

## UN Global Compact

### BURBERRY GROUP PLC

#### Advanced Communication on Progress

FY2021/2022

#### Chief Executive Statement of Support

At Burberry, we are committed to doing well by doing right for all our stakeholders. Throughout our 166-year history, our products have enabled individuals to explore nature and the great outdoors, and this legacy lives on today. We recognise that the long-term success of our business depends on investing in the environmental sustainability of our operations, the resilience of our supply chains and our management of climate change impacts.

Every decision we take as a conscious company is guided by our purpose and values. Enshrined in the statement 'Creativity Opens Spaces', our purpose is the shared belief that through creativity, we can push boundaries and explore new possibilities for our people, our customers and our communities. This is underpinned by four values: Creatively Driven; Forward Thinking; Open and Caring, and Proud of our Heritage, which are the hallmarks of our brand at its best, drawing on the legacy of Thomas Burberry, who founded the Company in 1856.

Our commitment to environmental and social responsibility is the purest expression of our purpose and values in action. As our recent five-year Responsibility strategy concludes this year, we are proud to have substantially met all targets set across our Company, Product and Communities pillars. This includes driving positive change across almost all products, becoming carbon neutral across our own operations globally and positively impacting over a million people.

Looking to the future, we plan to build on the strong progress we have made, working closely with our supply chain partners, external stakeholders and communities to create a more sustainable future for luxury, making a positive impact on climate, nature and people.

1. **CLIMATE:** We're going beyond net zero, reducing emissions across our extended supply chain and investing in initiatives and projects that support wider climate change efforts beyond our business. These include programmes that remove carbon from the atmosphere, designed to accelerate climate action and build resilience for climate-vulnerable communities.
2. **NATURE:** We will take action to protect, restore and regenerate nature by applying a nature-based approach to our own value chain and in areas of greatest need beyond our operations. We are committed to restoring ecosystems within Burberry's own value chain, working with key partners such as the Savory Institute's Land to Market programme, as well as continuing to evolve our understanding of our nature impacts in partnership with The Biodiversity Consultancy. We are also working with organisations like the Science Based Targets Network and the Taskforce on Nature-related Financial Disclosures to support the development of a robust framework to monitor and drive progress.
3. **PEOPLE:** We are committed to having a positive impact on our people and communities. We are collating information about the work we do across our business and in our supply chain, from protecting and nurturing luxury craftsmanship skills, to driving progress towards our diversity, equity and inclusion ambitions, in order to establish and evaluate the full picture of our impact on people within and beyond our company.

Burberry has been a signatory of the UN Global Compact since 2008, and the UN Global Compact's Ten Principles (the “**UNGC Principles**”) have guided us since then. Both our previous and current strategy have been informed by the UNGC Principles and we are committed to continue upholding the core values of the initiative across human rights, labour standards, the environment and anti-corruption.

Further details on our responsibility strategy and commitments are available on [Burberryplc.com](https://www.burberryplc.com)



Jonathan Akeroyd

Chief Executive Officer

1<sup>st</sup> June 2022

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## **Governance**

Environmental and social responsibility is an essential element of Burberry's strategy for which the Board is responsible. The Board is also responsible for ensuring its approach to ESG topics is integrated into, and implemented across, the business. The governance framework of committees and advisory forums provide updates and key information to the Board to ensure it is able to make informed decisions. Our governance framework is outlined in the corporate governance statement on page [xx]. The Board receives updates on priorities relating to the environment, people, supply chain, communities, sustainable finance and communications regularly.

In FY 2019/20, a Sustainability Steering Committee chaired by the CEO was established to review and oversee the Group's strategy on environmental and social issues. During FY 2021/22, we reviewed the governance of ESG topics. As part of this review, the Sustainability Steering Committee evolved to the Sustainability Committee, which will meet four times a year and is co-chaired by the CEO and CO&FO. The Sustainability Committee will report to the Board at least twice a year to enhance the Board's monitoring of progress.

The Chief Supply Chain Officer, the Chief People Officer, the Head of Ready-to-Wear, General Counsel, Senior Vice President Strategy, Vice President Corporate Responsibility and Senior Vice President Corporate Relations and Engagement are also members of the Sustainability Committee. Senior leaders are responsible for ensuring all decisions are taken with environmental and social impacts in mind.

The Company has a cross-functional working group responsible for delivering the recommendations of the TCFD and evolving the company's TCFD disclosures. The TCFD working group includes members from the Risk Management, Finance and Corporate Responsibility teams, and reports to the Risk Committee, which is chaired by the CO&FO.

The Ethics Committee covers topics relating to ethics, compliance, environment and communities, and reports to the Audit Committee.

Our ethical trading programme is supported and monitored internally by a number of management committees and key risks are reported to the Ethics Committee. 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.

We have processes and resources in place to respond to any human rights issue which may arise and policies are in place to ensure that the safety of those in question is the priority. If any labour or human rights risks are identified, the Vice President of Corporate Responsibility will report on such issues to the Ethics and Risk Committees, which meet consecutively at least three times a year. The Risk Committee is chaired by the CO&FO, who is an Executive Director of Burberry Group plc. The Risk Committee reports into the Group's Audit Committee which is chaired by an independent non-executive director of the Burberry Group plc Board.

## **Labour**

The many craftspeople across the world who create our products are fundamental to our business and our industry more broadly. We are deeply committed to protecting the rights of these workers, nurturing and preserving their skills and enhancing their wellbeing and livelihoods. We do so, among others, by implementing a rigorous supply chain screening and assessment process and by supporting our suppliers through training, awareness-raising and workers' voice initiatives.

Our Responsibility strategy is integral to Burberry's Environmental, Social and Governance (ESG) framework and is informed by the UN's 17 Sustainable Development Goals. Our contributions towards the goals are outlined in more detail in our FY 2021/22 Annual Report. The strategy focuses on a number of goals, including Goal 8 (Decent Work and Economic Growth), which is supported through our ethical trade programme, workers' voice and supplier support initiatives.

## **Ethical Trade Programme**

Over the last 18 years, we have implemented a programme to monitor our product supply chains and safeguard the workers engaged in these supply chains. We have a global corporate responsibility team consisting of more than 30 sustainability specialists supporting our key product supply chains.

In October 2017, Burberry became a founding member of the Business Against Slavery Forum alongside some of the UK's largest companies. The forum member companies share intelligence and best practice to help businesses identify, tackle and prevent slavery in their supply chains. We also joined the ILO "COVID-19: Action in the Global Garment Industry" to support manufacturers recover from the disruptions caused by the global pandemic.

All colleagues across Burberry are introduced to Burberry's corporate responsibility policies and programmes during their induction training to ensure they gain a deeper understanding of our commitments in this space. 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 responsible for supply chain partner relationships and sourcing have personal objectives related to labour conditions, recognising the potential impact of fair purchasing practices on labour conditions throughout our supply chain. Moreover, to consistently increase understanding and engagement on social and environmental sustainability, Burberry invited the Cambridge Institute for Sustainability Leadership to deliver some leadership sessions for our Executive Committee and Board members.

Our ethical trading programme consists of planned and unplanned audits, monitoring and improvement programmes, and covers all finished goods vendors, sub-contractors and key raw material suppliers. We operate a strict approval process for all new supply chain partners and conduct a transparency analysis with our vendors and commercial teams each season to ensure supply chain mapping is always up to date. All finished goods facilities and key raw material suppliers are audited prior to approval and at frequent intervals during their partnership with Burberry. A factory's compliance with Burberry's Responsible Business Principles and applicable local laws is rigorously

assessed with approval subject to Burberry's satisfaction with the factory's commitment to these Principles.

Since 2019, we have further expanded our programme to include the assessment of our key mills, tanneries and trim suppliers, and their sub-contractors. In FY 2021/22, this represents over 45% of our raw material suppliers. During this period, we conducted 601 audits and 28 engagement activities with these suppliers.

Our packaging, visual merchandising, repurposing and recycling supply chains have been included within our ethical trading programme since 2019, which focuses on conducting a risk-based analysis of new suppliers prior to procurement. We continue to conduct audits where required and work with our suppliers to implement the necessary corrective actions where needed.

The majority of these activities are conducted by our internal responsibility team to build trust with supply chain partners and drive continuous improvement together. During an audit, compliance with our Responsible Business Principles is assessed. These Principles have been developed in line with our commitments and knowledge of the supply chain over a number of years. They have been informed by our longstanding membership of the United Nations Global Compact and are underpinned by the International Bill of Human Rights and the Fundamental Conventions of the ILO<sup>1</sup>. We review and update the Responsible Business Principles on an annual basis to ensure that they align to the latest good practice guidelines and any emerging regulatory requirements. These Principles apply to all our business associates, which include, but are not limited to, finished goods suppliers, raw material suppliers, non-stock suppliers, construction contractors, licensees and franchisees.

In recognition of SDG 17, 'Partnerships for the Goals', we value the importance of collaborating with industry peers, business partners and other key stakeholder groups to find long-term solutions and promote wider industry change. Our Responsibility goals and progress are reviewed by external forums who act as 'critical friends' to constructively challenge and support our initiatives, as well as ensure we stay focused on our most material issues to drive real positive impact in the long-term. If a specific situation arises, we work closely with local stakeholders to ensure their views are represented across key decisions.

## **Supply Chain Support**

We work closely with our supply chain partners and provide regular training opportunities to vendors, suppliers and other key business partners. Since 2013, our capacity building programme with strategic Italian and British vendors has increased their ability to manage the working conditions at sub-contractors' facilities, as well as introduce their own ethical trading monitoring programmes. This helps us to reach more workers in line with our commitment to create a responsible supply chain. In FY 2021/22, the partners within the programme have conducted 216 audits or assessments of their own supply chains.

Over the past six years, we have provided training to our supply chain partners, including vendors and key raw material suppliers, on understanding, identifying and managing modern slavery risks. Informed by our Human Rights Impact Assessment, we developed a bespoke modern slavery and labour rights training programme for our internal teams and supply chain partners.

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<sup>1</sup> The eight ILO Fundamental Conventions are: 1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (N.87); 2) Right to Organise and Collective Bargaining Convention, 1949 (N.98); 3) Forced Labour Convention, 1930 (N.29) and its 2014 Protocol; 4) Abolition of Forced Labour Convention, 1957 (N.105); 5) Minimum Age Convention, 1983 (N. 138); 6) Worst Forms of Child Labour Convention, 1973 (N. 138); 7) Equal Remuneration Convention, 1951 (N. 100); 8) Discrimination (Employment and Occupation) Convention, 1958 (N. 111)

In FY 2019/20, we carried out an inclusivity initiative in Italy with a third-party communication agency and a cultural mediators association to increase potentially vulnerable workers' access to local institutions and public services. The overall aim of the initiative was to empower workers, thereby reducing risk of modern slavery and create long-term impacts on improving social inclusion. Based on the learnings from this programme and those from our ethical trade audits, we are currently developing a new initiative to help migrant workers in our Italy supply chain to report any modern slavery concern they might have and seek support.

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 potential risk areas, any 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 focused on raising awareness of modern slavery risks and preventative actions among our key finished goods vendors and key raw material suppliers manufacturing approximately 80% of our products. Participants attended a three-hour training session and were asked to update and strengthen their action plans to prevent and reduce the potential risk of modern slavery in their operations and supply chains.

Where labour rights issues can include inadequate access to remedy, we have worked with local NGOs to establish a hotline to share information with workers on their labour rights and create a mechanism to report grievances and provide psychological support, providing workers with improved access to remedy. The effectiveness of the hotline is frequently reviewed by our Responsibility team and in FY 2021/22 we extended the hotline to cover over 19,000 workers within our supply chain. During FY 2021/22, 435 calls (15 complaints, 409 consulting requests and 11 psychological support requests) were received, which covered 36 suppliers. Resolutions were monitored closely by our local teams and we continue to review access to solutions, extending access to the hotline where required, particularly for suppliers with migrant workers.

We continue to work on programmes to capture comments and grievances from workers in our global supply chain to drive improvement. In partnership with Oxfam, we developed a series of metrics to measure worker wellbeing across our supply chain and capture comments and feedback from workers. The tool has been used to survey approximately 3,300 workers across 30 facilities and we continue to expand its reach as well as finetune it to inform our actions in support of Goal 3 – Good health and wellbeing.

We are committed to identifying initiatives to strengthen workers' access to information, ability to raise concerns or queries and better measure worker wellbeing. Burberry colleagues, contractors and agency workers across our operations have access to a whistleblowing helpline and web service managed by an independent company. This allows individuals to anonymously report any concerns relating to malpractice, with all cases treated in the strictest confidence.

### **Policies & Human Rights**

To promote human rights and labour standards 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. These Principles apply to all our business associates, which include but are not limited to, finished goods suppliers, raw material suppliers, non-stock suppliers, construction contractors, licensees and franchisees and include the following policies:

- Human Rights Policy
- Ethical Trading Code of Conduct

- Migrant Worker Policy
- Responsible Sourcing Policy
- Partner Non-Compliance Policy
- Child Labour and Young Worker Policy
- Infection Management Control Policy

Adherence to the Principles is incorporated into our terms and conditions, which forms part of the contract for our network of business associates and extended supply chain. Finished goods and raw material suppliers sign a letter of undertaking confirming, among other matters, their commitment to the Principles and that they will cascade the Principles within their own supply chains.

In FY 2020/21 we updated and consolidated our Code of Conduct for our people, including third party suppliers, into one comprehensive document. All of our supply chain partners are required to adhere to the Code of Conduct as well as our Ethical Trading Code of Conduct which sits as part of our Responsible Business Principles.

Over the past year, we have continued to support our business associates and partners through the COVID-19 pandemic. The Responsibility team has remained in close contact with supply chain partners through regular communications and conducting desktop assessments to understand where best to provide support. Training on safe working environments and mental health support were also delivered to our supply chain partners in collaboration with external experts. An Infection Control Management Policy has been communicated to all vendors and key raw material suppliers to support them in providing a safe working environment. The policy sets out the minimum standards which Burberry requires its business associates to comply with and 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 different countries have specific regulations and laws across our supply chain. Therefore, all business associates must ensure that, in addition to compliance with this policy, continued compliance with local regulations, laws and industry best practices. Burberry's CEO is responsible for our Human Rights policy, with support in achieving the commitments set out in our policy delivered by the Vice President of Corporate Responsibility. Human Rights matters are regularly reported to the Ethics Committee, Risk Committee and the Board.

The Supply Chain Delivery Group (SCDG), chaired by our Chief Supply Chain Officer, meets at least once a quarter to discuss human rights in the supply chain, and is attended by heads of supply chain teams.

Burberry's Human Rights policy is publicly available on [Burberryplc.com](https://www.burberryplc.com). Compliance with this policy forms part of Burberry's Responsible Business Principles and is a requirement of doing business with Burberry.

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 in place to protect and uphold human rights, including mechanisms to address any instances of potential infringement. The policy was developed with reference to the International Bill of Human Rights and follows the UN Guiding Principles on Business and Human Rights for the implementation of the UN's "Protect, Respect and Remedy" framework. 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 revised during FY 2019/20 and it is regularly reviewed to identify if any update is required.

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

issues and remediation required. This process has been implemented since 2014, which has helped to evolve and develop our human rights diligence approach as well as our ethical trading programme. In addition, we have put in place a number of mitigation action plans which have included a focus on migrant workers and women in our supply chain, as we identified that these groups are disproportionately more vulnerable to modern slavery risk. Action plans include tailored interventions such as mapping recruitment journeys in identified hotspots, building workers' voice mechanisms in these areas and working with experts to integrate gender-sensitive processes and metrics into our programmes.

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

These are:

- Diversity, Equity and Inclusion
- Workers' voices
- Modern Slavery

We have implemented actions addressing all three areas and consistently review them to ensure effectiveness. 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 workers' voices, 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 strictly implement our due diligence process at onboarding and keep refining our audit tools to ensure our policies are meeting any new challenges. We also conduct training for both internal teams and supply chain partners to raise awareness and provide tools to prevent and mitigate risks.

## **Environment**

We recognise that the long-term success of our business depends on investing in the environmental sustainability of our operations, the resilience of our supply chains and our management of climate change impacts. Drawing on our heritage of exploration and guided by our purpose, we are pushing boundaries, setting leading standards and pioneering innovative solutions to create real system change. As of FY 2021/22, we have achieved 100% renewable electricity usage and a carbon neutral footprint across our own operations globally. We are transitioning towards a Climate Positive future and ensuring that we consciously craft our collections through, among others, the use of certified materials, the implementation of waste reduction initiatives and adoption of best in class chemical management standards and systems.

### **A Climate Positive future**

During FY 2021/22, we strengthened our climate ambitions by pledging to become Climate Positive by 2040. This entails accelerating emissions reductions across our extended supply chain, aiming to cut them by 46% (from a previous target of 30%) by 2030, from a FY 2018/19 base year.

In October 2021, our scope 3 2030 GHG emission targets were approved by the Science Based Targets initiative (SBTi) as meeting the criteria for the 1.5°C pathway set out in the Paris Agreement. All our scope 1, 2 and 3 SBTs are aligned to the 1.5°C pathway, the most ambitious designation available through the SBTi process.

Climate Positive 2040 is about going further than net zero. Our goal is to implement steep reductions in our carbon emissions footprint and neutralise residual emissions by investing in compensation and projects that remove carbon from the atmosphere. We have set up the Burberry Regeneration Fund to support our efforts and our strategy follows the SBTi Net Zero Standard recommendations.



In FY 2021/22 we developed our first carbon emissions reduction roadmap to net zero and set out a number of KPIs that sit across the business. In line with our new targets, we are analysing the data and reporting methodology for our value chain emissions, which fall under our scope 3 disclosures. With new guidance from the SBTi, we resubmitted our baseline to FY 2018/19 and expanded the number of categories, which resulted in an increase in our reported scope 3 emissions compared to our previous baseline.

In executing our scope 3 target, we have committed to partnering with our suppliers in areas including renewable energy solutions, circular-designed products and business models, increasing the recycled content of packaging and regenerative agriculture solutions. During FY 2021/22, we measured our scope 3 emissions in line with the scope of our SBT.

We set about embedding our commitments and targets to achieve Climate Positive throughout the business. We strengthened our cross-functional KPIs geared to deliver these reductions with Executive Committee accountability. In addition, we engaged teams by providing educational sessions to raise awareness around climate change impacts, our goals and how everyone can contribute. For example, our Finance and Operations team led a Sustainability in Action series, reaching between 150 and 300 colleagues during each of its five sessions in FY 2021/22.

Building on our Climate Positive pledge, we launched our biodiversity strategy in 2021 to support global conservation efforts in line with SDG 15 (Life on Land). Through this plan, we will take action to protect, restore and regenerate nature, helping to slow further global warming as part of the transition towards the 1.5°C pathway set out in the Paris Agreement.

We are proud of our climate change initiatives in support of SDG 13 (Climate Action) and SDG 15 (Life on Land), which are continually evolving as we find new ways to rise to this challenge.

Detailed information on our progress against the targets is available on our website at [Burberryplc.com](https://www.burberryplc.com). Burberry has appointed PricewaterhouseCoopers LLP (PwC) to provide limited assurance over selected Company, Product and Community information for FY 2021/22. This includes our carbon metrics designated with a ^ in our Annual Report.

More broadly, we are committed to respecting the environment, minimising the environmental impacts of our own operations and activities in our supply chain, which is covered in our Global Environmental Policy. This policy is mandatory and applies to our own operations and our supply chain partners' activities. Monitoring and verification activities are carried out throughout our finished goods and key raw material supply chain to support compliance with Burberry's Responsible Business Principles.

- Our environmental commitments also include a set of ambitious raw material targets. By 2025 our key raw materials will be 100% traceable. In addition, in products where the main material is organic cotton, wool, recycled nylon and polyester and leather we will use only materials that are certified.
- We worked to reduce and revalue waste and achieved our target of zero operational waste to landfill across key sites. We already reuse, repair, repurpose, donate or recycle unsaleable products and we will continue to expand these efforts. At the same time, we monitor production waste recycling of our supply chain partners and encourage them to engage in innovative solutions for waste repurposing and recycling.
- We track suppliers' progress against our target to eliminate 11 priority group chemicals by 2022, going above and beyond the required international environmental and safety standards. We work closely with all our partners to improve chemical management practices and support research into new technologies, while taking steps to eliminate the use of chemicals that may have a negative impact on the environment.
- Our commitment to accelerating circular solutions extends to our packaging as well. All Burberry retail bags and gift boxes are reusable, fully recyclable and made from a minimum of 40% recycled content and FSC certified paper. Our signature oak garment covers are made



from 100% recycled polyester. Our products are transported on recyclable hangers made from a minimum of 60% recycled plastic.

- We have continued our efforts to improve chemical management, revalue waste, reduce energy and water consumption and increase the use of renewable energy in our supply chain. In 2019, we introduced our Forest Stewardship Council (FSC) certified and fully recyclable customer packaging made with a minimum of 40% upcycled coffee cups.

Our Global Environmental Policy is publicly available on [Burberryplc.com](https://www.burberryplc.com). In FY 2019/20, we reviewed and updated the Global Environmental Policy to include additional requirements for water stewardship, biodiversity, packaging and logistics. Further updates were made in FY 2020/21 around chemical management. Our policies are reviewed annually to ensure they align with industry best practice and emerging legislation.

On a quarterly basis, the Responsibility team meets with the Supply Chain Delivery Group (SCDG), a forum chaired by the Corporate Responsibility Vice President and attended by the Chief Supply Chain Officer and all direct reports to discuss and align on the delivery of our social and environmental agenda in the supply chain. In addition, we have mechanisms in place to escalate any environmental issue that may arise up to senior leadership team level and to the Board.

### **Taskforce on Climate-Related Financial Disclosure (TCFD)**

In FY 2019/20, we began disclosing climate-related risks and opportunities to the business in line with recommendations set by the Taskforce on Climate-Related Financial Disclosure (TCFD). This disclosure demonstrates our longstanding commitment to environmental stewardship and ensures the company is accounting for, and building resilience towards, the long-term impacts of climate change. To understand the key climate-related risks to Burberry, in FY2020/21, we undertook a risk assessment across the company to identify the climate-related vulnerabilities of our key commodities. The results of this assessment will be used to support Burberry's risk management and inform future strategy.

### **Industry-wide collaboration**

Burberry believes that the solution to the environmental challenges requires an industry-wide, coordinated approach. We were a founding signatory of the UN Climate Change Fashion Industry Charter for Climate Action. We are supporting the efforts of UN Climate Change and have taken a leadership position in the industry by collaborating with other brands to promote energy efficiency and renewable energy through the UNFCCC Manufacturing Working Group. We also signed the Fashion Charter Communiqué at the Conference of the Parties 25 (COP25), which works to partner with countries with major fashion production and consumer markets to bring the industry in line with the Paris Agreement goal of limiting average global temperature rise to 1.5°C above pre-industrial levels.

We are also a signatory of the G7 Fashion Pact, a global alliance between 32 of the world's leading fashion companies to tackle climate change. Through the Pact, we will build on our work over the last decade to limit global warming, protect the world's oceans and restore biodiversity. Our CEO is also a member the Fashion Pact steering committee.

Additionally, our CO&FO is a member of the Leadership Network for the Accounting for Sustainability initiative (A4S), driving action by finance leaders for a fundamental shift towards resilient business models and a sustainable economy.

### **The Burberry Foundation and community investments**

We work closely with The Burberry Foundation (UK registered charity number 1154468) in creating long-term partnerships to support the communities that sustain the luxury fashion industry. Since 2010, Burberry has a policy to donate 1% of Group adjusted profits before tax (PBT) to charitable causes, inclusive of a donation to The Burberry Foundation (UK registered charity number 1154468). In FY 2021/22, this together with exceptional donations made to the COVID-19 and Ukraine relief efforts, amounted to 1.22% of adjusted PBT donated to charitable causes.

The Burberry Foundation 2017-2022 Communities strategy focused on projects across three pillars (tackling educational inequality and build cultural capital, fostering community cohesion and employability skills, and supporting social and economic development), aiming to positively impact 1 million people. Following the completion of its long-term partnerships and achievement of this target, the Burberry Foundation underwent a strategic review of its future direction for its grant-making in FY 2021/2022. From FY 2022/23, the new global strategic mission for the Foundation will be to concentrate all of its resources on addressing the issue of empowerment for left-behind youth and to expand the Foundation's activities to key operational geographies of Burberry Group Plc. The new Burberry Foundation mission is grounded in the belief that young people, regardless of their backgrounds, can create ideas, solutions, and connections for a better future. The Foundation is dedicated to empowering youth and enabling the next generation to unlock their creativity and drive positive change. Through this agenda, we are proud to contribute to the UN Goals and in particular SDG 10 (Reduced inequalities).

During the COVID-19 pandemic, we have regularly reviewed the effectiveness of our programmes and worked with our partners to build in the ability to adapt and respond to the changing needs of our communities. Our programmes are monitored and evaluated by independent organisations to assess outcomes and impacts and are adapted where required. Monitoring partners include the Office of Research, Evaluation and Program Support (REPS) of the City University of New York, The Policy Institute at King's College London and ARCO (Action-Research for Co-development) at the University of Florence. Our reporting on beneficiary numbers across the five years of the strategy have limited assurance by our external auditors. We will publish a social impact report of all the projects that have contributed to our 1 million people target over the five years during FY 2022/23.

Colleagues worldwide are offered three working days a year for volunteering in their local communities. During FY 2021/22, employees dedicated approximately 7,000 hours to volunteering in their local communities. Employees can also apply for match-funding for team fundraising activities.

Our in-kind donations range from one-off gifts of non-trademark fabric and materials to assist young people on creative courses, from our ReBurberry fabric programme where we donate materials to design students in the UK to donations of smart business clothing to support vulnerable people enrolled in employability programmes. In FY 2021/22, we donated around 3,400 items of business clothing to selected charities to enhance their employability programmes and help provide their clients with an extra boost of confidence as they prepare to re-enter the job market.

### **SDG 17. Partnerships for the Goals**

Burberry's commitment to environmental and social responsibility is longstanding, grounded in the belief that for sustainable growth we need to stay responsive to the challenges facing the luxury fashion industry and beyond. Following the United Nations' ethos of 'For People and Planet', we are dedicated to enabling social progress and reducing our environmental footprint. We work with a wide range of stakeholders, including our peers, sector experts, supply chain communities and non-governmental organisations (NGOs) to help us achieve our ambitions and address the challenges that threaten the environment and the prosperity of our communities. Our ESG activity is aligned to the Paris Climate Agreement, the UN Global Compact and UN Guiding Principles on Business and Human Rights, informed by the SDGs. As part of the United Nations' 2030 agenda, we are committed to focusing action on driving change via the global Goals.

We are a member of several leading forums and cross-industry sustainability initiatives, where we share our experiences and collaborate with others to adopt more sustainable ways of working, as well as learn from innovators within and outside our industry.

These include:

- UN Fashion Charter for Climate Action
- The Fashion Pact
- RE100
- A4S Accounting for Sustainability
- Race to Zero
- The Living Wage Foundation and The Global Living Wage Initiative
- The ZDHC Foundation
- Leather Working Group
- Textile Exchange
- Canopy
- Science Based Target Network
- The LEAF Coalition
- Business for Social Responsibility

### **Anti-Bribery & Anti-Corruption**

Our Anti-Bribery and Anti-Corruption policy is incorporated into Burberry's Code of Conduct and Responsible Business Principles, prohibiting bribery and corruption in all forms. Burberry employees (and third parties associated with Burberry) must not engage in any activity which is, or could be perceived to be, corrupt, improper or unlawful. Training on our Anti-Bribery and Anti-Corruption Policy is provided on an ongoing basis. The Ethics Committee review and monitor compliance with Burberry's Anti-Bribery and Corruption Policy. The Committee sets priorities, considers key issues, implements processes and reports regularly on progress to the Risk Committee and the Audit Committee.

Colleagues are required to complete Anti-Bribery and Corruption training e-modules. Additionally, the asset and profit protection team conducts targeted one-to-one training with employees in the business whose job roles are deemed to be high risk and holds roadshows to increase awareness. All induction programmes contain a number of sections that relate to risk management. Employees and third parties can report any concerns or seek advice through Burberry Confidential (Burberry's third-party confidential helpline). Employees can also report their concerns to the HR Director or the Regional Asset and Profit Protection Manager for their business area.

Our key partners are regularly required to confirm their ongoing compliance with Burberry's Responsible Business Principles, which include our Anti Bribery and Corruption Policy. We continue to identify initiatives to strengthen our ability to engage with key stakeholders. We currently have the following channels in place:

- Internal whistleblowing hotline and web service managed by an independent company
- Internal Disciplinary and Grievance Policy
- All-employee engagement surveys
- Confidential hotline accessible to supply chain workers

## Glossary

UNGC Best Practice	Section	References
<p>Criterion 1:</p> <p>The COP describes key aspects of the company's high-level sustainability strategy in line with Global Compact principles</p>	CEO Statement	Burberry Annual Report
<p>Criterion 2:</p> <p>The COP describes effective decision-making processes and systems of governance for corporate sustainability</p>	Governance	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 3:</p> <p>The COP describes engagement with all important stakeholders</p>	<p>Policies &amp; Human Rights</p> <p>Supply Chain Support</p>	<p>Policies and Commitments</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 4:</p> <p>The COP describes actions taken in support of broader UN goals and issues</p>	<p>Governance</p> <p>Policies &amp; Human Rights</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 5:</p> <p>The COP describes robust commitments, strategies or policies in the area of human rights</p>	<p>Governance</p> <p>Policies &amp; Human Rights</p> <p>Ethical Trade Programme</p> <p>Supply Chain Support</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 6:</p> <p>The COP describes effective management systems to integrate the human rights principles</p>	<p>Governance</p> <p>Policies &amp; Human Rights</p>	<p>Policies and Commitments</p> <p>Burberry Modern Slavery Statement</p> <p>Collaborations and Partnerships</p>
<p>Criterion 7:</p> <p>The COP describes effective monitoring and evaluation mechanisms of human rights integration</p>	<p>Governance</p> <p>Ethical Trade Programme</p> <p>Policies &amp; Human Rights</p>	<p>Burberry Modern Slavery Statement</p> <p>Ethical Trading Code of Conduct</p> <p>Human Rights Policy</p>
<p>Criterion 8:</p> <p>The COP describes key outcomes of human rights integration</p>	<p>Supply Chain Support</p> <p>Ethical Trade Programme</p>	<p>Ethical Trading Code of Conduct</p> <p>Burberry Modern Slavery Statement</p>

<p>Criterion 9:</p> <p>The COP describes robust commitments, strategies or policies in the area of labour</p>	<p>Chief Executive Statement of Support</p>	<p>Burberry Annual Report</p> <p>Ethical Trading Code of Conduct</p> <p>Burberry Modern Slavery Statement</p> <p>Policies and Commitments</p>
<p>Criterion 10:</p> <p>The COP describes effective management systems to integrate the labour principles</p>	<p>Chief Executive Statement of Support</p> <p>Governance</p> <p>Ethical Trade Programme</p> <p>Supply chain support</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 11:</p> <p>The COP describes effective monitoring and evaluation mechanisms of labour principles integration</p>	<p>Governance</p> <p>Ethical Trade Programme</p> <p>Supply chain support</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p> <p>Ethical Trading Code of Conduct</p>
<p>Criterion 12:</p> <p>The COP describes key outcomes of integration of the labour principles</p>	<p>Ethical Trade Programme</p> <p>Supply chain support</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 13:</p> <p>The COP describes robust commitments, strategies or policies in the area of environmental stewardship</p>	<p>Environment</p> <p>A climate positive future</p>	<p>Burberry Annual Report</p>
<p>Criterion 14:</p> <p>The COP describes effective management systems to integrate the environmental principles</p>	<p>A climate positive future</p>	<p>Burberry Annual Report</p>
<p>Criterion 15:</p> <p>The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</p>	<p>A climate positive future</p>	<p>Burberry Annual Report</p>
<p>Criterion 16:</p> <p>The COP describes key outcomes of integration of the environmental principles</p>	<p>A climate positive future</p>	<p>Burberry Annual Report</p>

<p>Criterion 17:</p> <p>The COP describes robust commitments, strategies or policies in the area of anti-corruption</p>	Anti-Bribery & Anti-Corruption	<p>Burberry Annual Report</p> <p>Anti-bribery and anti-corruption policy</p>
<p>Criterion 18:</p> <p>The COP describes effective management systems to integrate the anti-corruption principle</p>	Anti-Bribery & Anti-Corruption	<p>Burberry Annual Report</p> <p>Anti-bribery and anti-corruption policy</p>
<p>Criterion 19:</p> <p>The COP describes effective monitoring and evaluation mechanisms for the integration of anticorruption</p>	Anti-Bribery & Anti-Corruption	<p>Burberry Annual Report</p> <p>Anti-bribery and anti-corruption policy</p>
<p>Criterion 20:</p> <p>The COP describes key outcomes of integration of the anti-corruption principle</p>	Anti-Bribery & Anti-Corruption	<p>Burberry Annual Report</p> <p>Anti-bribery and anti-corruption policy</p>
<p>Criterion 21:</p> <p>The COP describes implementation of the Global Compact principles in the value chain</p>	<p>Ethical Trade Programme</p> <p>Supply chain support</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 22:</p> <p>The COP provides information on the company's profile and context of operation</p>	<p>Chief Executive Statement of Support</p> <p>Governance</p> <p>Ethical Trade Programme</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 23:</p> <p>The COP incorporates high standards of transparency and disclosure</p>	<p>Chief Executive Statement of Support</p> <p>Governance</p> <p>Ethical Trade Programme</p> <p>Supply chain support</p> <p>Environment</p> <p>Anti-Bribery &amp; Anti-Corruption</p>	<p>Burberry Annual Report</p> <p>Burberry Modern Slavery Statement</p>
<p>Criterion 24:</p> <p>The COP is independently verified by a credible third party</p>	N/A	<p>Annual report</p> <p>Basis of reporting</p>