

## **Business & Human Rights Resource Centre – COVID-19 Questions**

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.

We have worked closely with our partners to ensure all health and safety and government issued guidance on COVID-19 is user-friendly, helping our supply chain to easily access the support that is locally, and our confidential worker hotlines remain available. Some of our product supply partners have been able to reopen with special measures in place, including temperature checks, PPE, sanitiser provision and workspace distancing.

The below responses are in relation to our product supply chain partners.

**In the 12-month period directly before the COVID-19 outbreak:**

***Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.***

**What are the maximum number of days from invoice date within which you pay your suppliers (e.g. 30, 60, 90, 180 days)? –**

Burberry's standard payment terms are between 30 and 60 days from the date of receipt of a valid invoice. We have not changed our payment terms for outstanding orders either in production or completed, they remain in line with our normal practices.

**When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?**

Our product supply partners issue valid invoices upon or after shipment on standard Incoterms and we pay on these terms.

**In this period, have you asked suppliers for a discount after placing an order? Y/N**

NO

Having agreed a cost with a product supply partner we have not reopened negotiations.

**If yes, what percentage of FOB was the discount (if varying, please list all percentages)?**

N/A

**Do your contracts have clauses for financial penalties:**

**For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)? Y/N**

YES

Under our Terms and Conditions we have the right to apply reasonable financial penalties for non compliance such as late delivery or faulty items, in order to maintain our high standards. These are clearly communicated with our product supply partners in the onboarding process when they begin working with us. However, our usual practice with our product supply partners is to be as mutually flexible and collaborative as possible and we have maintained this in recent months.

**For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)? Y/N**

YES

In the event Burberry changes an order after a PO has been accepted by a product supply partner (for example, change to product specification or order quantities), Burberry may be required to pay certain costs to that partner.

**In the period since the COVID-19 outbreak:**

***Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.***

**Have you committed to pay in full for:  
All completed orders? Y/N**

YES

**All in-production orders? Y/N**

YES

We have not changed our payment terms for outstanding orders either in production or completed, they remain in line with our normal practices

**Have you extended your usual payment times? Y/N**

NO

**If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?**

N/A

**Are you supporting suppliers with access to local finance with a letter of credit or through other means? Y/N**

NO

**Have you requested a discount for any orders? Y/N**

NO

**If yes what, percentage of FOB (if varying, please list all percentages)?**

NA

**Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown? Y/N**

YES

Our teams are in constant touch 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.

**Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment)? Y/N**

YES

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able to reopen with special measures in place, including temperature checks, PPE and sanitiser provision and workspace distancing. We have worked closely with our partners to ensure all health and safety and government issued guidance on COVID-19 is user-friendly, helping our supply chain to easily access the support that is locally available. The inclusion of new guidelines around minimum health and safety standards in our Responsible Business Principles is being communicated to our product supply partners, and our confidential worker hotlines remain available.

**Are you paying shareholder dividends? Y/N or N/A for companies without public shareholders**

NO

We have retained our capital allocation framework. However, given current uncertainty, a final dividend has not been declared, with future dividend payments to be reviewed at the end of FY2021.