

# RESPONSIBILITY INDICATORS - BASIS OF REPORTING 2021/22

## Introduction

This document sets out how selected KPIs included in the Responsibility section of Burberry's 2021/22 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 product with more than one positive attribute
- % of product with at least one positive attribute
- % of product with only one positive attribute
- % of product with more than one positive attribute (excluding new and exited supply chain partners)
- % of product with at least one positive attribute (excluding new and exited supply chain partners)
- % of product with only one positive attribute (excluding new and exited supply chain partners)

### Company:

- Total energy – including energy from fuel used in vehicles (kWh)
- Scope 1 – Combustion of fuel and operations of facilities (Tonnes CO<sub>2</sub>e)
- Scope 1 – Combustion of fuel and operations of facilities including fuel use from owned or leased transport (Tonnes CO<sub>2</sub>e)
- Scope 2 – Electricity, heat, steam and cooling purchased for own use (Tonnes CO<sub>2</sub>e)
- Scope 1 & 2 – Total emissions location based (Tonnes CO<sub>2</sub>e)
- Scope 2 – Electricity, heat, steam and cooling purchased for own use (Tonnes CO<sub>2</sub>e) Market based approach
- Scope 1 & 2 – Total emissions market based (Tonnes CO<sub>2</sub>e) Total emissions offset by Verified Emissions Reduction Certificates (Tonnes CO<sub>2</sub>e) Scope 1 and 2 intensity (location based tCO<sub>2</sub>e per £1,000,000 sales revenue))
- % of the company's energy and electricity consumption (kWh) sourced from renewable sources
- Scope 3 Baseline – Indirect emissions from total Scope 3 emissions in FY 2018-19 (Tonnes CO<sub>2</sub>e)
- Water used at UK offices and internal manufacturing sites (m<sup>3</sup>)
- Wastewater produced at UK offices and internal manufacturing sites (m<sup>3</sup>)
- 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. Burberry is solely responsible for the preparation and presentation of the selected KPIs. Burberry has established objective reporting criteria for preparing and presenting the non-financial information and the reported performance measures are in accordance with this basis of reporting.

KPIs are based on the period 1 April 2021 to 31 March 2022, unless where otherwise stated.

For the avoidance of doubt, the company's financial accounting period is from 28 March 2021 to 02 April 2022. However, references to FY 2021/22 for the selected KPIs included in the Responsibility section of Burberry's Annual Report 2020/21 refer to the period 01 April 2021 to 31 March 2022.

## KPIs

### PRODUCT:

**KPI: 100% of product with at least one positive attribute**

**KPI: 99% of product with more than one positive attribute**

**KPI: 1% of product with only 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 2021/22.

- 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. If a facility does not meet a minimum score of 70% in Burberry’s assessment of its chemical management, this will negate any other environmental or social improvements the facility may have made. In line with this definition, the same positive attribute achieved at raw material facility level and at finished good facility level will count as two positive attributes (e.g. if the raw material supplier attains the Renewable Energy positive attribute and the Finished Good vendor attains the Renewable Energy positive attribute these will count as two positive attributes to be assigned to the product). The only facility level positive attribute for which this does not apply is Chemical Management, as outlined in the positive attribute requirements.
- 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 material<sup>1</sup>, 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 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.

**KPI: 99.4% of product with more than one positive attribute (excluding new and exited supply chain partners)**

**KPI: 100% of product with at least one positive attribute (excluding new and exited supply chain partners)**

**KPI: 0.6% of product with only one positive attribute (excluding new and exited supply chain partners)**

- “New” supply chain partners are any facility that has been onboarded onto Burberry’s supply chain between 01 April 2021 – 31 March 2022
- “Exiting” supply chain partners are defined as any facility that has been fully deactivated by March 31<sup>st</sup> 2022 with Burberry or any facility that no later than 31 December 2021 has been communicated deactivation from Burberry supply chain, even if the exit process is not completed by the end of the reporting period (i.e. 31 March 2022).

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<sup>1</sup> 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

Initiatives that have led to a positive attribute during 2021/22 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
	Skills and Capacity Building

**Positives attributes in more detail:**

**100% of cotton procured more sustainably**

- Scope is based on the number of cotton-rich products procured in 2021/22, excluding accessories.
- A product is defined as cotton-rich, if its main material's composition is 50% or more 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.

**92% 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 or higher), ISO14001
  - Traceability: Leather Working Group Traceability (> 50% score), ICEC PC412/SC410 and ISO 9001
  - Social compliance: SA8000, UNIC Code of Conduct Certification and Social Accountability and Burberry's Ethical Trade Audit
- Tanneries that have undergone the audits during the last quarter of the reporting period and for which the official certificate is not available as not issued by the certification bodies will still be accepted. Due to the time cycle required by certification bodies to issue the audit certificates (4-8 weeks), for audits conducted in February and March 2022 the official certificate might not be available. In these cases, a letter issued by the auditor will be provided instead of the certificate, indicating the name of the audited tannery, the audit date, the audit type and scope, the rating achieved.

#### **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 and people, 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 28 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.
- 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 2021 to 31 March 2022).

#### **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.
- In calculating the % of reduction we rely primarily on supplier facilities' self-assessments, but can include facility energy audits required by law.
- In FY 2021/22, we monitored energy and water data and supporting evidence across these sites and held regular meetings with the facility management, mostly digitally due to COVID-19 restrictions.
- 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.

#### **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 scopes 1 and 2 GHG 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 is no commercial option to recycling that exists).
- The facility must also have 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 2021/22, 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 three 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%<sup>2</sup> 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.

### **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.

### **Product sourced from facilities where there is a Skills and Capacity Building programme in place**

- A positive attribute is achieved if identified employees, via a development needs assessment, attend at least 8 hours of training on the identified skill gaps and attendees report improved knowledge and understanding of training topics through feedback questionnaires or interviews.
- For a facility to achieve this positive attribute, the company must measure the improvement via a skills assessment and track individual performance improvements.
- In addition, the facility must survey workers at least once a year and workers must confirm improvements in ways of working for the attribute to be achieved.

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<sup>2</sup> with a ±3% absolute variance allowed.



## COMPANY:

### KPI: Scope 1 & 2 total market-based emissions (1,835 tonnes of CO<sub>2</sub>e)

- 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 (CO<sub>2</sub>e) 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 92% 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 (2021), the International Energy Agency (IEA) (2021) and Reliable Disclosure (RE-DISS) European Residual Mixes (2020) are used for all CO<sub>2</sub>e calculations.
- Audited sales revenue data is used to derive the intensity metric of tCO<sub>2</sub>e/£1,000,000 sales revenue.
- Burberry has updated Greenhouse Gas emissions data for FY 2020/21 and FY 2019/20 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 2021/22 to offset emissions from gas consumption.

**KPI: 86% of the company's total energy consumption sourced from renewable sources, including 100% 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: 33,153.93 m<sup>3</sup> of water used at key sites**

**KPI: 30,950.20 m<sup>3</sup> 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 third party operated Burberry distribution centres globally. Key sites included in scope have a minimum square footage of 30,000 feet and are the locations where the greatest volumes of water and wastewater are consumed.
- 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 (Tonnes) i.e. zero waste to landfill**

- The scope of this KPI covers 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 the UK, our

manufacturing site and distribution centres in Italy and our warehouse in Shanghai. In FY 2021/22, the scope of reporting increased with the inclusion of Burberry's Sloane Street store. Key sites included in scope have a minimum square footage of 30,000 square feet, these tend to be warehouses, offices, and manufacturing sites (where the greatest volumes of waste are created) as well as additional sites with a smaller square footage, where waste data is readily available (e.g. UK retail stores). 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 product related waste. "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.

## **KPI: Scope 3 GHG Emissions:**

### **Scope:**

The focus of this reporting is to quantify Burberry's indirect emissions (referred to hereafter as Scope 3). This includes the emissions from all applicable categories set out by the Greenhouse Gas Protocol which are required as part of Burberry's Science Based Target for Scope 3 emissions.

Unless otherwise stated in the subsequent sections, the time boundary for baseline emissions is Burberry's financial year 2018/19, from April 2018 to March 2019.

### **Exclusions:**

The following categories from the Greenhouse Gas Protocol were excluded from the baseline: Downstream transportation and distribution; Processing of sold products; Use of sold products; Upstream and downstream leased assets; and Investments.

The rationale for the exclusions is as follows:

- Downstream transportation and distribution: excluded from the baseline due to lack of data availability. However, <sup>(000)</sup> e-commerce shipping to customers where Burberry paid

for shipping costs (likely the most material contributor of emissions within this category) is included in *Category 4 – Upstream Transportation and Distribution*.

- Use of Sold Products: excluded from Burberry’s Science Based Target (SBT) boundary and therefore from Scope 3-related KPIs. Indirect use emissions such as this category (i.e. emissions generated from end user and not from the reporting company) are optional according to guidance from the Science Based Targets initiative. (See [Apparel and Footwear Sector: Science-Based Targets Guidance](#), 2018)
- Processing of sold products: not applicable and therefore excluded as Burberry does not process sold products.
- Upstream and downstream leased assets: excluded from Scope 3 boundary; deemed not applicable as Burberry does not have emissions from use of leased assets that are not included elsewhere and does not own assets that are leased to other entities.
- Investments: not applicable and therefore excluded as Burberry does not have any investments that are not already included in the reporting boundary. The Greenhouse Gas Protocol *Technical Guidance for Calculating Scope 3 Emissions* states this category is applicable only for investors and companies providing financial services.

**Emissions sources:**

Table 1 below outlines relevant information regarding emission sources included within each scope 3 category.

*Table 1: Scope 3 emissions sources by category*

Category	Emission sources
01. Purchased goods and services	<ul style="list-style-type: none"> <li>• Product-related waste</li> <li>• Production and sourcing of raw materials</li> <li>• Packaging</li> <li>• Tier 1 manufacturing energy use (e.g., finished goods vendors)</li> <li>• Other purchased goods and services (e.g., training, consultancy, creative services, etc.)</li> </ul>
02. Capital goods	Production of capital goods (e.g., IT hardware & software, display costs) that are purchased or acquired
03. Fuel- and energy-related activities	Upstream life cycle emissions from fuel and electricity generation, incl. transmission and distribution losses, not included in Scope 1/2
04. Upstream transportation & distribution	<ul style="list-style-type: none"> <li>• Transportation and distribution of finished goods including Primary transportation (Vendor to hub) and Secondary transportation (Hub to store)</li> <li>• Transportation to customer, paid by company (e.g. digital and courier shipments)</li> </ul>
05. Waste generated in operations	Treatment and disposal of waste generated at Burberry’s owned or controlled operations
06. Business travel	Employee air travel for business-related purposes
07. Employee commuting	Employee travel between home and work
08. Upstream leased assets	Excluded (see Exclusions section above)

09. Downstream transportation & distribution	Excluded (see Exclusions section above)
10. Processing of sold products	Excluded (see Exclusions section above)
11. Use of sold products	Energy use from cleaning and laundering sold products ( <i>See note in Exclusions section</i> )
12. End-of-life treatment of sold products	Waste disposal and treatment of sold products
13. Downstream leased assets	Excluded (see Exclusions section above)
14. Franchises	Operation (e.g. energy usage) of franchises not included in Scope 1 or 2
15. Investments	Excluded (see Exclusions section above)

### Category-specific information:

The information below outlines the data sources, coverage, emissions factors, key assumptions, and calculation methodology for all Scope 3 categories included in Burberry's Science Based Target boundary.

## 01 PURCHASED GOODS & SERVICES (RAW MATERIALS)

### *Data sources*

- Internal product-level database including composition and weight of all finished products in a given year
- Summary file tabulating material volume for each raw material

### *Emissions factors*

Emissions factors used for this category come from the Higg Index Product Tool (hereafter, Higg Index). This tool provides licensed users access to emissions factors for raw materials based on lifecycle assessments, accounting for cradle-to-grave impacts which can be applied on a per-unit basis to estimate emissions associated with raw materials use.

Raw materials are given a carbon dioxide equivalency per kilogram of fibre based on various data sources including lifecycle assessments which account for average loss rates during cradle-to-gate production as well as upstream transportation from raw materials origin to suppliers.

The emissions factor for brass comes from Ecoinvent, which provides a more robust database for metals as compared to the Higg Index used above which primarily focuses on fibres.

### *Key assumptions*

- In the emissions factors, assumptions are made regarding spinning method, transport distance, and yarn thickness amongst others (i.e. all default settings are used in the Higg Index Product Tool).
- Best estimates were made on share of recycled cashmere which has a different carbon intensity than virgin cashmere; for all other materials, virgin, traditional fibres were assumed to cover the full use given limited data availability in baseline year on share of recycled, organic, or certified materials.

Lack of data on emissions intensity for some materials required further assumptions as follows:

- Leather: Bovine leather was assumed used for all types of leather in Burberry products given that cow and calf leather comprise the majority of leather used by Burberry according to internal product composition data.
- Cashmere: No emissions intensity data was available in Higg Index; therefore impacts were extrapolated from wool production with the assumption that sheep and goats have similar impacts per animal but that cashmere goats yield less clean fibre per animal.
- Mohair: No emissions intensity data was available. Assumed similar impacts as wool sheep, as Angora goats have similar yields.
- Rubber: Assumed all rubber is synthetic rubber. Sufficient data on rubber type was unavailable, but according to internal product composition data most rubber used in Burberry's finished goods is sourced from China, where the majority of rubber produced is synthetic.
- Exotic skins: No emissions intensity data available in Higg Index, therefore bovine leather impacts were used as proxy.
- Brass impacts were taken as a proxy for all metal use as brass is the most commonly used metal in Burberry finished goods according to internal product composition data.

### *Calculation methodology*

To calculate emissions from raw materials, product-level data on material composition and weight is aggregated by material then converted to similar units (kilograms of fibre). These summary figures are then multiplied by the relevant emissions factors to derive emissions.

## **01 PURCHASED GOODS & SERVICES (PRODUCT-RELATED WASTE)**

### *Data sources*

Waste emissions data is calculated from an internal waste model covering all relevant product-related waste streams, including:

- Production volumes and weights from internal product database.
- Manufacture of finished goods: waste at internal and third-party vendors, raw material excess, sampling excess, and overproduction.
- Damaged & defective items which are considered product-related waste; and
- Unsaleable goods (e.g. unused staff uniforms).

Inputs into the waste model are from both primary and estimated data. For waste from the manufacturing of finished goods, waste collection data from internal manufacturing sites in the baseline year is used to estimate data at third-party vendors. The production at internal sites accounts for approximately two percent of total annual production volume in the baseline and is extrapolated to the other vendors where 98 percent of finished goods are sourced. Raw material excess data comes from an internal database used to capture the intake and movement of excess raw materials from suppliers. Overproduction data comes from an internal database that tracks information related to overproduction and seconds at vendors.

Note this category refers only to the emissions from wasted raw materials in the manufacturing and product development phase and therefore includes fabric, leather, and metal waste only. Disposal of this and other waste streams falls into Category 5, *Waste generated in operations* as outlined below.

#### *Emissions factors*

All waste within this category is classified as either fabric, leather, or metal based on available data. Relevant Higg Index Product Tool emissions factors are therefore used as above in the Raw Materials section. (Note that the average emissions factors for wool, nylon, polyester, and cotton are used for generic fabric emissions as these are the highest volume of materials used in the baseline year.)

#### *Key assumptions*

- Total volume of waste generated in the manufacturing of finished goods across all vendors is estimated using data from Burberry's two internal manufacturing sites. This waste from internal manufacturing, which covers approximately two percent of total production volume, is then extrapolated and applied to third-party vendors on a per-unit basis.
- Raw material excess: average widths and weights of items were used where primary data was not available, to allow for conversion to a similar unit of measurement.
- Average emissions factors for wool, nylon, polyester, and cotton are used for generic fabric emissions as these are the highest volume of materials used in the baseline year.

#### *Calculation methodology*

- Manufacture of finished goods: data from Burberry internal manufacturing sites is collected and a per-unit waste figure is calculated using production volume data. This per-unit figure is then applied to all other production at vendors. Material composition breakdown is taken from internal waste collection data, which is then extrapolated to waste at all other sites.
- Raw material excess: internal data on raw material excess including composition and unit of measurement is used to aggregate excess materials by type. This is multiplied by a

reference table of typical sizes of excess to create tonnage. Material composition breakdown is taken directly from information in the raw material excess database.

- Sample excess: data is estimated using internal best estimates. Composition of material type is calculated based on raw material excess data as the closest suitable proxy.
- Overproduction: internal data on overproduction and seconds from vendors is used to calculate quantities of excess generated, which is then multiplied by average product weight from the internal product database to yield tonnage. Composition of material type is unknown and so is attributed to 'Other.'
- Damaged & defective items: internal database on quantity of damaged and defective items is multiplied by average product weight from the internal product database to yield tonnage. Composition of material type is unknown and so is attributed to 'Other.'
- Unsaleable goods: internal data on quantity of unallocated staff uniforms was multiplied by average product weight from the internal product database to yield tonnage, which is then multiplied by the relevant emissions factor. Composition of material type is unknown and so is attributed to 'Other.'

Real and estimated waste data for the relevant categories listed above is aggregated for fabric, leather, and metal. These totals are then multiplied by the relevant emissions factors from the Higg Index resulting in the final emissions figure.

## 01 PURCHASED GOODS & SERVICES (MANUFACTURING)

### *Data sources*

Manufacturing energy use data comes from energy use reports compiled by Burberry derived from source data provided by finished goods vendors. Reports include the following energy types: biomass, coal, diesel, fuel oil, gasoline, grid electricity, liquified petroleum gas, natural gas, and purchased steam, as well as on-site renewable energy.

Additional data comes from an internal product-level database that provides information on volume of production at each vendor that can be attributed to Burberry and to vendors where primary data is not available.

### *Emission factors*

- UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019
- International Energy Agency, 2019

### *Key assumptions*

- All vendors without primary data were assumed to have the average energy intensity of those where data was available
- All vendors without primary data were assumed to have the average production attribution rate to Burberry of those where data was available



#### *Calculation methodology*

- Energy use data obtained from finished goods vendors is aggregated by energy type
- A per-unit energy use estimate by region (EMEA, APAC) is calculated then applied to all other vendors where no vendor specific data is available
- Summed activity data for each energy type is multiplied by relevant emissions factors to calculate emissions

### **01 PURCHASED GOODS & SERVICES (PACKAGING)**

#### *Data sources*

- Supplier data covering customer and non-customer facing packaging weight by type for paper and plastics (e.g., recycled paper, cardboard boxes, poly bags)

#### *Emissions factors*

- UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019

#### *Key assumptions*

- Where no specific data was available on type of paper or plastic used, average emissions factors were taken as proxy

#### *Calculation methodology*

- Sum paper and plastic weight data by type (for plastics, by type of plastic; for paper, by recycled or non-recycled)
- Multiply by relevant emissions factors

### **01 PURCHASED GOODS & SERVICES (OTHER) + 02 CAPITAL GOODS**

#### *Data sources*

- Internal accounting spend data per expense type. The following expense types were included in this category for Other Purchased Goods and Services:
  - Fashion Shows; Staff Welfare; Trade Shows & Exhibitions; Training; Brochures and Other; Design & Merchandising – Other; Digital Production & Marketing; Intellectual Property; Packaging; Photography; Prototypes & Product Development; Advertising; Agents Commission; Auditor - Audit Fees and Non Audit; Bank Charges; Cleaning; Consultancy; Contractor Costs; Creative Services; Data & Communications; I.T. Hosting; I.T. Services; Insurance; Legal; Marketing - Burberry Private Client; Marketing – CVM; Marketing – Other; Marketing Production; Professional Services – Other; Public Relations; Recruitment; Repairs & Maintenance; Security; and Tax Advice
- For capital goods, the following expenses are included:

- Display Costs; IT Hardware & Software; Showroom
- The above items are classified as Capital Goods as they have an extended lifespan or are used specifically by Burberry to manufacture and/or sell items
- Costs included in each category follow the standards of Technical Guidance for Calculating Scope 3 Emissions, Chapters 1 (Purchased Goods & Services) and 2 (Capital Goods).

#### *Emissions factors*

- Spend-based factors from academic research (University of Leeds, UK Footprint Results (1990 - 2017) and UK BEIS indirect supply chain emissions factors

#### *Key assumptions*

- Spend codes were divided between Category 1. Other Purchased Goods & Services and Category 2. Capital Goods based on guidance in the Greenhouse Gas Protocol.

#### *Calculation methodology*

- Total spend is multiplied by relevant emissions factors according to spend category after taking into account VAT and/or other sales taxes where applicable

### **03 FUEL- AND ENERGY-RELATED ACTIVITIES**

#### *Data sources*

- Scope 1 and 2 data from all sites in scope, consistent with scope for scope 1 and 2 reporting

#### *Emissions factors*

- Specific factors applied for each included energy type, as sourced from UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019

#### *Key assumptions*

- Electricity consumption on sites closed before the financial year and/or added after the financial year were excluded.
- The calculation for well-to-tank and transportation and distribution includes mobile combustion, stationary combustion and electricity consumption.

#### *Calculation methodology*

- Activity data is multiplied by relevant emission factors which include upstream emissions of purchased electricity and transmission & distribution losses of electricity (e.g. the normal losses occurring in the transmission and distribution of electricity from origin to final use point.)

## 04 UPSTREAM TRANSPORTATION & DISTRIBUTION

### *Data sources*

- Primary source data provided by third-party carriers in accordance with a Burberry template covering key inputs such as distance, weight, and mode of shipment.
- Internal invoicing data from carriers not providing robust data necessary to perform emissions calculations (e.g., distance, weight, and mode of transport.).
- Spend data where necessary shipment-level data not available

### *Data coverage*

- FY2019/20 (April 2019 – March 2020) was used as a proxy for the baseline year as data availability was limited in the baseline year. Direct data collection from carriers began in FY2019/20.

### *Emissions factors*

- UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019

### *Key assumptions*

- Distance: where distance was not provided by carrier, the country of origin and destination were used to approximate distance
- Weight: where weight was not provided by carrier, the average-per unit weight as calculated using internal product data was applied to the shipment based on number of units contained
- As per the Clean Cargo Working Group, a distance correction factor is added to distances in sea shipping provided <sup>(0.01)</sup> by third-party transportation carrier (DSV) to account for the variances of port-to-port travel distances
- Air travel routes may contain some amount of road travel covering the start and end of the route (i.e. from pickup/drop-off location to airport). For the purposes of emissions calculations, the entirety of air shipments are assumed to be by air.

### *Calculation methodology*

- All data sources are collated into a master file
- Using inputs for distance and weight, calculate tonne.km ((Distance (km) \* (Weight (kg)/1000))
- Multiply output by relevant emissions factor depending on mode of transport

## 05 WASTE GENERATED IN OPERATIONS

### *Data sources*

Waste emissions data is calculated from an internal waste model covering all waste streams within the business, including the following sources:

- Design & office: prototypes and samples; general office
- Manufacture of finished goods: cutting waste at internal and third-party vendors, raw material excess, sampling excess, and overproduction)
- Production of raw materials: finished material waste from internal and third-party manufacturing (note that other raw Material waste is included within the Raw Materials category as this is included in the Higg Index Product Tool emissions factors figures.
- Distribution & logistics: waste from company-owned warehouses and local fulfilment centres.
- Retail: store waste (inc. business-to-business packaging), damaged and defective items, and consumer packaging.
- Others: events, pop-ups, visual merchandising, and construction, as well as unsaleable goods.

#### *Emissions factors*

- UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019
- Third-party adjusted emissions factors from Ecoinvent

#### *Key assumptions*

- General: mixed dry recycling is assumed to be half paper and half plastic; disposal pathway data, necessary for emissions calculations, is taken from waste contractor data where available and extrapolated to estimate the remaining elements where data is not available.
- Manufacturing of finished goods: total volume of waste generated in the manufacturing of finished goods across all vendors is estimated using data from Burberry's two internal manufacturing sites, which combined comprises approximately two percent of total production volume; disposal methods are assumed to be equivalent to the average of Castleford and Manifattura on a per-unit basis; in absence of recycling data, raw material excess and sample excess is assumed to be landfilled.
- Production of raw materials: assumed disposal methods at supplier facilities are same as Burberry Mill.
- Raw material excess: average widths and weights of items were used where primary data was not available, to allow for conversion to a similar unit of measurement.
- Distribution and logistics: assume waste at fulfilment centres with no data available (Hong Kong, Paris, London, Dubai) is equivalent to Japan and Korea centres on a square footage basis.
- Stores: assume global stores produce same waste as UK stores on square footage basis.
- Offices: assumed waste output at sites without data is the same on a per-square metre basis as sites with data available from waste contractors; extrapolated disposal rates of all facilities based on data from UK offices.
- Confidence levels were attributed to each waste stream based on internal levels of confidence in the underlying assumptions and relative amount of estimations compared to real data

#### *Calculation methodology*

- Tonnage by waste stream is aggregated from available data from waste contractors where available
- Where no data exists, data estimates are created using per-square foot volume from existing data
- Aggregated data from above is then multiplied by relevant emissions factors based on material type and end-of-life treatment (e.g., recycling, incineration, landfill).
- To ensure that emissions were not underestimated, the attributed confidence levels were used to increase emissions from each waste stream. Low confidence resulted in emissions increasing by 50%; medium confidence by 25%; and high confidence by 10%.

## **06 BUSINESS TRAVEL**

#### *Data sources*

- Commercial flight data including distance and cabin class from Burberry's third-party corporate travel partner

#### *Emissions factors*

- UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019

#### *Key assumptions*

- Only flights were included based on data availability

#### *Calculation methodology*

- Multiply combined distance of all flights in given period by the cabin-class specific emissions factors.

## **07 EMPLOYEE COMMUTING**

#### *Data sources*

- Full-time employee equivalency counts by country provided by from Burberry Human Resources
- External data (Numbeo) on average distance and mode of commute by country

#### *Emissions factors*

- UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019

#### *Key assumptions*

- Burberry employees travel within the same average of other employees globally

- 100% of employees were assumed to work from office every workday (260 working days = 52 weeks per year x 5 working days per week)

#### *Calculation methodology*

- Tabulate number of employees by country with internal HR data
- Using statistical data from external source, obtain the ratio of transportation mode for commuting by employees in each country
- Calculate passenger miles by multiplying number of employees in country using each mode of transport for the average distance to work within each country
- Multiply aggregated passenger miles by relevant emissions factor for each mode of transport

## **12 END OF LIFE TREATMENT OF SOLD PRODUCTS**

#### *Data sources*

- Internal product-level database including composition and weight for all finished products in a given year
- Burberry waste model (detailed above in product-related waste section)

#### *Emissions factors*

- UK Department for Business, Energy and Industrial Strategy (BEIS), Government conversion factors for company reporting of greenhouse gas emissions, 2019
- Third-party adjusted emissions factors from Ecoinvent

#### *Key assumptions*

- Activity data refers to units produced rather than units sold in the FY 18/19, which represents a conservative approach.
- Average waste treatment methods for textiles and plastics packaging of EU countries were taken as proxy for global practices as EU represents biggest market.

#### *Calculation methodology*

- Data on units produced is multiplied by weight data to obtain total weight for given year
- Average waste treatment methods are applied for textiles and packaging
- The associated tonnage for each material and treatment method is then multiplied by relevant emissions factors as listed above

## **14 FRANCHISES**

#### *Data sources*

- Internal and external reports from licensees provided estimates of carbon output attributable to Burberry
- Square footage from franchise/concession stores

- Burberry annual revenue

*Data coverage*

- FY2016/17 (April 2016 – March 2017) for emissions and revenue data where not available for baseline year

*Emissions factors*

- N/A – calculation utilises already-calculated emissions and extrapolates based on other factors

*Key assumptions*

- FY2016/17 square footage data was applied for the baseline year due to lack of available data

*Calculation methodology*

- For licensees: emissions data was calculated by using available revenue, production, and/or emissions data from licensees and applying per unit/per revenue calculations
- For franchises: latest available square footage data was multiplied by Burberry revenue data

## **COMMUNITIES:**

**KPI: 567,610 people positively impacted in FY 2021/22**

**KPI: 1,247,780 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. The programmes and activities under each pillar are funded by the Burberry Foundation. Burberry Group plc donates 1% of PBT to charitable causes each year. The majority of the 1% of PBT goes to the Burberry Foundation, while remaining amounts are diverted to disaster relief and to The Burberry Community Fund. Beneficiaries arising from the additional 1% of PBT spend e.g. The Burberry Community Fund are also included within the scope of this target.

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).

Programmes that focus on **tackling educational inequality and building cultural capital** partnerships include Teach First, the Careers & Enterprise Company (CEC), the Ideas Foundation, the Creative Arts Team at the City University of New York, Connectr (formerly known as MyKindaFuture), the Royal College of Art and Year Up.

Key activities within FY 2021/22 included:

- Teach First's Careers Leader Programme which trains careers leaders across the nation on careers strategy development and programme planning
- Teach First's National Professional Qualifications programme which aims to develop leaders who are equipped to drive strategic improvements and build a community of leaders empowered to stay in the schools that need them the most
- Teach First's 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
- CEC's 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
- Student mentoring by Burberry volunteers
- Teacher coaching by Burberry volunteers
- Enterprise Adviser Network activities
- CEC digital resources available in the FutureGoals online platform which aim to support young people who are in education and considering their future career/education choices or who are Not in Education, Employment or Training (NEET), with training, education, or career opportunity.
- Scholarship programmes provided to students to attend the Royal College of Art

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 CPD sessions or taking part in the Careers leaders programme or National Professional Qualifications 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 have taken part in the National Professional Qualifications or are employing inclusive education techniques based on training provided by the programme
- School populations of students whose teachers or Career leader has downloaded one of the digital resources available in the CEC FutureGoals online platforms

Secondary school populations numbers are estimated based on information publicly available on the government websites:

1. Get Information about Schools - GOV.UK ([get-information-schools.service.gov.uk](https://www.get-information-schools.service.gov.uk))
2. Find and compare schools in England - GOV.UK ([www.gov.uk](https://www.gov.uk))

Primary school population numbers are calculated using a mix of Department for Education (DfE) data along with the average number of pupils in Teach First partner primary schools.

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 2021/22 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 centred 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. Video content designed to meet the specific needs of the target beneficiaries. Beneficiaries are counted as positively impacted where viewers had watched the video content for at least 25% of the video duration in order to derive a benefit from its messaging. Beneficiary feedback on the video is also assessed in order to qualify the positively impacted statement.
- Family members of direct beneficiaries (where appropriate)
- The extended personal network of direct beneficiaries (where appropriate)

## **Elvis & Kresse**

Key activities within FY 2021/22 included:

- Delivering apprenticeship and work experience opportunities that educate and inspire participants about the circular economy and the 'Makers Movement'<sup>3</sup> 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

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<sup>3</sup> 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.

- Direct beneficiaries resulting from charitable donations to Barefoot Solar<sup>4</sup> 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 2021/22 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:

- 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 throughout the programme included:

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<sup>4</sup> 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.

- 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.

## UNICEF

Key activities in FY 2020/21\* and FY 2021/22 included:

- Funding the vaccines pillar of the UNICEF's Access to COVID-19 Tools Accelerator (ACT-A) emergency appeal response, with the aim of providing two COVID-19 vaccine doses to vulnerable communities in 190 countries around the world to help ensure equal access to vaccines. The donations from Burberry and The Burberry Foundation COVID-19 Community Fund went towards the transportation, storage and safe administration of COVID-19 vaccine doses in low-income countries and humanitarian settings.
- Supporting UNICEF's COVID-19 response in India by providing funding for one oxygen generation plant

Key impact areas include:

- Improved immunity to COVID-19 and mitigation of negative impacts in low-income countries through funding vaccines delivered
- Livelihoods supported and saved through funding an oxygen generation plant in India

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

- Number of people receiving two doses of a COVID-19 vaccine  
The actual number of beneficiaries could not be tracked due to the fast-paced and unfolding nature of the humanitarian relief effort. Global registers of vaccinated people were not captured by UNICEF. Instead an estimation method was used to calculate the number of beneficiaries positively impacted by the donation. Direct beneficiaries arising from the UNICEF donations were calculated by taking the donation amount and removing administration costs, known as "retention" costs and dividing the resultant donation amount by the estimated cost of delivering two doses of COVID-19 vaccines. The cost of delivering two doses of COVID-19 vaccines was calculated by the ACT-A working group. Details of the study can be found [here](#). Please note that the exact costs are not outlined within this document.  
The number of people positively impacted by this activity is estimated due to the lack of availability of data around delivering COVID-19 vaccines in a humanitarian setting.
- Number of people who would benefit from the donation of an oxygen generation plant in India. Oxygen therapy is a critical treatment for moderate/severe COVID-19 patients. Figures provided by UNICEF showed that a new oxygen generation plant costing US\$180,000 can provide enough oxygen for a 500 bed hospital. Funding was provided to cover one oxygen generation plant and therefore 500 beneficiaries were counted as positively impacted by the donation.

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

- N/A – there are no indirect beneficiaries arising from these activities.

\*Please note that while UNICEF donations and associated activities were undertaken in FY 2020/21 the beneficiaries positively impacted by the donations have been accounted for in FY 2021/22.

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. In the case of the digital resources available on the CEC FutureGoals platform, an external consulting company called York

consulting was engaged to develop an impact survey. The survey was issued to 20 schools and colleges that downloaded the digital resources and that are a representative sample of the students across the West Yorkshire region.. The schools will also be engage in interviews and focus groups to produce case studies. The objective is to evidence the impact of the CEC FutureGoals resources and to understand how teachers, Career leaders and parents used them to inspire and develop young peoples' skills and readiness for entering employment.

- 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.
- Burberry Inspire, Oxfam Italy and Oxfam & PUR Projet in Afghanistan programmes 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 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.