

KnowTheChain Apparel & Footwear Benchmark - Additional Disclosure 2020/2021

Company Name: Burberry

Date: 26/02/2021

Guidance:

- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website. Please see the 'comment text' and 'source' cells in the Excel document for the information we have already reviewed.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to (extensive additional disclosure documents that include a comprehensive list of links already reviewed will not be considered).

***Additional information has been provided for some questions below where sufficient details were not identified in the evaluation of our Scored Research by Know The Chain.**

THEME 1: COMMITMENT AND GOVERNANCE

1.1 Commitment

The company:

- (1) publicly demonstrates its commitment to addressing forced labor and human trafficking.

1.2 Supplier Code of Conduct

The company's supplier code of conduct:

- (1) requires suppliers to respect the ILO core labor standards, which include the elimination of forced labor;
- (2) is easily accessible from the company's website;
- (3) is updated regularly, following internal review and input from external stakeholders;
- (4) is communicated to the company's suppliers; and
- (5) requires its first-tier suppliers to take steps to ensure that their own suppliers implement standards that are in-line with the company's supply chain policies addressing forced labor and human trafficking.

The version date of the Burberry Ethical Code of Conduct document is February 2021.

1.3 Management and Accountability

The company:

- (1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labor and human trafficking; and

- (2) has tasked a board member or board committee with oversight of its supply chain policies that address forced labor and human trafficking.

Overall, approval and responsibility for implementing supply chain policies that address forced labour and human trafficking resides with Burberry's Chief Executive Officer, Marco Gobetti, who is an Executive Director on the company Board. The implementation of Human and Labour Rights is overseen by the Chair of the Ethics Committee, who has operational responsibility for human and labour rights and reports into the CEO and the Board.

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. This is outlined in Burberry's Modern Slavery statement.

[Please find our Human Rights Policy here](#)

[Please find our Modern Slavery Statement here](#)

1.4 Training

The company:

- (1) trains all relevant decision-makers within the company on risks and policies that address forced labor and human trafficking;

Training on the risks of forced labour and human trafficking is conducted each year and is delivered to all relevant decision-makers and key employee groups who interact with Burberry's supply chain networks. The targeted training ensures those travelling to supply chain facilities are 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 addition, we have 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. This training has embedded respect for human rights and a policy of zero tolerance for modern slavery throughout the business.

During FY20/21, 168 internal employees received training about modern slavery.

[Please find our Modern Slavery Statement here](#)

- (2) trains its first-tier suppliers on risks and policies that address forced labor and human trafficking and discloses the percentage of first-tier suppliers trained; and
- (3) engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labor and human trafficking to their own supply chains and/or trains suppliers below the first tier on such policies.

1.5 Stakeholder Engagement

To fully understand and address working conditions in sourcing countries, companies need to engage with potentially affected groups and local stakeholders such as trade unions, worker organizations, or local NGOs—in addition to suppliers. Furthermore, as forced labor risks tend to be

systemic in nature, collaboration with other companies, for example, to engage policy makers to strengthen labor legislation, is needed to address forced labor in supply chains.

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with stakeholders such as policy makers, worker rights organizations, or local NGOs in countries in which its first-tier suppliers and suppliers below the first tier operate; and .
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

THEME 2: TRACEABILITY AND RISK ASSESSMENT

2.1 Traceability and Supply Chain Transparency

The company discloses:

- (1) the names and addresses of its first-tier suppliers;

We are committed to respecting and safeguarding the rights of everyone in our supply chain and Burberry has a strong record in ensuring their wellbeing and livelihoods.

While we do not publicly list the names and addresses of suppliers/vendors, we can confirm that we do not work with any suppliers in Xinjiang or source any raw materials from the region. In addition, we make clear to all our suppliers that any form of modern slavery, included forced, bonded or involuntary prison labour, is not permitted whatsoever.

- (2) the countries of its below-first-tier suppliers (this does not include raw material suppliers);

We do not publicly disclose this information.

- (3) the sourcing countries of at least three raw materials at high risk of forced labor and human trafficking; and

Please visit our website to learn about where we source cashmere and cotton and see what we are doing to support livelihoods.

During FY 2019/20, we made significant progress, particularly on leather traceability, by working closely with our Italian tanneries. Our goal is to source 100% of our leather from tanneries with environmental, traceability and social compliance certifications.

[Please find our cashmere page here](#)

[Please find our cotton page here](#)

[Please find our leather page here](#)

- (4) the number of workers per supplier, and one additional data point on its suppliers' workforce (e.g., the gender ratio, migrant worker ratio, or level of unionization per supplier).

We do not publicly disclose any data about suppliers' workforce.

2.2 Risk Assessment

Risk assessment involves evaluating the potential that a company has (by virtue of who its suppliers are and where they are located) of being linked to forced labor and human trafficking. Risk assessment is a process that is carried out in addition to and outside of auditing. It helps identify potential forced labor risks as well as actual impacts that may be hard to detect through audits. This process may involve engaging local stakeholders, labor rights experts, independent sources, and assessing risks associated with specific raw materials, regions, or groups of workers such as migrant workers.

The company discloses:

- (1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and
- (2) details on forced labor risks identified in different tiers of its supply chains.

THEME 3: PURCHASING PRACTICES

3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking.

The company:

- (1) is taking steps toward responsible raw materials sourcing;

We have several policies including the Responsible Sourcing Policy that outline how we ensure raw materials are responsibly sourced. This is strengthened by our public traceability targets around our main raw materials (that account for 68% of raw materials we source- cotton, leather and cashmere). We report against these targets every year in line with the publication of our annual report.

Cotton

We are on track to meet our goal to procure 100% of our cotton more sustainably by 2022 by using a portfolio approach (currently at 75%). This includes working with partners such as the Better Cotton Initiative (BCI) and Textile Exchange, as well as exploring new sources, including organic and regenerative cotton. We continue to increase our sustainable product mix, by including recycled content, bio-based materials and more sustainable cotton in our collections. We have also worked directly with cotton growers in the USA to develop a fully traceable organic cotton supply for the future.

Leather

We are also on track to source 100% of our leather from tanneries with environmental, traceability and social compliance certifications by 2022 (currently at 64%). We support tannery certification as

one of several ways to help drive more responsible leather production. We recognise certifications by the Leather Working Group (LWG), the Italian Istituto di Certificazione della Qualità per l'Industria Conciaria (ICEC) and the International Organization for Standardization (ISO).

Cashmere

We are a founding partner of the Sustainable Fibre Alliance (SFA), a UK-based non-governmental organisation (NGO) working with key stakeholders in Mongolia to improve the impacts of cashmere production by restoring grasslands, promoting animal welfare and supporting a decent living for cashmere goat herders. During 2018, over 3,800 herding families producing approximately 170 tonnes of cashmere committed to the SFA's Codes of Practice on Rangeland Stewardship and Animal Welfare. These programmes aim to stimulate positive change beyond our footprint and make sustainable materials more mainstream across the industry.

In FY 2019/20, we assessed cashmere farming practices in China, working cross-industry with other brands and NGOs. We also continued our support of the SFA in Mongolia. By the end of FY 2019/20, over 4,000 herding families had committed to the SFA's Code of Practice on Animal Husbandry and Cashmere Fibre Harvesting. We are taking part in two pilot programmes with the SFA to source responsibly sourced cashmere

[Please find our Areas of Work page here](#)

- (2) is adopting responsible purchasing practices in the first tier of its supply chains, which include planning and forecasting;

We have a global responsibility team of 36 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 relevant sourcing teams. Burberry employees who are responsible for relationships with supply chain partners and sourcing also have personal KPIs linked 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.

Before a factory is approved to produce Burberry finished goods, we assess its compliance with the Responsible Business Principles and applicable local laws. The responsibility team must be satisfied that the factory will uphold these standards before giving approval for production to begin. Audits, announced or unannounced, consist of worker interviews, document reviews and site tours, and are repeated to confirm ongoing compliance and continuous improvement. Between audits, our responsibility team works closely with facilities to implement systems to prevent modern slavery and improve the management of human rights and safety risks. During FY 2019/20, we conducted 631 audits and 71 engagement visits.

We very much value the relationship we have with our product supply partners, even more so during these unprecedented times. As such, we have not changed our payment terms for outstanding orders either in production or completed, they remain in line with our normal practices. Our regional teams are in constant touch with all of our key supply chain partners to understand how best we can further support them

[Please find our Modern Slavery Statement here](#)

[Please see our BHRC response here](#)

- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts); and

We do not disclose this information.

- (4) discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labor and human trafficking.

During FY 2019/20, we conducted 631 audits and assessments and completed 71 training and engagement visits, which supported our partners to build stronger human resource management systems and introduce innovative worker engagement and wellbeing programmes.

The chart below shows the results of our ethical trade monitoring activities in our finished goods supply chain over the last three years.



Currently, more than 13,000 workers across 31 factories are provided with improved access to remedy and confidential support, including advice and information on workers' rights and wellbeing. The effectiveness of these hotlines is regularly reviewed. During FY 2019/20, Burberry-sponsored hotlines received 598 enquiries (the majority of which were for consultation or psychological support) and their resolutions have been monitored closely by our responsibility team. In locations where hotlines are available, they are provided in the local language and in all appropriate languages where multiple languages are spoken by the workforce.

Over 75% 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 we work towards minimising supplier turnover.

[Please find information on our Ethical Trading here](#)

In order to ensure that workers in our supply chain have been paid wages during the COVID-19 pandemic lockdowns, our teams are in constant contact with all of our product supply partners to understand how best we can further support them. We ask all of our product supply partners to confirm their worker payment policies and this practice has continued during this period. We will resume our standard auditing process as lockdown and travel restrictions are lifted.

[Please see our BHRC response here](#)

3.2 Supplier Selection

The company:

- (1) assesses risks of forced labor at potential suppliers before entering into any contracts with them and discloses details on the outcomes of this process; and

To ensure compliance with our Responsible Business Principles, audits of suppliers' facilities are conducted prior to entering any contracts with them. We report on the outcomes of the audits annually, covering finished goods vendors, sub-contractors and key raw material suppliers.

Audits consist of a site tour focusing on health and safety, documentation review and worker interviews. A representative sample of workers are selected for interview, including, where relevant, union representatives, first aiders and migrant workers. Our audit methodology prescribes that 10% of the workforce are selected for interview and interviews can take place off-site when required. Audits are repeated to monitor ongoing compliance and continuous improvement.



[Please find information on our Ethical Trading here](#)

- (2) addresses risks of forced labor related to sub-contracting and discloses details on the outcomes of this process.

Burberry's Ethical Trading Code of Conduct prohibits unauthorised subcontracting by its suppliers, as well as by its sub-contractors. Prior written consent and approval by Burberry is required. The Burberry's Partner Non-Compliance Policy outlines the steps that are followed in instances where non-compliance to our Ethical Trading Code of Conduct have been identified.

[Please find our Partner Non Compliance Policy here](#)

3.3 Integration into Supplier Contracts

The company:

- (1) integrates the ILO core labor standards, which include the elimination of forced labor, into supplier contracts;

Our Letter of undertaking includes a clause which requires suppliers to conform and comply with ILO standards. All partners are required to agree to all the clauses of this legal document. By signing this document, suppliers are also agreeing that they and their supply chain must comply with Burberry's Ethical Trading Code of Conduct and Responsible Business Principles.

[Please find our Ethical Trading Code of Conduct](#)

- (2) discloses the percentage of suppliers whose contracts include such standards; and

100% of partners are required to sign our Letter of Undertaking.

- (3) requires its suppliers to integrate such standards into contracts with their own suppliers.

Our supplier's supply chain partners are required to apply Burberry standards if they are involved in Burberry production.

Our Letter of undertaking includes a clause which requires suppliers to conform and comply with ILO standards. All partners are required to agree to all the clauses of this legal document. By signing this document, suppliers are also agreeing that they and their supply chain must comply with Burberry's Ethical Trading Code of Conduct and responsible business principles.

The Ethical Trading Code of Conduct exists to promote fair working conditions and the responsible management of social issues in the Burberry supply chain. All Business Associates are expected to establish and maintain a system to deliver compliance with the Burberry Ethical Trading Code of Conduct, which is designed to promote the protection of all workers throughout its supply chain and operations, including any workers employed by third party contractors and recruitment agencies.

[Please find our Ethical Trading Code of Conduct](#)

THEME 4: RECRUITMENT

4.1 Recruitment Approach

The company:

- (1) has a policy that requires direct employment in its supply chains

In our Migrant Worker Policy, we stipulate that where possible the Business Associate should avoid using recruitment agencies and instead recruit workers directly. If using a third party, the Business Associate should work with a government registered recruitment agency where possible.

[Please find our Migrant Worker Policy here](#)

- (2) requires employment and recruitment agencies used by its suppliers to respect the ILO core labor standards, which include the elimination of forced labor; and

Burberry and its Business Associates will always conform to the relevant ILO standards. All Business Associates are expected to establish and maintain a system to deliver compliance with the Burberry Ethical Trading Code of Conduct, which is designed to promote the protection of all workers throughout its supply chain and operations, including any workers employed by third party contractors and recruitment agencies. We work with suppliers to encourage continuous improvement in line with our Ethical Trading Code of Conduct, a code of labour practice based on conventions of the International Labour Organisation (ILO).

In our Migrant Worker Policy, we stipulate that where possible the Business Associate should avoid using recruitment agencies and instead recruit workers directly.

Clause 11 of the Ethical Trading Code of Conduct states that:

- I. Business Associates should only employ or use workers with a legal right to work in the country.
- II. The Business Associate must validate, by reviewing original documents and then returning them to the workers, all workers' and employment agency workers' legal right to work.
- III. Employment agencies can only supply workers registered with them.
- IV. The Business Associate is expected to establish a process that effectively monitors the provisions of this paragraph

[Please find our Ethical Trading Code of Conduct](#)

[Please find our Migrant Worker Policy here](#)

- (3) discloses information on the recruitment agencies used by its suppliers

4.2 Recruitment Fees

According to the ILO, workers should not be charged directly or indirectly, in whole or in part, any fees for recruitment or related costs (such as costs for training, medical tests, or travel).

The company:

- (1) requires that no worker in its supply chains should pay for a job—the costs of recruitment (i.e., recruitment fees and related costs) should be borne not by the worker but by the employer ("Employer Pays Principle"); and

This requirement is included in [Burberry's Migrant Worker Policy](#):

Dhaka Principles: Principle 1 – No fees are charged to migrant workers

- I. The employer should bear the full costs of recruitment and placement.
- II. Migrant workers should not be charged any fees for recruitment or placement outright or through wage deductions.
- III. If any worker already employed by the Business Associate has previously paid for any Recruitment Fees, the Business Associate shall reimburse such worker for any fees paid by the worker. If by law, the worker is required to pay any fee, any Excessive Fees will be reimbursed by the Business Associate where the worker can provide documentation and receipts of the fee paid.

In an area of our supply chain where we identified a group of migrant workers paying fees during a complex recruitment journey, we have been 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, whilst developing an ethical recruitment route for workers in the future.

- (2) takes steps to ensure that such fees are reimbursed to the workers and/or provides evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains.

In an area of our supply chain where we identified a group of migrant workers paying fees during a complex recruitment journey, we have been 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, whilst developing an ethical recruitment route for workers in the future.

[Please find our Modern Slavery Statement here](#)

4.3 Monitoring and Responsible Recruitment

The company:

- (1) takes steps to ensure employment and/or recruitment agencies used by its suppliers are monitored to assess and address risks of forced labor and human trafficking; and

We take steps to ensure employment and/or recruitment agencies used by suppliers by monitoring compliance through ethical audits which cover employment and, where relevant, recruitment agencies. The supplier and recruitment agent are assessed against Burberry's Ethical Trading Code of Conduct and Migrant Worker Policy.

Suppliers are expected to comply with Burberry Ethical Trading Code of Conduct throughout its supply chain and operations. This includes workers employed by third party contractors and recruitment agencies.

[Please find our Migrant Worker Policy here](#)

[Please find our Ethical Trading Code of Conduct](#)

- (2) provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with stakeholders to engage policy makers to strengthen recruitment standards).

4.4 Rights of Workers in Vulnerable Conditions

Migrant workers and other workers in vulnerable conditions are at a higher risk of being in forced labor, and additional steps are needed to ensure their rights are respected. Conditions which render workers vulnerable may include characteristics such as gender or age and external factors, including workers' legal status, employment status, economic conditions, and work environment (such as isolation, dependency on the employer, or language barriers).

The company:

- (1) takes steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment and also understand their rights;

Our Migrant Worker Policy states that suppliers are required to ensure that 'workers should be provided with written contracts in a language each worker understands, with all terms and conditions explained clearly, and the worker's assent obtained without coercion. Where the worker is illiterate, the contract and terms of employment should be fully explained to the worker.

[Please find our Migrant Worker Policy here](#)

- (2) takes steps to ensure its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will;

As outlined in our Ethical Trading Code of Conduct and Migrant Worker Policy, during audits, checks are completed to ensure that worker documents are not retained by employers in order to restrict their freedom of movement.

- (3) discloses at least two outcomes of steps it has taken to ensure respect of the fundamental rights and freedoms of supply chain workers in vulnerable conditions (those articulated in the ILO core labor standards, which include the elimination of forced labor).

In an area of our supply chain where we identified a group of migrant workers paying fees during a complex recruitment journey, we have been 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, whilst developing an ethical recruitment route for workers in the future.

The Burberry Responsibility team in Asia has also engaged a free and confidential NGO hotline for workers. Together with the Issara hotline, these finished-goods factories are now covered by a hotline to ensure any grievances can be raised and reported independently and anonymously.

THEME 5: WORKER VOICE

5.1 Worker Engagement

The company:

- (1) takes steps to ensure its supply chain policies that address forced labor and human trafficking are communicated to workers in its supply chains;
- (2) takes steps to ensure that relevant stakeholders engage with and educate workers in its supply chains on their labor rights and/or supports worker-led efforts on labor rights education;

We introduced a communication training programme in two European production facilities. The aim of the programme was to build communication skills between workers, supervisors and factory management. As a result, the facilities introduced stronger worker consultation and feedback mechanisms, therefore improving dialogue with their colleagues and ensuring that workers were briefed on supply chain policies that address forced labor and human trafficking. In the coming year, we will continue to use the results of the facility-level wellbeing surveys to improve the KPIs we review across facilities.

In FY 2019/20, we introduced an inclusivity programme in Italy with a third-party communication agency and a cultural mediator association to increase vulnerable workers' access to local institutions and public services. The overall aim of the programme is to empower workers, thereby reducing risk of modern slavery and in the long run, have a positive impact on social inclusion. The programme utilises social media platforms to connect vulnerable people to over 40 local institutions and services. This year has seen high engagement rates for articles, especially those sharing information on coronavirus, health services, education and parenting services

In an area of our supply chain where we identified a group of migrant workers paying fees during a complex recruitment journey, we have been 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, whilst developing an ethical recruitment route for workers in the future.

Burberry prohibits retaliation against anyone who raises a complaint. This includes stakeholders who raise human rights related concerns. We require our supply chain partners to follow the same approach.

[Please find our Modern Slavery Statement here](#)

[Please find information about our Human Rights focus here](#)

- (3) provides evidence of the positive impact of worker engagement in its supply chains; and

In FY 2019/2020, Burberry's worker hotline received 598 calls, categorised as 26 complaints, 533 consulting requests and 39 psychological support requests. We have also surveyed approximately 2,750 workers across 15 global facilities to build a better understanding of workers' wellbeing and identify opportunities for improvement. Following this, we introduced a communication training programme in two European production facilities. The aim of the programme was to build communication skills between workers, supervisors and factory management. As a result, the facilities introduced stronger worker consultation and feedback mechanisms, therefore improving dialogue with their colleagues.

[Please find our Modern Slavery Statement here](#)

- (4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.

We worked 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 and, during FY 2019/20, 598 calls (26 complaints, 533 consulting requests and 39 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.

We continue to work on programmes to capture comments and grievances from workers in our global supply chain and address issues raised. We have used a tool we developed with Oxfam to measure worker wellbeing in our supply chain. We have captured comments and feedback from approximately 2,750 workers across 15 global facilities.

We introduced a communication training programme in two European production facilities. The aim of the programme was to build communication skills between workers, supervisors and factory management. As a result, the facilities introduced stronger worker consultation and feedback mechanisms, therefore improving dialogue with their colleagues. In the coming year, we will continue to use the results of the facility-level wellbeing surveys to improve the KPIs we review across facilities.

[Please find our Modern Slavery Statement here](#)

5.2 Freedom of Association

The company:

- (1) works with independent local or global trade unions to support freedom of association in its supply chains;

This information is verified during audits and the onboarding stage of procurement when partners are assessed.

- (2) discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labor rights agreement with trade unions or worker organizations;
- (3) takes steps to ensure workplace environments in which its suppliers' workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association; and

Our Ethical Trading Code of Conduct sets out:

- Workers, without distinction, have the right to join or form trade unions of their own choice and to bargain collectively.
- The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- Worker representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder, the development of parallel means for independent and free association and bargaining.

Over 75% 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.

Burberry encourages its suppliers to set up committees to enable workers to engage in dialogue with management. This is a recommendation outlined in our ethical audit process.

[Please find our Modern Slavery Statement here](#)

[Please find our Ethical Trading Code of Conduct](#)

- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers such as migrant workers (e.g., by taking action where suppliers impede workers' rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

During audits, checks are conducted to find out if a suppliers' workers are members of unions. We introduced a communication training programme in two European production facilities. The aim of the programme was to build communication skills between workers, supervisors and factory management. As a result, the facilities introduced stronger worker consultation and feedback mechanisms, therefore improving dialogue with their colleagues. In the coming year, we will continue to use the results of the facility-level wellbeing surveys to improve the KPIs we review across facilities.

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, creating a mechanism to report grievances and provide psychological support. The effectiveness of the hotline is frequently reviewed and during FY 2019/20, 598 calls (26 complaints, 533 consulting requests and 39 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.

[Please find our Modern Slavery Statement here](#)

5.3 Grievance Mechanism

The company:

- (1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives;

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 and during FY 2019/20, 598 calls (26 complaints, 533 consulting requests and 39 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.

[Please find our Modern Slavery Statement here](#)

- (2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;
- (3) takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism;

In FY 2019/20, we introduced an inclusivity programme in Italy with a third-party communication agency and a cultural mediator association to increase vulnerable workers' access to local institutions and public services. The overall aim of the programme is to empower workers, thereby reducing risk of modern slavery and in the long run, having a positive impact on social inclusion. The programme utilises social media platforms to connect vulnerable people to over 40 local institutions and services. This year has seen high engagement rates with articles, especially those sharing information on coronavirus, health services, education and parenting services.

[Please find our Modern Slavery Statement here](#)

- (4) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism; and

Same as above (1)

- (5) provides evidence that the mechanism is available and used by workers below the first tier in its supply chains.

We have no information to disclose.

THEME 6: MONITORING

6.1 Monitoring Process

To improve implementation of its supply chain policies, conditions at supplier level can be monitored in different ways. This could include specialized audits to detect forced labor at higher-risk suppliers or worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities).

The company has a supplier monitoring process that includes:

- (1) non-scheduled visits;

Before a factory is approved to produce Burberry finished goods, we assess its compliance with the Responsible Business Principles and applicable local laws. The responsibility team must be satisfied that the factory will uphold these standards before giving approval for production to begin. Audits, announced or unannounced, consist of worker interviews, document reviews and site tours, and are repeated periodically to confirm ongoing compliance and continuous improvement.

- (2) a review of relevant documents;

Same as above (1)

- (3) off-site interviews with workers;

Audits consist of a site tour focusing on health and safety, documentation review and worker interviews. A representative sample of workers are selected for interview, including, where relevant, union representatives, first aiders and migrant workers. Our audit methodology prescribes that 10% of the workforce are selected for interview and interviews can take place off-site when required. Audits are repeated to monitor ongoing compliance and continuous improvement

- (4) visits to associated production facilities and related worker housing; and
- (5) steps to ensure that suppliers below the first tier are monitored.

6.2 Monitoring Disclosure

The company discloses:

- (1) the percentage of suppliers monitored annually;
- (2) the percentage of unannounced monitoring visits;

We do not disclose this information.

- (3) the number or percentage of workers interviewed; and
- (4) information on the qualification of the monitoring organization used and/or the use of worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities); and
- (5) a summary of findings, including details regarding any violations revealed.

We are unable to disclose details on any findings.

THEME 7: REMEDY

7.1 Corrective Action Plans

The company discloses:

- (1) a corrective action process for its suppliers and potential actions taken in cases of non-compliance, such as stop-work notices, warning letters, supplementary training, and policy revision;

During FY 2019/20, we conducted 631 audits and assessments, and completed 71 training and engagement visits to support our partners in building stronger human resource management systems and introducing innovative worker engagement and wellbeing programmes.

[Please find our Partner Non Compliance Policy here](#)

[Please find our Modern Slavery Statement here](#)

- (2) a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, or spot-checks;

Our audit methodology prescribes that evidence must be available to verify that a corrective action has been completed. Verification activities take place during a follow-up audit, depending on the non-

compliance. Verification activities are likely to include relevant documentation review, worker interviews and site inspections.

(3) potential consequences if corrective actions are not taken; and

The process is outlined in our Partner Non-Compliance [Policy](#). If during a follow up visit, the same or new critical non-compliance is identified at the Business Associate's facility, notice of exit may be issued. There may be no opportunity to re-audit the Business Associate within 18 months. Facilities owned by first tier Business Associates may receive an additional follow up visit before notice to exit is issued.

(4) a summary or an example of its corrective action process in practice.

We do not disclose this information.

7.2 Remedy Programs / Response to Allegations

A. The company discloses:

(1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and

During ethical trade audits and as part of our broader Responsibility programme, we conduct interviews with relevant stakeholder groups 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. For example, we provide grievance mechanisms for our global employees, as well as confidential hotlines run by non-governmental organisations (NGOS) for workers in our supply chain. Currently, more than 13,000 workers across 31 factories are provided with improved access to remedy and confidential support, including advice and information on workers' rights and wellbeing. The hotline is available in all the appropriate languages in the 31 factories.

Grievance mechanisms are used to both inform and implement future policy, to ensure developments are relevant and appropriate and that human rights violations are not replicated nor deteriorate. We prohibit retaliation against anyone raising a complaint and will respect the rights of any other stakeholders raising human rights related concerns including human rights defenders. We also expect our business associates to respect the rights of human rights defenders.

[Please find information about our Human Rights Policy here](#)

(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers; and

We do not disclose this information.

(3) a description of what actions it is taking to prevent and remediate the use of forced Uyghur labor.

We do not work with any suppliers in Xinjiang or source any raw materials from the region. We make clear to all our suppliers that any form of modern slavery, included forced, bonded or involuntary prison labour, is not permitted whatsoever.

B.1. If one or more additional allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s);
- (3) outcomes of the remedy process in the case of the allegation(s); and
- (4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

B.2. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, and the company denies the allegation, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) a description of what actions it would take to prevent and remediate the alleged impacts; and
- (3) that it engages in a dialogue with the stakeholders reportedly affected in the allegation or requires its supplier(s) to do so.

NON-SCORED DISCLOSURE

Target Setting

The company discloses measurable and time-bound targets to address forced labor in its supply chains.

Yes/No. Please provide details.

The company reports on progress towards achieving previous targets on an annual basis.

Yes/No. Please provide details.

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Due Diligence on Third-Party Products

Where a company—in addition to own branded products—sells third-party food and beverage products, the company discloses how it assesses and addresses forced labor risks related to third-party food and beverage products.

Yes/No. Please provide details.

High Risk Sourcing¹

Please provide a full list of raw materials present in your supply chains, or alternatively indicate for each of the commodities below whether it is present in your supply chains. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

Raw Materials

- Bamboo
- Cashmere*
- Cotton
- Rubber (natural)
- Silk
- Viscose*
- Wool*

Sourcing Countries for Apparel & Footwear Supply Chains (garments, textiles, etc)

- Argentina
- Brazil
- China
- Ethiopia
- India
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam

Presence of Migrant Workers in Supply Chains

Yes/No. Please provide details.

¹ Data according to US Department of Labor's list of Goods Produced by Forced Labor website as of September 2020. Accessed October 2020.

* = Risk factors identified based on publicly available sources and discussions with expert organizations.