

CREATING TOMORROW'S HERITAGE

Burberry's commitment to sustainability is long-standing, grounded in the belief that for our future growth, we need to actively address the challenges facing our industry and the world in which we live.

Taking steps to protect our planet and ensure we have a positive impact on those in our supply chain and communities. Launched in 2017, this five-year plan takes us to 2022 and comprises of three core pillars.

The figures below are based on Burberry's achievements in FY 20/21.

PRODUCT

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

- Progress: 94% of product has 1 positive attribute; 82% of product has >1 positive attribute^

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

- Progress: 78% of cotton* procured more sustainably

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

- Progress: 80% of our leather is sourced from certified suppliers

New targets to 2025:

- Ensure all key materials are 100% traceable
- Source 100% certified recycled nylon* and recycled polyester*
- Source 100% certified wool*
- Source 100% certified organic cotton*

COMPANY

New Goal: Climate Positive by 2040, cutting emissions across extended supply chain by 46% by 2030

Goal: Be carbon neutral in our own operational energy use by 2022

- Progress: 92% reduction in market-based emissions since FY 16/17

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

- Progress: 93% of electricity used in global footprint is from renewable sources^

Goal: Reduce and revalue our waste

- Progress: no destruction of unsaleable finished products. Zero operational waste sent to landfill from key sites^

COMMUNITIES

Goal: To positively impact 1 million people by 2022

- Progress: 680,170^ people positively impacted since the launch of partnerships in FY 16/17

Goal: Tackling educational inequality and building cultural capital

- Progress: 130,360 in FY 20/21

Goal: Fostering community cohesion and employability skills

- Progress: 42,810 in FY 20/21

Goal: Supporting economic and social empowerment

- Progress: 73,189 in FY 20/21

*where the material referenced is the product's main material

External Assurance of Corporate Responsibility Disclosures

Burberry has appointed PricewaterhouseCoopers LLP (PwC) to provide limited assurance over selected company, product and community information for FY 2020/21. Information forming part of the assurance scope is denoted with a ^. The assurance statement and Burberry's basis of reporting are available on Burberryplc.com.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Burberry's Responsibility Agenda contributes to a range of the SDGs, where it plays a meaningful role. Burberry recognise the power of working in collaboration to drive real change in the industry, which is why SDG 17 runs across the breadth of our strategy enabling progress in all areas of our work.



ENVIRONMENTAL SUSTAINABILITY

CARBON & CLIMATE CHANGE

Burberry has set Science Based Targets across Scope 1, 2 and 3 – all of which are aligned to the Paris Agreement 1.5 °C pathway

Climate Positive by 2040

New Commitment Launched, 2021:

- Accelerate ambition to reduce emissions across extended supply chain, aiming to reduce them by 46%
- Carbon neutral in operational footprint by 2022 and Net-Zero by 2040, 10 years ahead of the Paris Agreement 1.5°C pathway
- Accelerate low-carbon future solutions and invest in nature-based projects with carbon benefits that restore and protect natural ecosystems and enhance the livelihoods of global communities through the Burberry Regeneration Fund

Reduce Absolute Scope 3 GHG Emissions by 46% by 2030

FY 20/21 Progress:

- Reduced scope 3 emissions from purchased goods and services by nearly 8,700 tonnes

Reduce Absolute Scope 1 and 2 GHG Emissions by 95% by 2022

FY 20/21 Progress:

- Reduced scope 1 and 2 emissions by 84%
- Carbon neutral across 85% of sites globally
- Energy efficiencies achieved by using real time energy monitoring and enhanced training; LED lighting controls; integrating energy KPIs into team objectives

100% Renewable Electricity in Our Operations by 2022

FY 20/21 Progress:

- 93% electricity across global footprint from renewable sources

Biodiversity Strategy

New Commitment Launched, COP 26:

- Protect and restore nature within and beyond Burberry's own value chain through projects supported by the Burberry Regeneration Fund
- Expand support for farming communities, intensifying existing efforts around farm-level certifications and training where Burberry sources raw materials
- Develop regenerative supply chains, applying regenerative and holistic land management practices to grazing or farming systems

REVALUING WASTE & CIRCULARITY

New Plastics Economy Global Commitment by 2025

New Commitment:

- Eliminate unnecessary and problematic plastic
- Use 100% reusable and recyclable plastic
- Use at least 20% recycled content across all own-branded plastic packaging

FY 20/21 Sustainable Packaging Highlights:

- Signature oak paper made from a minimum of 40% upcycled coffee cups. 66 million cups upcycled since FY 18/19

FY 20/21 Minimising Waste Progress Highlights:

- Piloted ReBurberry Fabric in partnership with The British Fashion Council, to donate leftover fabrics to fashion students. Donated 7,125 metres of fabric, benefiting 33 schools.
- Additional partnerships with the Ellen MacArthur Foundation, Alta Scuola di Pelletteria Italiana and San Patrignano and Elvis & Kresse towards revaluing waste initiatives

FY 20/21 Restore and Repair Highlights:

- Launched dedicated aftercare services in London and Paris
- Piloted a Trench Refresh Programme in London and Leather Restore service globally



WATER & CHEMICALS

Changing the Industry's Use of Water and Chemicals

FY 20/21 Water Highlights:

- In FY 19/20, 80% of Burberry's key wet processing facilities engaged in Water Conservation Programme to address water risk mitigation
- Use of certified sustainable raw materials to increase water efficiency at farm and processing level

FY 20/21 Chemical Highlights:

- Trained over 1,500 people in chemical management
- First luxury brand to have a Manufacturing Restricted Substances List
- Industry-leading Product Restricted Substances List, stricter than global legislative requirements
- Launched an enhanced chemical management assessment framework
- ZDHC Foundation Board Member

RAW MATERIALS SOURCING

Burberry has a series of ambitious raw material targets to ensure its collections remain high-quality and sustainably sourced.

2025 Raw Material Targets

- Ensure all key materials are 100% traceable
- Source 100% certified recycled nylon* and recycled polyester*
- Source 100% certified wool*
- Source 100% certified organic cotton

2022 Raw Material Target

- Source 100% of our leather* from certified tanneries
- Procure 100% of cotton* more sustainably

*Where the material referenced is referring to the product's main material

Alternative Materials

Burberry continues to explore alternative materials to bring its brand vision to life to inspire and excite its customers, while reducing impact on the environment.

- Recycled Polyester
- Bio-Based Materials
- ECONYL®

* Where the raw material is the product's main material

Burberry has a **Responsible Sourcing Policy** which has been communicated to its suppliers and supply chain teams.

Burberry does not manufacture or procure any real fur and is committed to promoting the conservation of biodiversity and the sustainable use of sensitive raw materials, such as exotic skins.

Animal welfare principles are aligned with the **Royal Society for the Prevention of Cruelty to Animals (RSPCA) Five Freedoms**. Burberry actively seeks collaboration and learning opportunities in order to deepen understanding of species-specific best practice.

Burberry is member of various certification bodies; partnership with NGOs, and works in collaboration with peer brands, to ensure that Burberry does not knowingly use any materials in its products which are:

- Under any threat of extinction or endangered
- May inflict any harm to animal welfare or livelihoods
- Have a negative impact on biodiversity, conservation or the environment



SUPPORTING COMMUNITIES

HUMAN RIGHTS

- **Human Rights Impact Assessments** completed every two years since 2014, with most recent assessment conducted in FY 21/22
- Provide **grievance mechanisms** for our global employees, as well as **confidential hotlines** run by NGOs for workers in our supply chain
- Develop informed **mitigation plans** across key risk areas
- First luxury retailer and manufacturer to achieve accreditation as a **UK Living Wage Employer**

ETHICAL TRADING

- Supply chain partners must uphold our **Responsible Business Principles**, including Ethical Trading Code of Conduct, Migrant Worker Policy and Homeworker Policy
- Conducted **409 audits and 33 engagement activities** in FY 20/21
- Publish Annual Modern Slavery Statement, detailing mitigations to reduce the risk of modern slavery across the business and supply chain
- Prohibit sourcing from Bangladesh, Pakistan and Cambodia

COMMUNITY INVESTMENT

Since 2010, Burberry have donated **1% of Group adjusted profits before tax (PBT)** to charitable causes, with a large proportion going to the Burberry Foundation

- Expanded creative arts scholarships programme globally to support the next generation of creative leaders from underrepresented communities
- Continued to provide more equitable access to creative arts programmes at some of the world's most esteemed creative institutions, including The New School's Parsons School of Design in New York City, Institut Francais de la Mode in Paris and Central Saint Martins in London
- Contributed **one-off gifts** of non-trade mark fabric and materials to assist young people on creative courses, including ReBurberry fabric and **>14,000 donated items of smart business clothing** to support underrepresented individuals enrolled in employability programmes
- **6,000 hours** of volunteering dedicated, with employees encouraged to take up to **3 days a year**
- Employees encouraged to apply for **match-funding for team fundraising activities**

COMMUNITY CRISIS RESPONSE

COVID-19

- Retooled internal manufacturing sites to produce >150,000 pieces of PPE for the UK's NHS and healthcare charities
- **Donated to charities** tackling UK food poverty including FareShare, The Trussell Trust and The Felix Project
- **Supported creatives** during the pandemic by commissioning works for our Instagram news feed
- Launched a **COVID-19 Community Relief Fund**, contributing to various international efforts, including COVID-19 vaccine research and its distribution

Afghan Refugee Crisis

- Responded to the **Afghan Refugee Crisis** in partnership with Breaking Barriers and the International Rescue Committee



TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Governance

Burberry's internal TCFD Working Group, reports to the Risk Committee, which is chaired by the CO&FO. The Risk Committee reports to the Audit Committee, which in turn reports to the Board

Strategy and Risk Management

In FY 20/21 Burberry conducted a quantitative analysis of the impact from climate-related risks on Burberry's supply chain for its key commodities. The analysis included an assessment of the impact of the most material physical and transitional risks in two distinct scenarios: 2°C and 4°C pathways to the year 2050. Without action, both scenarios present financial risks. These financial risks predominantly result from increased cost of raw materials, decreased productivity, and the potential impact of carbon taxes in the 2°C scenario. The physical hazards causing damage to property and assets are more pronounced in the 4°C scenario. The results the analysis will be used to ensure the necessary mitigating controls are in place and inform business strategy

Metrics and Targets












See climate change commitments on page 1

In addition, Burberry monitor the percentage of low-carbon products, which comprise recycled or bio-based content, as well as those which are manufactured in facilities proactively reducing their emissions impact

RECOGNITION & AWARDS

- FTSE4Good Index: Constituent
- Reuters Responsible Business Awards 2022: Highly commended in the Net Zero Transition Award category
- Finance for the Future Sustainability Awards: Climate Leader Award
- MSCI: AAA Rating
- Tortoise Media Responsibility100 Index: Ranked 10th in the FTSE 100
- Sustainalytics: Negligible risk rating, ranked first in our industry (textiles and apparel) and sub-industry (luxury apparel)
- CDP: Leadership Band for Climate Change and Supplier Engagement Leader
- Included in the Bloomberg Gender-Equality Index 2022
- Ranked 2nd in the top 10 'best performers' in the FTSE 100 in the inaugural FTSE Women Leaders report

MEMBERSHIP

	A4S Accounting for Sustainability		Textile Exchange
	Canopy		The Ellen MacArthur Foundation's Make Fashion Circular Initiative
	Leather Working Group		The Fashion Pact
	Race to Zero		The Living Wage Foundation and the Global Living Wage Initiative
	RE100		The ZDHC Foundation
	Science Based Target Network		UN Fashion Industry Charter for Climate Action

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