

BASIS OF REPORTING 2020/21

Introduction

This document sets out how selected KPIs included in the Responsibility section of Burberry's 2020/21 Annual Report and Accounts have been prepared. It forms the criteria against which the selected KPIs, outlined below, have been assessed as part of PricewaterhouseCoopers LLP's (PwC) assurance activities.

Product:

- % of products with one positive attribute
- % of products with more than one positive attribute
- % of products with at least one positive attribute

Company:

- Total energy – including energy from fuel used in vehicles (kWh)
- Scope 1 – Combustion of fuel and operations of facilities (Tonnes CO₂e)
- Scope 1 – Combustion of fuel and operations of facilities including fuel use from owned or leased transport (Tonnes CO₂e)
- Scope 2 – Electricity, heat, steam and cooling purchased for own use (Tonnes CO₂e)
- Scope 1 & 2 – Total emissions location based (Tonnes CO₂e)
- Scope 2 – Electricity, heat, steam and cooling purchased for own use (Tonnes CO₂e)
Market based approach
- Scope 1 & 2 – Total emissions market based (Tonnes CO₂e)
- Total emissions offset by Verified Emissions Reduction Certificates (Tonnes CO₂e)
- Intensity measurement (location based) (Tonnes CO₂e per £1m sales revenue)
- % of the company's energy and electricity consumption (kWh) sourced from renewable sources
- Water used at UK offices and internal manufacturing sites (m³)
- Wastewater produced at UK offices and internal manufacturing sites (m³)
- Operational waste sent to landfill from key sites (Tonnes)

Communities:

- Number of people positively impacted in the year ended 31 March 2021
- Number of people positively impacted since the launch of partnerships in FY2016-17

Context

In June 2017, Burberry launched a five-year responsibility strategy, including key goals to 2022:

- To drive positive change through all products
- To become carbon neutral and revalue waste
- To positively impact 1 million people

To ensure completeness and accuracy of the selected KPIs, this 'Basis of Reporting' and all relevant data have been subject to internal validation, review and approval at senior level within Burberry.

KPIs are based on the period 1 April 2020 to 31 March 2021.

For the avoidance of doubt, the company's financial accounting period is from 31st March 2020 to 27th March 2021. However, references to FY 2020/21 for the selected KPIs included in the Responsibility section of Burberry's Annual Report 2020/21 refer to the period 1 April 2020 to 31 March 2021.

KPIs that have been tested for accuracy and completeness:

PRODUCT:

- KPI: 12% of products with one positive attribute**
- KPI: 82% of products with more than one positive attribute**
- KPI: 94% of products with at least one positive attribute**

- Burberry's 'Product' goal for 2022 is to drive positive change through all products. More specifically, the goal is for 100% of products to have more than one positive social and/or environmental attribute.
- Products in scope are all Burberry products available for purchase, i.e. Burberry Ready to Wear (including Runway) and Burberry Accessories (including soft accessories, hard accessories and shoes), excluding licensee products. 100% of product is based on the total number of units, i.e. individual items, of "in-scope" product produced (goods receipted) during FY 2020/21.
- A product can only be considered for a positive attribute, if the supplier of the main material or the manufacturing facility involved in its production meet specific ethical trading and chemical management criteria. For example, if a facility does not meet a minimum score of 50% in Burberry's assessment of its chemical management, this will negate any other environmental or social improvements the facility may have made.
- Positive attributes are based on evidence of social and/ or environmental achievements or improvements achieved in a product's supply chain, at either the raw material sourcing or product manufacturing stage.
- For a product to be assigned a positive attribute, an achieved standard relating to either its main material¹, the facility supplying the main material or the facility where the finished good is manufactured in. For example, a product may carry a positive attribute if it's made

¹ The main material is defined as the material that makes up the largest %/majority of the composition, used within the construction of the finished product

using materials with recycled content, or if it was made in a finished goods facility paying all workers a wage which meets a recognised local living wage benchmark.

Initiatives that have led to a positive attribute during 2020/21 are:

Related to the main material:	Related to facilities supplying the main material or where the finished good is manufactured in:
Cotton procured more sustainably	Chemical Management
Recycled Content*	Energy & Water Reduction Programme
Bio-based*	Living Wages
Leather Tannery Certification	Renewable Energy
	Textile Production Waste Recycling
	Responsible Down Standard
	Leather Production Waste Repurposing
	Water recycling
	Wellbeing & Communication
	Health Programme – <i>new in 2020/21</i>

*denotes where there has been target threshold changes since 2019/20, please see the last page of this document for an explanation of the threshold changes.

Positives attributes in more detail:

78% of cotton procured more sustainably*

- Scope is based on the number of cotton-rich products procured in 2020/21, excluding accessories.
- A product is defined as cotton-rich, if its main material's composition is 50% or more cotton.
- In 2020/21, of Burberry's products that were classified as cotton-rich, 78% was made of either cotton covered by BCI credits or certified organic cotton
- Cotton procured more sustainably will be achieved through a portfolio approach, which includes working with partners such as Textile Exchange, as well as exploring new sources including organic and regenerative cotton.

80% of leather sourced from facilities with social, environmental and traceability certifications

- Only applicable to products that have the main material defined as leather.
- A positive attribute is achieved if leather is sourced from a facility that carries one environmental certification and one traceability certification, underpinned by one social compliance certification.
- Accepted certifications include, for:
 - Environmental sustainability: Leather Working Group (Bronze rating), ISO14001
 - Traceability: Leather Working Group Traceability (> 50% score), UNIC PC412/SC410
 - Social compliance: SA8000, UNIC Code of Conduct Certification and Social Accountability and Burberry's Ethical Trade Audit

Product sourced from supply chain partners rated 'Green' on chemical management

- As part of Burberry's commitment to eliminate from the supply chain the use of chemicals that may have a negative impact on the environment, Burberry has implemented the MRSL (Manufacturing Restricted Substances List) and PRSL (Product Restricted Substances List).
- Burberry uses a Partner Progress Tool (PPT) to monitor its supply chain partners' performance against 29 chemical management KPIs, grouped into the four implementation pillars outlined in the MRSL Implementation Guidelines: commitment, internal implementation, upstream implementation and achievement. A score of less than 50% across these KPIs results in a rating of Red, a score of 50-69% is Amber, and a score of >70% is Green. For more information, please click [here](#).
- To be awarded a positive attribute, the product's finished goods vendor and main material supplier must have both been rated 'Green' for their chemical management practices for at least 6 months of the reporting year (1 April 2020 to 31 March 2021).

Product sourced from facilities reporting at least a 5% reduction in carbon or water use

- Facilities in scope are facilities of finished goods vendors or raw material suppliers that have been involved in Burberry's Energy and Water Reduction Programme.
- A positive attribute is achieved if a product has been manufactured in, or its main material has been sourced from, a facility that can demonstrate a 5% reduction in either absolute or normalised carbon or water use and show how this has been achieved through improved practices and/or processes.
- A 5% reduction is assessed against a facility's base year, which is set as a year prior to the facility joining the programme, or as the year of engagement, depending on data availability.

- Burberry's Energy and Water Reduction Programme is delivered by Burberry team members directly and aims to reduce chemical pollution, water and energy use in the textiles' supply chain.
- In 2020/21, a total of 20 supply chain partners participated in the programme, including 8 facilities with wet processing. During 2020/21, 18 facilities achieved a 5% reduction in their carbon or water use for the year, in turn leading to 56.2% of product being awarded a positive attribute.

Product sourced from facilities utilising water recycling in their manufacturing processes

- A positive attribute is achieved if, within a facility, a minimum of 5% of recycled water is used compared to total water footprint, in either production (e.g. washing, dyeing) or domestic (e.g. flushing) purpose. Once the water recycling system is in place, the facility is required to keep a monthly water sub-metering record and monthly water invoice for calculating the recycled water percentage. Facilities must provide 6 months of evidence.

Product sourced from facilities procuring renewable energy

- A positive attribute is achieved if a facility has evidenced that they have sufficient onsite or procured renewable energy to have led to an avoidance of at least 20% of total location-based carbon emissions in Europe and 10% avoidance in Asia.
- Facilities must evidence their renewable energy procurement or generation in line with RE100 reporting requirements. RE100 is a global corporate leadership initiative bringing together influential businesses committed to 100% renewable electricity.

Products containing recycled content*

- A positive attribute is achieved if the main material of a product is made from $\geq 70\%$ recycled content for synthetic fibres and $\geq 20\%$ recycled content for natural fibres.
- Approved certifications include:
 - Global Recycled Standard (minimum 20% recycled content, but only materials containing at least 70% recycled content for synthetic fibres and $\geq 20\%$ recycled content for natural fibres would receive the positive attribute)
 - Recycled Claim Standard (a minimum of 20% or 70% recycled content would be needed to achieve a positive attribute) Cardato Recycled for natural fibres only (minimum 65% recycled content)

Product sourced from facilities that are recycling 50% of recyclable textile waste

- A positive attribute is achieved if a minimum of 50% of total textile production waste is recycled through a mechanical or chemical process, are collected internally and re-inserted in the production phase or sold to external companies, to be re-used in upcycling or downcycling (excluding non-recyclable materials such as coated, laminated or contaminated materials where there are no commercial option to recycling that exists).

- The attribute is applicable if a facility is not recycling 100% of total textile production waste but has clear targets and a timebound roadmap in place to achieve 100% recycling.

Product sourced from facilities where all workers involved in manufacturing are paid a living wage

- A positive attribute is achieved if, within a facility, all workers involved in the manufacturing of the product are paid at least a living wage according to a recognised benchmark, which is in line or above the local living wage listed by the Fair Wage Network. In FY 2020/21, this attribute has only been allocated to facilities in the UK meeting the Living Wage Foundation's benchmark.

Product sourced from facilities where at least 20% of workers have received training on health-related topics

- A positive attribute is achieved if, within a facility, at least 20% of employees have attended more than 3 hours training on health-related topics, over at least 3 training sessions conducted by a qualified medical practitioner.
- The attribute is only applicable for the year of the training and a 2-year period following the end of the training with annual survey results.

Product processed and/or produced within a facility which has evidenced an innovative leather repurposing initiative.

- A positive attribute is achieved if a facility implements an innovative recycling initiative to give leather production waste a second use.
- The repurposing initiative must be established on a long-term basis and not a one-off activity. To count as an attribute, the initiative must be in place for a minimum of 6 months. Facility should have a roadmap in place with timebound objectives to increase scale of the leather repurposing initiative.
- Innovative repurposing initiatives can include upcycling leather production waste; such as transforming leather cutting waste into a finished product.

Product containing bio-based material*

- A positive attribute is achieved if the main material of a product includes a minimum of 30%² bio-based content derived from renewable resources
- The attribute will be supported by a certification or testing methodology that measures the type of Carbon (C12 or C14), stating the exact percentage of bio-based content within the material.

² with a ±3% absolute variance allowed.

Product sourced from facilities where there is a Wellbeing and Communication programme in place

- A positive attribute is achieved if a consultation mechanism is identified as open and fair and is fully verifiable and if workers receive feedback and an action plan from results of the consultation. A valid Wellbeing survey must be completed, at least annually and an initiative is implemented, with the aim of improving the areas according to the need identified in the survey; for example, a series of trainings to build communication skills of workers and supervisors.

Product sourced from facilities who have achieved the Responsible Down Standard certification

- A positive attribute is achieved when down and feathers make up part of the overall composition of the finished product and contains 100% Responsible Down Standard virgin down.

COMPANY:

KPI: 4,034 tonnes of CO2 equivalent market-based emissions

- Burberry's 'Company' goal is to become carbon neutral in its operational energy use by 2022. This will be achieved by reducing absolute consumption, improving energy efficiency and switching to renewable energy sources, before offsetting any remaining carbon emissions.
- Burberry reports energy data and converts this into carbon dioxide equivalent (CO₂e) for disclosure purposes as part of Burberry's Mandatory Greenhouse Gas Reporting Requirements.
- Burberry applies an operational control approach to defining its organisational boundaries. Data is reported for sites where Burberry has the ability to influence energy management. This differs from the financial reporting boundaries, as some sites where Burberry has an equity interest, but no control are not reported. Overall, the emissions inventory reported equates to 98% of Burberry's square footage.
- Where Burberry does not have visibility of a site's energy consumption (e.g. in a mall, where a store's energy use is not sub-metered), energy consumption is estimated based on the average consumption per sq. ft. of Burberry sites in that region.
- All material sources of emissions are reported, including emissions generated from the use of electricity, gas, fuel oil and fuels consumed in company vehicles. Refrigerant gases were deemed not material and are not reported.
- Data for electricity, gas and fuel oil use is based on invoices and collected by regional teams. Data is then subject to a series of internal reviews conducted at group level.
- Burberry calculates greenhouse gas emissions data with reference to the Greenhouse Gas Protocol. Scope 1 emissions are direct emissions from owned or controlled sources.

Scope 2 emissions are indirect emissions from the generation of purchased energy. Emissions are reported using both the location- and market-based methodology.

- The most current conversion factors from DEFRA (2020), the International Energy Agency (IEA) (2020) and Reliable Disclosure (RE-DISS) European Residual Mixes (2019) are used for all CO₂e calculations.
- Audited sales revenue data is used to derive the intensity metric of tCO₂e/£1,000,000 sales revenue.
- Burberry has updated Greenhouse Gas emissions data for FY 2019/20 and FY 2018/19 to account for updated emission factors and improvements in data availability and estimation methods.
- Burberry is measuring progress towards its 'Carbon Neutral' goal by looking at its market-based emissions. For any emissions that remain after reducing energy within internal operations and purchasing renewable energy, Burberry will look to mitigate these through offsetting or insetting.

Verified Emissions Reduction certificates have been applied to Burberry emissions data for FY 2020/21 to offset emissions from gas consumption.

KPI: 76% of the company's total energy consumption sourced from renewable sources, including 93% of electricity from renewable sources)

- Burberry has set itself a target to source all electricity from renewable sources by 2022. This covers all electricity reported as part of the Mandatory Greenhouse Gas Reporting Requirements.
- The % of the company's electricity consumption sourced from renewables is calculated using kWh data from each site.
- Accepted renewable energy types are:
 - Green tariffs with associated attribute certificates
 - Renewable energy certificates (Renewable Energy Certificates (REC), International Renewable Energy Certificates (I-REC), Guarantee of Origin (GO), Large-scale Generation Certificates (LGC)
 - On-site renewable energy generation (wind, solar, biomass etc.)
 - Power Purchase Agreements (wind, solar, biomass, etc.)
- All renewable electricity that contributes towards the target must be based on evidence, including:
 - A retired energy attribute certificate in Burberry's name from the energy supplier confirming MWh or % of renewable energy, and
 - Confirmation from the supplier that the renewable energy meets the requirements of the Greenhouse Gas Protocol Scope 2 Guidance and Burberry internal requirements regarding vintage and origin of renewable energy generation.

KPI: 50,918 m³ of water used at key sites

KPI: 46,835 m³ of wastewater produced at key sites

- Scope covers all UK offices (in London and Leeds), Burberry's internal manufacturing sites in the UK (Yorkshire) and Italy (Tuscany), and all key Burberry distribution centres globally.
- Data is based on water bills received for each site. When invoices are not available, onsite meter readings can be used as a secondary option. When actual data is not available an estimation may be applied.

KPI: 100% of operational waste from key sites diverted from landfill (zero waste to landfill)

- The scope of waste KPI has increased compared to FY 2019/20, when it covered key UK and Italy operations, comprising Burberry's internal manufacturing facilities and distribution centre in Northern England; as well as Burberry's head office, Burberry's office in Leeds, retail stores in London and Manchester and our manufacturing site and distribution centres in Italy. This year the scope has increased to also include our local fulfilment centre in Shanghai. Key sites included in scope have a minimum square footage of 30,000 feet, starting from warehouses, offices and manufacturing, as these are the locations where the greatest volumes of waste are created. US sites are out of scope for this KPI due to limited operational waste data availability.
- Waste data is based on annual reports provided by waste collection partners and covers dry mixed recycling (cardboard, plastic, paper), confidential paper, general waste, organic waste, glass, metal leftover materials and damaged/ defected products. "Diverted from landfill" is defined as diverting waste from landfill through treatments such as recycling, anaerobic digestion and incineration with energy recovery.
- Burberry considers having achieved zero waste to landfill if 99.8% or greater waste is diverted from landfill, based on volume of waste created during the year. This threshold is to account for exceptional circumstances whereby, due to the nature of the waste it cannot be disposed of in any other way, or there has been an exceptional operational disruption or human error, outside of Burberry's control.

COMMUNITIES:

KPI: 264,081 people positively impacted in FY2020/21

KPI: 680,170 people positively impacted since launch of partnerships in FY2016/17.

Scope:

Our Communities strategy comprises of three pillars which focus on projects that tackle educational inequality and build cultural capital; foster community cohesion and employability skills and support social and economic development. Our goal to positively impact 1 million people by 2022 comprises of both direct and indirect beneficiary groups. Definitions of direct and

indirect beneficiaries that are counted towards our 1 million people goal are provided below and specific examples of how this is applied per programme are provided. The goal will be achieved mainly by supporting long-term Burberry Foundation partnerships.

Definitions:

Direct beneficiaries are the people for whom the programme is being undertaken, who directly benefit from a product, service or an activity and are usually directly engaged in the activities of the programme.

Indirect beneficiaries are people who, whilst not actively taking part in the programme, derive some benefit from it indirectly.

The definitions are applied from the work of The Department for International Development (DFID) in the United Kingdom (2012).

For programmes that focus on **tackling educational inequality and building cultural capital** partnerships include Teach First, the Careers & Enterprise Company, the Ideas Foundation, the Creative Arts Team at the City University of New York, MyKindaFuture, the Royal College of Art and Year Up.

Key activities within FY 2020/21 included:

- Teach First's Careers Leader Programme which trains careers leaders across the nation on careers strategy development and programme planning
- Continuing Professional Development (CPD) sessions for teachers aimed at supporting and providing teachers with resources that they can use to embed careers into students' learning
- Virtual career talks and podcasts shared with students and teachers both virtually and as printable fact sheets
- Virtual Speaker sessions delivered in Teach First eligible schools in Yorkshire and London
- Student mentoring by Burberry volunteers
- Teacher coaching by Burberry volunteers
- Enterprise Adviser Network activities
- Cultural activities, workshops and creativity kits filled with creative activities and art materials for students to experiment with delivered through the Burberry Inspire* creative partners
- Scholarship programmes provided to students to attend the Royal College of Art
- Internships within Burberry that are participating in the Year Up programme.

Key impact metrics (direct beneficiaries) include:

- Increased sense of self confidence
- Increased creativity of one form or another after taking part in the programme
- Increased understanding of the diversity of roles and career pathways available within the creative industries
- Development of core employability skills and confidence
- Increased confidence in promoting careers advice and pathways
- Increased excitement about future potential careers
- Increased experience of workplace environments
- Increased direct encounters with employers (Gatsby Benchmarks)

Key impact metrics (indirect beneficiaries) include:

- Increased quality of education and career guidance
- Expanded career horizon and future aspirations
- Increased access to cultural capital
- Increased access to careers provision

Direct beneficiaries positively impacted include, but are not limited to:

- Teachers and Careers leaders attending CDP session or taking part into the Careers leaders programme
- Students attending activities linked to one of the student engagements programmes
- Scholars selected to attend one of the Burberry funded scholarship programmes
- Interns selected to support one of the programmes

Indirect beneficiaries positively impacted include, but are not limited to:

- Students of teachers or Careers leaders who have taken part in CPD sessions or any activity delivered which they participated in
- School populations of students whose Career leader has taken part in the Careers Leader programme, or whose teachers are employing inclusive education techniques based on training provided from the programme

For programmes that focus on **fostering community cohesion and employability skills** partnerships include Oxfam Italy focusing on community cohesion and social inclusion. As well as partnerships with Elvis and Kresse and Progetto Quid which focus on employability skills through engaging with the circular economy.

Key activities within FY 2020/21 included:

Oxfam Italy*

- Four community centres in the Tuscany providing community services, classes and after school sessions, many of which were delivered online due to the COVID-19 pandemic.
- Community information desks including a new helpdesk set-up during the year, specifically focusing on young people, providing careers advice and employability services
- Twelve community facilitators providing vital support over the phone, online and in person where possible
- Delivering a peer-to-peer mentoring scheme and an innovative teacher-training programme on inclusive education in seven Tuscan schools.
- Engaging citizens through communication campaigns via various channels to provide them with vital information to support access to local services and to raise awareness of basic human rights

Key impact metrics include:

- Percentage of direct beneficiaries surveyed reporting increased understanding of the services available in the community as a result of programme
- Percentage of direct beneficiaries surveyed reporting that they feel able to access services in the community
- Targeted indirect beneficiaries made aware of vital information about local services, such as how to register children for school and how to access digital citizens service. Information provided to audiences was centered on providing vital information relating to accessing basic human rights as well as raising awareness of their rights as citizens

Direct beneficiaries positively impacted include, but are not limited to:

- Young people who take part in peer to peer mentoring
- Individuals who actively engage in sessions at the community centre
- Individuals who actively engage with the community facilitators

Indirect beneficiaries positively impacted include, but are not limited to:

- Audiences benefitting from targeted communications campaigns that deliver messaging to improve community members knowledge and access to local services, for example, video tutorials to help community members access certain benefits, such a school registration for their children
- Family members of direct beneficiaries (where appropriate)
- The extended personal network of direct beneficiaries (where appropriate)

Key activities within FY 2020/21 included:

- Delivering apprenticeship and work experience opportunities that educate and inspire participants about the circular economy and the 'Makers Movement'³ as well as develop employability skills
- Delivering events that educate and inspire participants about the circular economy and the 'Makers Movement'

Key impact metrics include:

- Percentage of direct beneficiaries that had an improved knowledge of leather manufacturing and the circular economy
- Percentage of apprentices entered employment in manufacturing, creative industries or the "Makers Movement"
- Indirect beneficiaries made aware of the benefits of the circular economy and how to engage in it.

Direct beneficiaries positively impacted include, but are not limited to:

- Apprentices
- Work experience students
- Workshop and event attendees
- Direct beneficiaries resulting from charitable donations to Barefoot Solar⁴ training women to be solar engineers within their local communities.

Indirect beneficiaries positively impacted include, but are not limited to:

- Those who engage in events and talks through digital channels

Progetto Quid

Key activities within FY 2020/21 included:

- Delivering traineeships for vulnerable people that focus on skills development through engaging with the circular economy
- Providing welfare support to vulnerable people involved in the programme

Key impact metrics include:

³ The makers movement is a cultural trend that places value on an individual's ability to be a creator of things as well as a consumer of things.

⁴ The Women Barefoot Solar Engineers work to improve the lives of the rural poor living in remote villages off the energy grids. These women, many of them grandmothers and most of them illiterate, work helping to supply their communities with clean, low-cost household lighting from solar energy. The donations made by Elvis & Kresse go towards training women to be Barefoot Solar Engineers.

- Percentage of direct with beneficiaries improved employability related skills, including communication and problem solving
- Percentage of direct beneficiaries who improved their proficiency in the Italian language

Direct beneficiaries positively impacted include, but are not limited to:

- Apprentices
- Employees hired through the grant provided, benefitting from on the job training and development

Indirect beneficiaries are not applicable for this programme.

For programmes that focus on **supporting social and economic development** partnerships include Oxfam and PUR Projet.

Oxfam and PUR Projet in Afghanistan*

Key activities within FY 2020/21 included:

- Running a goat breeding facility designed to help herders improve the quality and yield of their cashmere production.
- Training herders on sustainable cashmere harvesting and livestock management practices.
- Engaging key local stakeholders to facilitate the development of community-owned collective action organisations, pro-actively involving women in their design and management.
- Engaging national audiences through the provision of a radio programme and public service announcements with information for herders on how to improve their herding and animal husbandry practices.
- Providing veterinary services to cashmere herding and livestock producing communities.

Key impact areas include:

- Percentage increase in the volume of cashmere collected and reported per direct beneficiary surveyed
- Percentage increase in price adjusted income per goat reported per direct beneficiary of the programme surveyed
- Percentage of direct beneficiaries surveyed demonstrating gender awareness

- Percentage of indirect beneficiaries surveyed aware of / recall the media programming that was designed to provide them with the skills and knowledge needed to improve their cashmere herding and harvesting practices.

Direct beneficiaries positively impacted include, but are not limited to:

- Stakeholders directly involved in the Cashmere Policy Framework development and Afghanistan Cashmere Forum meetings;
- Goat producers that have directly received training as a result of the Project;
- Goat producers that receive livestock support services;
- Members of the collective action organisations (including those benefiting from the breeding programme); and
- Members of the households of the direct beneficiaries listed above, where applicable.

Indirect beneficiaries positively impacted include, but are not limited to:

- Audiences that recall a radio programme and public service announcements providing cashmere herding communities with information on improving their cashmere harvesting and animal husbandry practices. Surveys of a representative sample were conducted one year after the radio programme aired in beneficiary communities, the percentage of those who recalled hearing this information were used to calculate the number of indirect beneficiaries that were positively impacted by the programme. Those that recalled the information are deemed positively impacted as improved awareness and knowledge on how to produce and access the cashmere industry is a key impact objective of the programme.

In addition to the programmes detailed above, a number of other initiatives are recognised towards the goal to positively impact 1 million people by 2022, these include corporate charitable partnerships and Burberry volunteering activities whereby community members benefit from the volunteering activities and events. For the avoidance of doubt, Burberry employees participating in volunteering activities are not counted towards the beneficiaries that are positively impacted. The community goal was designed for wider community benefit, where Burberry is uniquely placed to contribute to positive impact.

Community data validation procedure:

- Community data is reported by charity partners to Burberry on a quarterly and annual basis.
- Burberry conducts internal checks and data validation processes by reviewing charity partner reports to ensure completeness and accuracy of data. Burberry conducts checks by;

- Selecting a sample of activities that contributed to the number of direct and indirect beneficiaries to confirm that the activities are within the scope of programme.
- Reviewing and confirming that the sum of the beneficiaries per activity is equal to total number of beneficiaries reported.
- Reviewing the direct and indirect beneficiaries reported, to ensure consistency with the definitions and categorisations outlined in the agreement with the charity partner.
- Reviewing reported beneficiary groups to avoid risk of double counting and ensure uniqueness.
- Wherever possible we evaluate the effectiveness of our activities and those of our charity partners by collecting feedback from direct and indirect beneficiaries.
 - For example, for activities involving students, the benefit is assessed by conducting surveys straight after the activity. Where student numbers are large (100+), the survey is conducted with a sample group of participants or by teachers on their behalf. This feedback is used to make improvements, further inform and adapt the programme design, as well as ensure we are creating a positive impact through the various programme activities and interventions.
 - Another example, for the radio programme in Afghanistan, which was designed to provide herding communities with practical information on how to improve their animal husbandry and cashmere harvesting practices, in FY 2020/21 this programme was evaluated by a local monitoring and evaluation partner. A representative sample of the population was surveyed, the % of those surveyed who recalled this information was used to calculate the overall number of people benefitting from this aspect of the programme across targeted provinces.
- Programmes denoted with a * (Burberry Inspire, Oxfam Italy and Oxfam & PUR Projet in Afghanistan) are independently monitored and evaluated by a third-party to assess outcomes and impacts as well as adaptively manage the programmes, where required. Monitoring and Evaluation (M&E) partners for the Burberry Inspire Programme are The Policy Institute at King's College London and the Office of Research, Evaluation and Program Support (REPS) of the City University of New York. For Oxfam Italy the M&E partner is ARCO (Action-Research for Co-development) at the University of Florence, and the for Oxfam and PUR Projet in Afghanistan the M&E partner is Amin Consulting Group.

Key judgements:

The programmes in scope for this KPI were designed to achieve systemic impact across various of levels of intervention. For this reason, we recognise both direct and indirect beneficiary groups

within our goal to positively impact 1 million people. The level of impact achieved across these groups varies in the following ways:

- Direct beneficiaries are those the programme is being undertaken, who directly benefit from a product, service or an activity and are usually directly engaged in the activities of the programme. These groups reap the benefits more strongly and impacts are closely monitored.
- Indirect beneficiaries are people who, whilst not actively taking part in the programme, derive some benefit from it indirectly. Our definitions of direct and indirect beneficiaries are based on the work of DFID. In addition, to define the indirect beneficiaries positively impacted, we adopt Nobel Prize laureate Amartya Sen's social policy framework for measuring social change, human achievement and access to opportunity (evaluating complex abilities such as self-respect and social participation over mechanical evaluation such as income and utility). The approach used in this instance is the 'capability approach' based on development economics, whereby an initiative (the programmes outlined above) expands what people are able to 'do and 'be' and human development derives from the increase in opportunities that are available to each individual, regardless of whether s/he benefits from them or not (Sen, 1992). Due to the nature of the programmes, it is more challenging to obtain feedback from indirect beneficiary communities and therefore positive impact in relation to indirect beneficiaries is characterised by awareness and knowledge bestowed to those community groups. The rationale for including this within our definition of those positively impacted is that awareness and knowledge contribute to driving systemic change, which is a key impact objective of each programme.

Summary of changes to target thresholds since 2019/20*

- **Products containing recycled content**
A positive attribute is achieved if the main material of a product is $\geq 70\%$ recycled content for synthetic fibres and $\geq 20\%$ recycled content for natural fibres. The threshold has been increased from a minimum of 20% in 2019/20 and from 15% in 2018/19. The threshold increase reflects the advancement of the technical capabilities of the industry.
- **Products containing biobased content**
A positive attribute is achieved if the main material of a product includes a minimum of 30% bio-based content, derived from renewable resources, with a $\pm 3\%$ absolute variance allowed. The absolute variance has been introduced as it reflects international carbon testing standards.

These changes to the target thresholds do not affect prior year results and therefore restatements are not required as the below KPIs are not cumulative year-on-year and comparative figures for these KPIs are not disclosed.

KPI: 12% of products with one positive attribute
KPI: 82% of products with more than one positive attribute
KPI: 94% of products with at least one positive attribute