

BURBERRY BEYOND

Burberry Beyond encompasses all activities relating to Burberry's commitment to driving positive social, cultural and environmental impact globally, underpinned by three pillars: Burberry Impact, Burberry Engage and Burberry Invest.

BURBERRY IMPACT

Leveraging our creative thinking culture to inspire sustainable action

BURBERRY ENGAGE

Harnessing the passions and talents of Burberry associates

BURBERRY INVEST

Supporting and inspiring the next generation of creative thinkers

Burberry Impact

The Burberry Impact programme, covering ethical trade and environmental sustainability, was introduced as a five-year commitment to make meaningful and lasting improvements to workers' employment and workplace conditions, as well as to significantly reduce the company's environmental impact. These commitments, informed by baseline assessments, were developed in partnership with Forum for the Future and with support from the Ethical Trading Initiative. The programme is supported by an advisory committee of external expert stakeholders and the Burberry Strategic Responsibility Council.

Burberry Impact has four areas of focus: people, product, process and property.

People

Burberry expects all its suppliers to comply with local labour and environmental laws and the Burberry Ethical Trading Code of Conduct, providing their workers with safe working conditions and fair pay, and allowing them to exercise their right to freedom of association and collective bargaining.

Further integration of ethical trade principles into commercial decision making continued to be a focus across the business, with opportunities identified to improve labour standards through strong supplier

relationships. Engagement activities included announced and unannounced audits; monitoring; continuous improvement programmes supported by third parties; and the provision of training and confidential worker hotlines.

Burberry continued to provide suppliers with the necessary tools and support to ensure compliance with the Burberry Ethical Trading Policy, including the Burberry Ethical Trading Code of Conduct. The Code is underpinned by the United Nations Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organisation and the Ethical Trading Initiative base code.

Number of audits, supplier visits, training sessions, improvement programme and hotline training visits

839* +11%

2013	839*
2012	756
2011	721

Recognising the importance of workers in protecting workplace rights, the rollout of NGO-run confidential worker hotlines was extended. Currently 70* factories offer hotline access, giving 30,000* workers a free and confidential consulting, counselling and whistleblowing line.

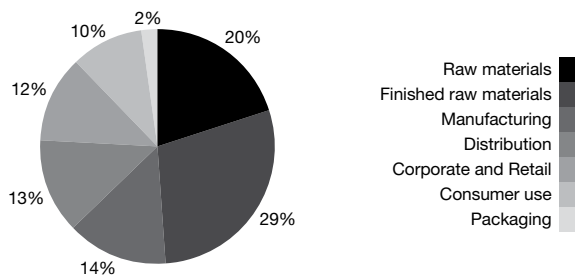
Across its supply chain, Burberry endeavours to work through multi-stakeholder dialogue to contribute to sustainable change. Burberry continued to collaborate with peers and stakeholders, including Business for Social Responsibility and the UN Global Compact, as well as through its membership of the tri-partite Ethical Trading Initiative.

Product

Burberry initiated an environmental baseline assessment of both direct and indirect carbon dioxide equivalent (CO₂e) impacts from raw materials, energy, water, chemical inputs and waste. This detailed analysis enabled the identification of risks and priority areas for the business to focus reduction efforts at a regional, functional and raw material level.

Environmental Baseline Assessment*

(A/W11 and S/S13 as % of CO₂e)



Together, cotton and leather represent 57% of CO₂e[^] from Burberry raw materials. Building collaborative partnerships with the suppliers of these materials is therefore critical to achieving Burberry's product commitments. Working closely with other luxury brands and the Leather Working Group, Burberry committed to monitoring and improving the environmental management and traceability in its leather supply chain, working with tanneries supplying more than 65%[^] of accessories leather.

Process

Burberry is committed to driving more sustainable outcomes throughout its worldwide operations.

Reflecting its commitment to reducing energy consumption across the supply chain, Burberry conducted energy efficiency assessments at key vendor sites and distribution centres, which account for almost one-third of CO₂e[^] identified in the environmental baseline assessment.

Property

Leveraging the sustainability expertise of the Burberry construction team is crucial to the continued pursuit of more sustainable construction practices and energy efficiency in both existing and new buildings.

Pilot energy saving schemes were introduced after store audits identified up to 65% kilowatt hours[^] of potential energy savings in selected stores. The new Chicago flagship store achieved LEED Silver certification, using innovative technologies to increase efficiency.

Recognising that associate education and engagement is critical to achieving Burberry's energy efficiency targets, a training programme was established and supported by a global challenge encouraging the submission of creative ideas for sustainable action.

Global buildings energy CO₂

(CO₂ kgs per £1,000 turnover)

20* + 5%



Burberry Engage

Leveraging core business competences and individual talents in the communities where associates live and work remains a key objective. Burberry continued to encourage its associates to connect with the Burberry Beyond framework, extending its positive impact in new and existing locations. Eight taskforces were established to dynamically embed the framework into ways of working across the global organisation.

Associates were encouraged to dedicate their skills and passions during working hours to volunteering programmes, harnessing their talents to give back to local communities. 2,300[^] associates in 55[^] cities dedicated over 8,000* hours to inspire young people in their local communities.

Employee volunteering hours

Time volunteered by Burberry associates

8,000* + **45%**



Burberry Invest

Burberry Invest supports innovative organisations and programmes in Burberry's communities worldwide, combining associates' dedication, knowledge and creativity with corporate financial support and in-kind donations.

Burberry donates 1%* of Group profits before tax to charitable causes, the majority to the Burberry Foundation (UK registered charity number 1123102), an independent charity that aims to help young people realise their dreams and potential through the power of their creativity.

The Foundation has partnered with 32 charities to directly and indirectly inspire over 75,000 young people since it was established in 2008. Today, the Foundation is active in 14 cities around the world.

In addition to financial support, the Foundation made in-kind donations ranging from non-trademark fabric and materials to assist young people enrolled in art and design courses, to the annual Christmas Coat Donation programme, benefiting disadvantaged young people around the world. Total coat donations since its launch in 2008 reached 10,000.

The Foundation launched Burberry Create, a bespoke six to eight week creative training and employability programme, delivered by Burberry associates at corporate locations worldwide. Designed to leverage the full range of Burberry's competences to develop young people's creative thinking and problem solving skills through practical work experience, business challenges and mentoring, the programme enriched the lives of 155^ young people in London, New York, Hong Kong, Shanghai and Beijing.

Burberry continued to support the next generation of creative talent through multi-year scholarship funds at the Royal College of Art in the UK and Ball State University in the US.

In response to the devastation caused by Hurricane Sandy in October 2012, the Burberry Foundation and its associates assisted with the rebuilding of lives and communities in the most impacted areas of New York and New Jersey.

Community donations £

Direct contributions made by Burberry

£4.3M* + **16%**



Governance

A global governance system connects Burberry's global community on people issues, ethical trading, community investment and environmental sustainability policies and initiatives.

The Chief Corporate Affairs Officer is responsible for ethical trade, community and environmental sustainability matters and reports on these topics to the Group Risk Committee and the Board. He also chairs the Strategic Responsibility Council and sits on the Supply Chain Risk Committee.

An advisory board of external stakeholders was established in 2012 to oversee the Burberry Impact Strategy for ethical trade and environmental sustainability.

To reflect the Company's continued expansion, Burberry strengthened its health and safety team and resources globally. Occupational health and safety compliance is reviewed tri-annually in stores and annually in offices and supply chain sites. All improvement plans are monitored by the Global Health and Safety Committee, chaired by the Executive Vice President, Chief Financial Officer.

External assurance and performance indicators

To provide confidence in the Burberry Beyond metrics, Burberry appointed Deloitte LLP to review selected sustainability key performance indicators (denoted with *) and to provide limited assurance using the International Standard on Assurance Engagements (ISAE) 3000. Deloitte LLP has assertion tested the indicators (denoted with ^). See the full independent assurance statement and the basis of reporting at www.burberryplc.com.

OUR PEOPLE

Burberry recognises that its people are its greatest asset and constantly strives to attract the best talent worldwide, to provide meaningful development opportunities at all levels and to reward and recognise high performance.

Recruit

Burberry maintained its commitment to diversity and equal opportunities in recruitment. Nearly 10,000 associates from over 100 countries are now employed across all continents, with an age span from 16 to 77 and a global management team that is 37% female. The diversity within the Burberry community underpins its energy, vibrancy and connectedness.

Following the establishment of a new Resourcing Centre of Expertise in 2011/12, applications increased by 70% year-on-year and 82% of all recruitment globally was conducted directly.

Increased use of social media directly impacted these results. On LinkedIn, Burberry's followers increased by 250%, leading to applications from the site accounting for 6% of global direct recruitment. In addition to being ranked LinkedIn's 29th most in-demand employer globally, Burberry was the 'most-watched' midsize company by UK students.

Retain

Burberry continued to enhance its retail teams and secure a talent pipeline for the future. A pilot Retail Management Programme was launched to prepare retail associates for a career in store management, through a series of assignments, masterclasses and mentoring support.

An extended and improved new associate on-boarding programme was rolled out in London, New York and Hong Kong, including regular and consistent pre-communication, defined training modules and in-depth insight into the Burberry culture and values over a three-month period.

The Burberry Leadership Council supported the development of 75 high potential associates towards becoming next-generation leaders through international networking opportunities, global strategy off-sites, mentoring from senior executives and leadership training workshops.

Reward

Burberry continued to strengthen the link between reward and performance across the organisation, with all associates in a bonus or incentive scheme and able to share in the success of the business through the All Employee Free Share Plan. Accessibility was improved for the global SAYE programme, complementing existing online applications with the UK launch of text and telephone requests, which contributed to a 20% increase in global take-up.

The Icon Awards programme, which recognises exceptional performance at all levels of the company, reached its sixth anniversary. A record 10,000 nominations were received globally and 97 awards were presented across four regions, in categories inspired by the Burberry brand, heritage and core values.

The Long Service Awards scheme celebrated the loyalty and commitment of around 700 associates who reached milestone service anniversaries with Burberry, including 15 associates with 30 years' service or more.

Reinvent

A new, fully cross-functional and global team was established to integrate Beauty into the wider organisation. This was achieved through strategic recruitment of Beauty expertise and the reallocation of talent within the business. Regional accountability for organisational design and development was ensured, reflecting the diverse markets in which Burberry operates.

The technology function was also evolved to support the Beauty integration, with strategic competences brought in-house.