explore and assess risks associated with raw material commodities at their source. We have been working with our raw material suppliers to further map and assess potential risk areas. As part of the assessment we engaged with our supply chain partners to better understand the dynamics of their sourcing and supply chains.

We introduced new raw material and traceability targets in FY 2021/22 to support and complement human rights risk mitigation throughout our supply chain through certification and we are currently on track to achieve these ambitious 2025 targets.

## **STAKEHOLDERS ENGAGEMENT AND WORKERS VOICE**

During Ethical Trading audits and as part of our broader responsibility programme, we conduct interviews with relevant stakeholder groups and workers to better understand their needs and perceptions, while gathering insights into the direct and indirect impacts of our business and developing focused mitigation plans where required.

We also provide grievance mechanisms for our global employees, as well as confidential hotlines run by NGOs for workers in our supply chain which aim to address workers' complaints, providing consulting services and psychological support. During FY 2021/22, Burberry-sponsored hotlines received 435 calls, covering 36 factories and over 19,000 workers. Calls and their resolution have been monitored closely by our Responsibility team.

Monitoring alone does not drive improvements in labour conditions and therefore we have several other programmes in place to support our supply chain partners to improve labour conditions.

### **WORKER GRIEVANCE MECHANISMS**

Labour rights issues can include inadequate access to remedy. Where this occurs, we work with local NGOs to establish a hotline to share information with workers on their labour rights, create a mechanism to report grievances and provide psychological support.

The effectiveness of the hotline is frequently reviewed by our Responsibility team and this year we extended the hotline to cover over 19,000 workers within our supply chain. During FY 2021/21, 435 calls (15 complaints, 409 consulting requests and 11 psychological support requests) were received. Resolutions were monitored closely by our local Responsibility teams.

We continue to review access to remedy and we will extend the hotline where required, prioritising suppliers with migrant workers.

### **WORKER WELLBEING**

We continue to work on programmes to capture comments and grievances from workers in our supply chain globally and address issues raised.

Based on previous years' experience and supply chain feedback, we have enhanced the tool developed with Oxfam to measure worker wellbeing in our supply chain and capture comments and feedback from workers. In FY 2021/22 we reached over 3,300 workers across 30 facilities globally.

The results have been used to develop specific action plans for each factory. Different needs have emerged according to the factories' geographies and the improvement actions span from the development of stronger HR management systems, to worker and supervisor training programmes to initiatives to promote internal dialogue. For instance, some finished goods facilities have implemented clearer hiring policies and procedures while others have set up new Wellbeing Committees where Management and Workers' representatives can discuss emerging needs and identify joint solutions on a regular basis.

In the coming year, we will work to further expand the number of workers involved in the programme, whilst also supporting the factories with the successful implementation of their action plans. The positive impact of the implemented actions will be monitored by running our wellbeing measurement tool across selected facilities.



## CHAMPIONING DIVERSITY AND ENSURING INCLUSIVITY

At Burberry, our global Diversity and Inclusion strategy is focused on valuing and embracing differences and creating an environment where everyone feels they belong, has a voice and can reach their full potential. We know that when this happens, our colleagues are more engaged, committed and effective in driving results and we make a more meaningful contribution to the world around us.

To help achieve our diversity and inclusion goals, our dedicated Global Diversity and Inclusion team works with colleagues across the business, including our senior leadership teams, the broader Human Resources team and our advisory networks, with a focus on four strategic pillars:

- attracting and retaining diverse top talent
- fostering an open and inclusive culture
- educating and raising awareness
- implementing a global approach

D&I is also a key focus for our supply chain. Last year we reviewed and updated our Migrant Worker Policy to strengthen our guidance on the repayment of recruitment fees and better support our partners in implementing and upholding an ethical recruitment journey within the supply chain and we keep monitoring the policy implementation.

We have mapped particular risk areas and are working closely with local expert organisations and our suppliers to develop roadmaps to mitigate risk to domestic and international migrant workers in key supply chain locations.

In FY 2019/20, we introduced an inclusivity programme in Italy with a third-party communication agency and a cultural mediators association to increase vulnerable workers' access to local institutions and public services. The overall aim of the programme was to empower workers, thereby reducing risk of modern slavery and in the long-term, having a positive impact on social inclusion. This programme, together with our onsite audits, has helped us to identify the need to provide migrant workers with a dedicated tool to ask for guidance and support. In the next financial year we will be focusing our efforts on evolving our approach to respond to this opportunity and better support migrant workers in our supply chain.

We will continue to strengthen our commitment by continuously reviewing our programmes and taking action where needed.



# TRAINING AND RESOURCES

Our Responsibility team includes specialists in labour and human rights and modern slavery. Burberry employees are introduced to Burberry's responsibility policies and programmes during their induction training to ensure a general understanding of Burberry's responsibilities in this area.

## BURBERRY INTERNAL TEAMS TRAINING

In FY 2016/17, we developed our first bespoke modern slavery and labour rights training programme for our internal teams and supply chain partners, informed by Burberry's Human Rights Impact Assessment and in collaboration with the ethical trade, human rights and labour standards consultancy Impact. In FY 2021/22, over 120 members of our internal supply chain, sourcing, internal manufacturing and product teams received either introductory or refresher training. The targeted training helps those who have close contact with our extended supply chain to be familiar with the risk areas, likely indications of human rights abuses (including instances of modern slavery) and possible actions to take if an incident of modern slavery is identified. In previous years, we also trained members of our human resources, health and safety, construction and fulfilment teams on modern slavery, how to identify it and appropriate actions to take. A refresher training will be organised again next year. This training has helped embed respect for human rights and a policy of zero tolerance for modern slavery throughout the business.

We regularly review training needs across our business operations to ensure all relevant employees are included. In FY2022/23 we will create new online resources and continue to conduct trainings to reach a wider audience of employees and further embed awareness and risk mitigation into our culture.

## SUPPLY CHAIN TRAINING

Since FY 2016/2017, we have been training our supply chain partners, including vendors and key raw material suppliers, on understanding, identifying and managing modern slavery risks. In FY 2018/19, our UK Responsibility team completed an "Investigative Interviewing Skills" course developed and delivered by the Gangmasters Labour Abuse Authority and Stronger Together. The skills learned have been used to improve our Ethical Trading Audit methodology and have helped to provide insight when working with our regional teams. In addition, since the end of 2019 the Burberry EMEIA Responsibility team has collaborated with partners with cultural integration expertise to further strengthen our due diligence activities in multi-cultural environments.

In line with the commitment we made in FY 2020/21, this year's training has reached our key global product supply vendors and raw material suppliers covering 80% of our production. They have attended a three hour training session on modern slavery identification and management within their own operations and extended supply chain. All training participants have been tasked with the development of action plans to embed modern slavery awareness and prevention within their companies.

As part of our broader supply chain training programme, we also delivered a "Train the Trainer" course to 17 key finished goods vendors in Italy, one of our primary sourcing countries, to support them in cascading the modern slavery training within their company and to their own supply chain partners.

As part of the training objectives, we stressed that any instance of modern slavery is not tolerated and will be addressed in line with our partner non-compliance policy. If a suspected case of modern slavery emerges, supply chain partners have been trained to act in the first instance to ensure the safety of the persons at risk and Burberry will support them in identifying the most appropriate course of action.

During FY 2022/23 we will continue to monitor the implementation of our suppliers action plans. Moreover, we will continue to deliver annual modern slavery training to our key finished goods vendors and raw material suppliers to ensure that our main suppliers are well equipped to understand and address this topic and their attention remains high.

## **KEY PERFORMANCE INDICATORS (KPIs)**

We monitor the KPIs set out below on an ongoing basis. These KPIs help us ensure the effectiveness of our efforts to address modern slavery risks and are continually reviewed.

### **BURBERRY INTERNAL TEAMS TRAINING**

The Burberry Responsibility team trains key internal teams working with our business and product supply chains. This includes sourcing, supply chain and logistics, product development, HR, legal, construction, procurement and workplace services.

In FY 2021/22, the supply chain, sourcing and product teams received either introductory or refresher training to better understand forced labour indicators and raise awareness of modern slavery risks within our business operations and supply chain.

### **SUPPLY CHAIN TRAINING**

We regularly train finished goods suppliers, their key subcontractors and key raw material suppliers on the identification of modern slavery and building systems to prevent the occurrence of modern slavery.

### **WORKER VOICE**

We continue to implement initiatives to strengthen workers' access to information and the ability to raise grievances as well as to measure worker wellbeing. During FY 2021/22, Burberry's worker hotline received 435 calls, categorised as 15 complaints, 409 consulting requests and 11 psychological support requests.

We also surveyed approximately 3,300 workers across 30 facilities globally to build a better understanding of workers' wellbeing and identify opportunities for improvement. In FY2020/21 we introduced a communication training programme in two European production facilities and further expanded it in FY 2021/22 to two additional suppliers where a need was identified. The aim of the programme was to build communication skills and improve interaction between workers, supervisors and factory management. As a result, the facilities introduced stronger worker consultation and feedback mechanisms, improving internal dialogue. We continued to evolve our approach to workers' wellbeing to better capture and measure key wellbeing dimensions and more effectively address worker priorities. Our key vendors were consulted to inform the review of the methodology and ensure their input and suggestions were taken into account.

In FY 2022/23, we'll further expand the tool reach and monitor the results of our updated wellbeing model as well as continue gathering feedback from our supply chain partners. This will allow us to identify any further opportunity for improvement or any needs for targeted action.

## AUDITS AND ASSESSMENTS

In FY 2021/22, we conducted 601 ethical trading audits and 28 engagement activities. The majority of these activities were conducted by our internal Responsibility team who endeavour to build trust in our ongoing partnerships and drive continuous improvement.

Since the start of the global pandemic in March 2020, the Responsibility team has remained in close contact with supply chain partners by developing a blended physical and virtual ethical trade auditing system. Over FY 2021/22, we have maintained this approach to continue protecting the health and safety of our own as well as supply chain partners employees. However, when and where the circumstances have allowed, we have given preference to onsite monitoring activities as these allow to better capture any challenge and provide more effective support.

The audit and assessment programme covers all our finished goods facilities and their subcontractor supply chains as well as raw material suppliers covering over 40% of our finished products.

In early 2020, in an area of our supply chain where we identified a group of migrant workers paying fees during a complex recruitment journey, we started working with a local NGO, Issara Institute, and two suppliers who operate four facilities to build worker voice and remediate any fees paid by existing workers as well as workers that had since left their employment.

With remediation work now completed, in FY 2022/23 we will continue to focus on implementing measures for an ethical recruitment route for migrant workers and continue collaborating with our supply chain partners to support them in abiding by the designed guidelines. Facilities where domestic and international migrant workers are employed remain a key focus area.

# LOOKING AHEAD

We continue to strengthen the breadth and depth of our human rights due diligence and Ethical Trading Programme as well as implement the action plans resulting from our FY 2020/21 Human Rights Impact Assessment. A key focus has been on our upstream raw materials supply chain and engaging with key certification bodies to ensure human rights due diligence is conducted and embedded within certification standards.

Over the next year we'll increase our efforts to strengthen our supply chain traceability, in line with our 2025 commitments. We believe that our focus on transparency and traceability throughout the supply chain will further strengthen our ability to identify modern slavery risks and address any new challenge that might emerge.

In addition, we will continue to support our supply chain partners through challenges presented by the COVID-19 pandemic and monitor potential emerging risks and impacts in our extended supply chain.

Finally, our commitment to become Climate Positive by 2040 will allow us to not only protect the environment but also the communities that live within it. We aim at building a model that allows both the environment and people to thrive, reducing human rights violations and modern slavery risks.

We continue to review our own business operations and procurement procedures to ensure that risks of modern slavery are considered.

Should any instances of modern slavery be identified, we believe we are well positioned to address these and to support any affected workers in line with our core values.

**Approved by the Board on 12th May 2022 and signed on its behalf by:**

**Jonathan Akeroyd**  
**Chief Executive Officer**  
**Burberry Group plc**

