

Responsibility Basis of Reporting FY 2023/24

BURBERRY

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INTRODUCTION

This document sets out the principles, criteria and methodologies for collecting and calculating data relating to selected Responsibility Indicators which are reported in the Environmental and Social Responsibility section of Burberry's Annual Report 2023/24. These selected Responsibility Indicators, aligned to the respective Burberry Beyond strategic priority, are outlined below.

Product:

- % of key raw materials in our products certified or responsibly sourced in FY 2023/24 (as defined in our Sustainable Raw Materials Portfolio)

Planet:

- Total energy including: purchase of electricity, the operation of any facility, combustion of fuel for facilities and 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 purchased and used for operations (location based) (Tonnes CO2e)
- Scope 1 and 2 - Total emissions (location based) (Tonnes CO2e)
- Scope 2 - Electricity purchased and used for operations (market based) (Tonnes CO2e)
- Scope 1 and 2 - Total emissions (market based) (Tonnes CO2e)
- Progress towards Science Based Target - movement in Scope 3 emissions compared to FY 2018-19 baseline (%)
- Scope 3 - Total indirect emissions (Tonnes CO2e)
- % of the company's energy and electricity consumption (kWh) sourced from renewable sources (%)

People:

- Number of onsite social compliance audits carried out in FY 2023/24
- Number of desktop social compliance assessments carried out in FY 2023/24

CONTEXT

In FY 2022/23, Burberry launched its new Responsibility strategy, Burberry Beyond, with four strategic pillars:

- Product
- Planet
- People
- Communities (not covered in this Basis of Reporting)

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

The selected KPIs are based on the period 1 April 2023 to 31 March 2024 (2023/24), unless otherwise stated. For the avoidance of doubt, this period varies from the Company's financial accounting period which is from 2 April 2023 to 30 March 2024. However, references to FY 2023/24 for the selected Responsibility indicators included in the Environmental and Social Responsibility section of Burberry's Annual Report 2023/24 refer to the period 1 April 2023 to 31 March 2024.

GHG EMISSIONS RESTATEMENT POLICY

We follow the current guidance from the Science Based Targets initiative in regards to restating emissions based on a threshold of materiality from changes to previously stated figures. Specifically, we align our policy with the following guidance documents from the SBTi:

- SBTi Criteria and Recommendations for Near-term Targets (Version 5.1, April 2023), Sections C26 and C27;
- SBTi Corporate Net-zero Standard (Version 1.2, March 2024), Sections C32 and C33.

As such, we define a material change to emissions figures as “significance threshold of 5%” of the total figure. For base year emissions, a change of 5% or more to total base year emissions through adjustments including changes to data sources and calculation methodology, corrections of errors in calculations or significant changes in company structure would trigger an emissions recalculation and restatement.

Any change in a given year reflecting less than 5% of the total stated emissions therefore does not trigger a restatement or recalculation.

SELECTED RESPONSIBILITY INDICATORS

PRODUCT

KPI:

- % of key raw materials in our products that are certified or responsibly sourced (as defined in our Sustainable Raw Materials Portfolio)

Objective:

- The Burberry Beyond strategy set a target to source 100% certified or responsibly sourced key raw materials in its products, as defined in the Sustainable Raw Materials Portfolio, by FY 2029/30.

Scope:

- Materials in scope: all main materials and down filling, where more than 50% of the composition within the specific material is either cotton, synthetics (polyester, nylon, TPU), leather, wool, down and feather, or viscose.
- These materials are defined as key as they make up >90% of the total volume (in weight) of main materials within our products.
- Tanneries which account for <0.5% of total units of products with leather as the main material delivered during the period and those which have exited the supply chain during the period will be excluded from the scope.
- Main materials are defined as key commodities used across Burberry products.
- Divisions in scope: Menswear, Womenswear, Childrenswear, Accessories, Outlet and Shoes.
- Excluded from scope: Runway Show, Trims, Sampling and Prototyping, Packaging, Raw Material Excess, Limited Editions, Collaboration products, Uniforms, Point of Sale products, VIP products, and products manufactured by a licensee. The coating of a product cannot be considered the main material even if it represents more than 50% of the product composition. In this case, the second fibre to make up more than 50% of the fabric composition will be considered the main material.

Units:

- % of products where more than 50% of the composition of the main material, including blends, is a certified or responsibly sourced key raw material.

Method:

- The percentage is based on the following calculation:

Total weight of certified or responsibly sourced key main materials based on composition of products delivered to our warehouses in the financial year / Total weight of all main materials based on composition of products delivered to our warehouses in the financial year

- Products containing certified or responsibly sourced key raw materials are downloaded from the Target Report. The Target Report is a Burberry built Databricks report created to improve the internal monitoring of progress against key raw material targets and to enable access to information related to our products. This report contains information

about products, composition of materials, number of units and product weights. It automatically combines information related to the product composition and sustainability attributes taken from our Flex PLM, Avery and SAP systems making the process automatic and not manual. Certified materials are flagged when input into Flex PLM and the report extracts this information, calculating the composition weight of material from the same system. The composition is taken from Avery and combined with the number of units from SAP.

Source:

- The Target Report combines data from Flex PLM, SAP and Avery.
 - Flex PLM (third-party product lifecycle management tool used and managed internally by upstream product-facing teams)
 - SAP (internal database management system).
 - Avery (Internal database where product composition information are entered)
- These platforms allow the marking of certified or responsibly sourced key raw materials. All of the criteria are listed in the Sustainability Raw Materials Portfolio. If a certified or responsibly sourced version of an existing material is created then a new material code is required. Whenever the option is selected, teams need to ensure that the material complies with minimum requirements, and relevant certifications and documents have been uploaded into the “Documents” section of a specific material. Leather, down and viscose are tracked off system manually, as leather and viscose certifications refer to a manufacturing site and not to specific materials.

Criteria:

- The Sustainable Raw Materials Portfolio (below) outlines Burberry’s accepted criteria for measuring progress against our target and consists of third-party verified certifications as well as pertinent documents to guarantee responsible sourcing.

Sustainable Raw Materials Portfolio

The criteria below refers to the main fibre of a material. The main fibre represents at least 50% of the material composition. Certifications required to a minimum of fabric level.*

Origin	Raw Material	Sustainable Claim(s)	Accepted Criteria
Plant	 Cotton	Organic	Organic Content Standard (OCS) $\geq 50\%$ & Global Organic Textile Standard (GOTS) $\geq 70\%$
		Recycled	Global Recycled Standard (GRS) $\geq 20\%$ & Recycled Claim Standard (RCS) $\geq 20\%$
Synthetic	 Polyester, Nylon, TPU, Econyl®	<u>Econyl</u>	Global Recycled Standard (GRS) $\geq 50\%$
		Bio Based	Carbon Testing ¹ & International Sustainability and Carbon Certification (ISCC) $\geq 30\%$
		Recycled	Global Recycled Standard (GRS) $\geq 50\%$ & Recycled Claim Standard (RCS) $\geq 50\%$
Man made fibres	 Viscose	Green Rated	Canopy Hot Button Report (Green Rated) 100%
Animal	 Wool	Organic	Organic Content Standard (OCS) $\geq 50\%$ & Global Organic Textile Standard (GOTS) $\geq 70\%$
		Recycled	Global Recycled Standard (GRS) $\geq 20\%$ & Recycled Claim Standard (RCS) $\geq 20\%$
		Certified Virgin Wool	Responsible Wool Standard (RWS), <u>Nativa</u> Precious Fibre & ZQ Natural Fibres 100% Norwegian Wool
Animal	 Down & Feathers	Certified Virgin Down	Responsible Down Standard (RDS) 100%
		Recycled	Global Recycled Standard (GRS) 100%
	 Leather	Certified Tannery	Minimum one environmental and one social certification required Environmental: ISO14001; Leather Working Group \geq Bronze Level Social: SA8000, UNIC code of conduct, Burberry audit or equivalent ²

1. For biobased materials, laboratory tests are mandated to meet internal carbon content thresholds ($\geq 30\%$)

2. For certified leather, alongside certifications, we accept social compliance audits conducted by Burberry and other brands.

Note: Our Sustainable Raw Materials Portfolio will be continually reviewed and updated with new standards where applicable. *Where a certificate cannot be obtained at fabric level, we will accept yarn level if integrated with a Raw Material Supplier and Vendor Declaration.

Certified or responsibly sourced key raw materials target rules:

- The target for certified or responsibly sourced key raw materials applies only to the main material composition and down and feather filling of a product.
- For shoes, the product main material is defined as the upper.
- The main material composition is input into Burberry internal systems, checked by relevant teams, and reflected into the Target Report.
- For blended materials, the main fibre is defined as the fibre which makes up the highest proportion of a material's composition (more than 50%). Where the composition is 50% of one fibre and 50% another fibre, the main fibre will be the first one listed in the material composition.
- Trims and components such as zips and buttons are not included in the definition of main material.

PLANET

Scope 1 and 2 emissions KPIs:

- Total energy including: purchase of electricity, the operation of any facility, combustion of fuel for facilities and 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 purchased and used for operations (location based) (Tonnes CO₂e)
- Scope 2 – Electricity purchased and used for operations (market based) (Tonnes CO₂e)
- Scope 1 and 2 – Total emissions (location based) (Tonnes CO₂e)
- Scope 1 and 2 – Total emissions (market based) (Tonnes CO₂e)

Definition:

- One of Burberry's 'Planet' objectives is to achieve a 95% reduction in Scope 1 and 2 emissions by FY 2022/23 from a FY 2016/17 baseline (SBTi approved target). In 2022/23, Burberry achieved a 93.7% reduction rather than 95%. This target was resubmitted to the SBTi in March 2024, with the aim to extend the target date to FY 2026/27 in order to realise the 95% reduction of Scope 1 and 2 emissions from a FY 2016/17 base year. Burberry will also continue to procure Energy Attribute Certificates (EAC's) to cover the small amount of gas consumption which cannot be completely eliminated with renewable power.
- This further reduction will be achieved by replacing gas boilers at Burberry manufacturing sites, reducing absolute consumption and improving energy efficiency before offsetting any remaining carbon emissions. Burberry will also support the Scope 1 and 2 SBTi target by continuing to source 100% renewable electricity in its own operations throughout 2024/25.
- 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.

Scope:

- Burberry applies an operational control approach to defining its organisational boundaries. Data is reported for directly owned sites and those where Burberry has operational control so that it can manage energy consumption. These sites are called "Category 1 sites".
- In 2023/24, alongside several stores which opened globally, the reporting has expanded to include Burberry Tecnica, which was acquired by the business in October 2023, and the temporary Marshall Street office leased while renovations are being completed on Horseferry House. While the consumption for both locations is being reported in the full year emissions figures, a target baseline recalculation was not triggered due to the consumption not being greater than 5% of our total, in line with our GHG Emissions Restatement Policy (detailed on page 3 of this Basis of Reporting). For base year emissions, a change of 5% or more in our total base year emissions will trigger a base year recalculation.

- Where Burberry does not have visibility of a site's electricity consumption (e.g. in a mall, where a store's energy use is not sub-metered), electricity consumption is estimated based on the average consumption per sq. ft. of Burberry sites in that region. For sites where there has been historical actual data, but this is not available for specific months, the most appropriate estimation method is selected. This includes either estimation based on the average consumption per sq. ft. of Burberry sites in that region, or estimation based on the average consumption of actual data available within the previous 12 months.
- Where gas invoices are not available at the time of reporting, the consumption is estimated based on the average consumption of actual data available within the previous 12 months..
- All material sources of emissions are reported, including emissions generated from the use of electricity, gas, fuel oil and fuels consumed in company owned or leased vehicles. Refrigerant gases were deemed not material and are not reported.

Units:

- Tonnes CO2 equivalent. This includes CO2, HFC, CH4, NF3, N2O, PFC and SF6.

Method:

- Burberry calculates greenhouse gas emissions data in accordance with the Greenhouse Gas Protocol (GHGP). 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 UK ESNZ (2023), the International Energy Agency (IEA) (2023), Reliable Disclosure (RE-DISS) European Residual Mixes (2022), the EPA Center for Corporate Climate Leadership (2023) and custom fuel sources are used for all CO2e calculations, according to geography.
- Burberry is monitoring its emissions profile by using 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 the purchase of EAC's. In 2023/24, all electricity was from renewable sources, either produced onsite, sourced through green tariff contracts or via unbundled energy certificates. Verified Emissions Reduction certificates have been applied to Burberry emissions data for 2023/24 to mitigate emissions from gas consumption which cannot be completely eliminated.
- Sales revenue data ¹is used to derive the intensity metric of tCO2e/£1,000,000 sales revenue.

Source:

- Data for electricity, gas and fuel oil use is based on energy consumption data inputted by responsible teams on the UL360 platform and supported by invoices. UL360 is a sustainability integrated platform which allows Burberry to collate and manage its Scope

¹ Sales revenue data used for the intensity metric calculation are provided by the Finance team. This data is audited by an independent third party within the end of year financial statement audit process

1 and 2 data. Data on fuel used in owned or leased vehicles are obtained from invoices submitted by employees through the online travel and expense claim platform, Concur. Data is then subject to a series of internal reviews conducted at Burberry group level.

KPI:

- % of the company's energy and electricity consumption (kWh) sourced from renewable sources

Definition:

- Burberry measures the % of energy and electricity within our own operations sourced from renewable sources against the commitment to source all electricity from renewable sources in 2023/24.

Scope:

- Burberry applies an operational control approach to defining its organisational boundaries. Data is reported for directly owned sites and those where Burberry has operational control so that it can manage energy consumption. These sites are called "Category 1 sites". This now also includes Burberry Tecnica and Marshall Street, as detailed above.

Unit:

- % of renewable energy and electricity consumption in kWh

Method:

- A report is generated from UL360 whereby all electricity consumed by the business has evidence of its renewable source associated with it. The accepted methods for generating and procuring renewable energy are aligned to the RE100 Technical Criteria and the GPGP and include:
 - Onsite self-generation
 - Green Tariffs, Utility Green Pricing Programs
 - Renewable Energy Certificates (RECs) and International Renewable Energy Certificates (I-RECs)
 - Guarantees of Origins (GOs - Europe)
 - Power Purchase Agreement (PPA)

Source:

- All renewable electricity that contributes towards the target must be based on evidence, including:
 - A certificate or agreement from the energy supplier with MWh or percentage of renewable energy stated
 - A form from the energy supplier to state that the renewable energy is compliant with best practice for renewable energy

Scope 3 emissions KPI list:

- Progress towards Science Based Target - movement in Scope 3 emissions compared to FY 2018-19 baseline (%)
- Scope 3 - Total indirect emissions (Tonnes CO2e)

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 GHGP which are required as part of Burberry’s Science Based Targets.
- While this reporting period covers Burberry’s financial year 2023/24, emissions sources have varying time boundaries. Table 1 below provide details by GHGP category.

Table 1: Time boundary for Scope 3 reporting

SCOPE 3 CATEGORY	REPORTING TIMEFRAME FOR 2023/24
01. Purchased goods and services	<ul style="list-style-type: none"> • Raw materials: Full 12-month Financial Year period (April 2023 – March 2024) • Product-waste: Calendar year (January – December 2023), excepting RMX and samples which use full 12-month Financial Year period data (April 2023 – March 2024) • Packaging: 11 months of real data (April 2023– February 2024) + 1 month forecasted estimate (March 2024) • Manufacturing: Calendar year (January – December 2023) • Other PG&S: 11 months of real data (April 2023– February 2024) + 1 month forecasted estimate (March 2024)
02. Capital goods	<ul style="list-style-type: none"> • 11 months of real data (April 2023– February 2024) + 1 month forecasted estimate (March 2024)
03. Fuel- and energy-related activities	<ul style="list-style-type: none"> • Full 12-month Financial Year period (April 2023 – March 2024)²
04. Upstream transportation & distribution	<ul style="list-style-type: none"> • Calendar year (January – December 2023)
05. Waste generated in operations	<ul style="list-style-type: none"> • Calendar year (January – December 2023), excepting RMX and samples which use full 12-month Financial Year period data (April 2023 – March 2024)
06. Business travel	<ul style="list-style-type: none"> • 11 months of real data (April 2023– February 2024) + 1 month forecasted estimate (March 2024)
07. Employee commuting	<ul style="list-style-type: none"> • Full 12-month Financial Year period (April 2023 – March 2024)
09. Downstream transportation & distribution	<ul style="list-style-type: none"> • Calendar year (January – December 2023)

² Note the procedures and methodology specific to Scope 1 and 2 reporting for any estimates included

12. End-of-life treatment of sold products	<ul style="list-style-type: none"> Finished goods: Full 12-month Financial Year period (April 2023 – March 2024) Packaging: 11 months of real data (April 2023– February 2024) + forecasted estimate (March 2024)
14. Franchises	<ul style="list-style-type: none"> Franchise stores: Calendar year (January – December 2023) Licensee: emissions timeframes vary based on reporting timelines of licensee (see Franchises section for more details)

Exclusions:

- Not all emissions categories from the GHGP are relevant to Burberry’s business model and therefore are excluded from our Scope 3 boundary. The rationale for the exclusions follows:
 - Category 08. Upstream and Category 13. Downstream leased assets: not applicable and therefore excluded from scope 3 boundary as Burberry does not have emissions from use of leased assets (e.g., vehicles, stores) that are not already included in Scope 1 and 2 boundary (upstream), and does not own assets that are leased to other entities (downstream).
 - Category 10. Processing of sold products: not applicable and therefore excluded from scope 3 boundary as Burberry does not process products subsequent to sale to the end user. This category is typically relevant to manufacturers of intermediate products or products that need additional processing by the end user.
 - Category 11. Use of Sold Products: Indirect use emissions such as this category (i.e., emissions generated from end user and not from the reporting company) are not required according to guidance from the Science Based Targets initiative. (See Apparel and Footwear Sector: Science-Based Targets Guidance, 2018.) This category would include emissions associated with laundering and care of garments by consumers who purchased from Burberry. Due to lack of accurate data and overreliance on estimations and assumptions, this category has been excluded.
 - Category 15. Investments: not applicable and therefore excluded from Scope 3 boundary as per the GHGP, this category is applicable only for investors and companies providing financial services.

Emissions sources:

- Table 2 below outlines relevant information regarding emission sources included within each scope 3 category.

Table 2: Scope 3 sources by category

SCOPE 3 CATEGORY	ACTIVITIES AND EMISSION SOURCES
01. Purchased goods and services	<ul style="list-style-type: none"> Embodied carbon from the cradle-to-gate lifecycle of raw materials used in finished products (i.e., from extraction of materials from the farm level, transportation, refining, processing and fabrication through to finished material used in finished goods) Embodied carbon from product-related waste (i.e., raw materials wasted in the manufacturing process at external vendor and internal production sites incl. cutting waste; excess raw materials incl. from production and

	<p>sampling/prototyping stages; and raw materials used in overproduced, damaged and defective, and/or off-quality finished goods ultimately not included in finished goods dataset)</p> <ul style="list-style-type: none"> • Embodied carbon (cradle-to-gate, incl. extraction, primary processing, manufacturing and transporting materials to the point of sale) associated with the production of materials for use in both business-to-business and business-to-consumer packaging (e.g. hangers; cardboard boxes; plastics; product tags and labels) • Energy use attributable to Burberry in the finished goods manufacturing process at all external sites (note that internal manufacturing energy use data is included in Scopes 1 and 2) • Embodied carbon associated with all other purchased goods and services not already included above (e.g., training, consultancy, creative and professional services)
02. Capital goods	<ul style="list-style-type: none"> • Embodied carbon associated with all upstream (i.e., cradle-to-gate) emissions from the production of capital goods (e.g., IT hardware & software, display costs) purchased or acquired in the reporting year.³
03. Fuel- and energy-related activities	<ul style="list-style-type: none"> • Upstream lifecycle emissions from fuel production and electricity generation, incl. transmission & distribution losses and well-to-tank processes (e.g., extraction, refining, transport) for all use associated with Scope 1 and 2 accounting⁴
04. Upstream transportation & distribution	<ul style="list-style-type: none"> • Shipping of finished goods from internal & external manufacturing sites to Burberry distribution hubs. In internal operations this is known as Primary Transportation. • This category also includes outbound transportation services paid for by Burberry (i.e., shipping of sold products to wholesaler or consumer), as well as transportation & distribution between Burberry facilities (e.g., hub to store) known internally as Secondary Transportation.
05. Waste generated in operations	<ul style="list-style-type: none"> • Treatment and disposal of waste generated from operations (e.g., paper, plastic, metal, construction materials, fabric & textiles) at owned or controlled facilities.⁵
06. Business travel	<ul style="list-style-type: none"> • Employee air and rail travel for business-related purposes
07. Employee commuting	<ul style="list-style-type: none"> • Employee travel between home and work in the course of routine employment (therefore excluding business travel) by all modes in all countries where Burberry directly employs staff

³ Emissions from the use of capital goods are accounted for in either scope 1 (e.g., for fuel use) or scope 2 (e.g., for electricity use), rather than in scope 3.

⁴ Note the combustion of fuels and use of electricity is covered in Scope 1 and 2; this source accounts for the upstream production before use

⁵ This is distinct from product waste as this covers the actual disposal and treatment, not the embodied carbon.

08. Upstream leased assets	<ul style="list-style-type: none"> Not applicable and therefore excluded (see Exclusions section above)
09. Downstream transportation & distribution	<ul style="list-style-type: none"> Shipping of products sold by Burberry from internal operations (e.g., fulfilment centres and stores) to the end user (e.g., consumers, wholesale orders). This category includes only emissions generated after the point of sale (e.g., digital and e-commerce shipping, and returns, and wholesale orders) and only where the shipping costs are not paid for Burberry.
10. Processing of sold products	<ul style="list-style-type: none"> Not applicable and therefore excluded (see Exclusions section above)
11. Use of sold products	<ul style="list-style-type: none"> Energy use from cleaning, laundering, and care treatment of sold products to consumers (See note in Exclusions section above)
12. End-of-life treatment of sold products	<ul style="list-style-type: none"> Disposal and treatment of products sold by Burberry in the reporting year at the end of the product's lifecycle (not just products disposed of in the same year). Emissions are generated at the consumer level, incl. finished goods and consumer-facing packaging discarded by end user.
13. Downstream leased assets	<ul style="list-style-type: none"> Not applicable and therefore excluded (see Exclusions section above)
14. Franchises	<ul style="list-style-type: none"> Operation (e.g. energy usage) of franchise stores (i.e., stores operating under a licence to sell or distribute Burberry-branded products within a certain location) not otherwise included in Scope 1 or 2. This category also includes emissions from operations associated with companies creating licensed Burberry products (e.g., the Scope 1 and 2 emissions for companies creating Burberry-licensed eyewear, fragrance/beauty products)
15. Investments	<ul style="list-style-type: none"> Not applicable and therefore excluded (see Exclusions section above)

Category-specific information:

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

01 PURCHASED GOODS & SERVICES (RAW MATERIALS USED IN FINISHED GOODS)

Data sources

- Finished goods data incl. material composition⁶ and product weight comes from Burberry's master raw materials dataset created by IT function in FY24 to automate and

⁶ Per EU 1007/2011 regulation on textile fibre names and related labelling and marking of the fibre composition of textile products, compositions are tested in third-party laboratories; the tolerances used for product labelling, defined in Article 20, are aligned across the global textile regulation for the markets in which Burberry sells its products. Specifically, "a manufacturing tolerance of 3% shall be permitted between the stated fibre composition [...] and the percentages obtained from analysis carried out [...]."

improve efficiency of previous sources. This master dataset, as did its predecessors (known as ZPCR), draws from two internal systems: FlexPLM (third-party product lifecycle management tool used and managed internally by upstream product-facing teams) and SAP HANA (internal database management system).

- Raw materials as used in this context refers only to the main commodity and the first to fourth blends (if applicable) used in finished products and as such may exclude some materials; for example if a composition has more than five fibres, the additional fibre compositions won't be counted in the total, although the weight will be represented in total product weight. Moreover, linings, trims, and hardware are excluded if they are not listed in the main material composition. These are excluded as estimations cannot be made with any level of confidence due to a lack of internal data available. Weight of all linings, trims, and hardware is included in the product weight and is attributed to the main material composition, so emissions are indirectly accounted.
- Note the term “main” here refers more to part of the product, and is not synonymous with “primary” or “majority” composition (meaning cashmere can be listed as a main material even if it comprises 1% of the finished product’s main component.) This has been consistent since Burberry’s original baseline calculation based on data availability.
- Further exclusions from the raw material dataset apply including:
 - Samples (these materials are included in product waste as samples)
 - VIP and bespoke garments (these materials are included in product waste as samples)
 - Limited edition collaboration products where Burberry has not been involved in the manufacturing process (Burberry does not procure nor produce these garments therefore data is not available and excluded from boundary)
 - Any product manufactured by a licensee (this is covered indirectly by the Scope 1 and 2 emissions of licensees with Franchises; Burberry is not responsible for the production of these products and does not purchase them but rather grants a licence for their sale, therefore these materials are considered not applicable for this category).
- These exclusions are consistent with Burberry’s baseline accounting.

Emissions factors

- Emissions factors come via licence from the Higg Materials Sustainability Index (Higg MSI) and measure the cradle-to-gate carbon impacts of textiles, plastics, metals, leather, and other materials based on data submitted to MSI from industry and other external lifecycle assessment databases (e.g., World Apparel & Footwear Life Cycle Assessment Database commonly known as WALDB). The embodied carbon from the extraction of materials from the farm level, transportation, refining, processing and fabrication through to finished material used in finished goods are all accounted for.
- Emissions factors are specific to each raw material and provide a carbon dioxide equivalency for each kilogram of material used in the finished product. Higg MSI emissions factors (factors that represent an output of carbon dioxide equivalency for various inputs; referred to throughout as EFs) account for loss along the production cycle and therefore it is not necessary to convert weight from finished material to account for additional weight.
- Note that the Higg MSI and other similar databases do not have emissions factors for cashmere. As such, the cashmere emissions factor used by Burberry is modified from wool. More details are provided in the estimation section below.

Calculation methodology

1. Calculation takes place at the individual line item level, which represents a colourway of one product type (e.g., beige jumper). The first step is to divide the product weight (“total_finished_goods_weight_tonnes”) into component materials based on the composition (“rm_composition”)
 2. Note that product weight itself is derived by multiplying “fg_units_delivered” by “net_weight_fg_tonnes”
 3. The result will vary based on how many materials are used, but can be found in columns “main_commodity_weight_tonnes” to “first_blend_weight_tonnes” and so on, which will sum back to the original weight
 4. The weight of each material included in the composition, from above, is then multiplied by the appropriate emissions factor
 5. Compositions are split and simplified in column “sustainability_group_main_commodity”
 6. Emissions factors given in “emission_factor_main_commodity_kgco2_per_tonne” as correspond to the material group
 7. The above yields the emissions, by material, for each line item
 8. Each line item is then summed to yield emissions for all products, by material.
- EF values were taken from the online system 19th January 2024, based on updates to the Higg MSI platform and dataset in December 2023.

Estimation methods

- There are no widely accepted standard LCAs covering emissions from cashmere. As such, assumptions about the carbon intensity for this material are made based on wool, the most similar material. Impacts are based on an extrapolation from Higg MSI data for sheep wool from production, Australia (note that Australian wool is the default value in the Higg MSI for wool production) to describe similar production and impacts from goats (emissions from sheep and goat are both driven by enteric fermentation). Impacts from the wool farming stage are multiplied by a factor of 150g/4000g, as cashmere goats yield on average just 150g of clean fibre per year, whereas sheep yield on average 4kg clean fibre. Sources used in this assumption are taken from Agricultural Marketing Resource Center and United Nations Food & Agricultural Organisation.

Key assumptions

- The time boundary applied in this category is based on purchase order receipted date as opposed to actual goods receipted date, which in some instances may differ.
- Assume industry average impacts from processes e.g., coloration, spinning, finishing, in lieu of supplier-specific data (this assumption is built into Higg MSI by using default values)
- Assume recycled polyester is chemically recycled for use in textiles given available EFs (best approximation chosen)
- Assume recycled nylon is mechanically recycled for textile use given available EFs (best approximation chosen)
- Mohair and angora are assumed to have the same emissions factor as wool, as there are no standard EFs for these materials. (Their total use in Burberry products is immaterial.)
- All leather use is assumed to be bovine for the purposes of consistency with baseline and available verifiable data
- All metal is assumed to be brass and therefore the brass EF is applied
- Materials classed as Other use a blended EF which is an average of all materials classified as Other in the materials dataset where EF data is available in Higg MSI

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:
 - Quantity and weight of all purchased finished goods in reporting period from raw materials dataset, used to aid in estimation where primary data is not available from third-party vendors;
 - Waste reports from internal and third-party vendors including weight and disposal routes;
 - Internal raw material excess database which tracks movement of raw materials excess (RMX) including exit date, quantity, composition, and method; and
 - Financial spend on samples & prototypes from BPC system, as well as weight and composition data from finished goods receipted dataset previously outlined, used as a proxy for samples and prototypes volume [note this reflects a change from previously stated information; see Changes applied from previous year reporting section later for further details].
- 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 selected external vendors with data capture is used to estimate all other vendors. Raw material excess data comes from an internal database used to capture the intake and movement of excess raw materials from suppliers.
- Note this category refers only to the emissions from wasted raw materials in the manufacturing and product development phase and therefore includes general fabric, leather, and metal waste only. Disposal of this and other waste streams falls into Category 5, Waste generated in operations as outlined later in this document.

Emissions factors

- As this waste stream captures embodied carbon from waste products and materials, emissions factors come via licence from the Higg Materials Sustainability Index (Higg MSI) as outlined in the section above.
- In most cases, specific material composition of waste is not available and is therefore taken to be fabric (textile), leather, or metal (leather has a distinct waste collection and treatment stream and therefore we do know the specific weight of leather used/disposed of). Therefore custom factors blending the average of multiple materials are created. All leather uses the figure for leather (bovine), and all metal is assumed to be brass as per the assumptions in previous reporting. For general fabric, we use an average of nylon, cotton, polyester, and wool – the most commonly used materials in Burberry finished products by weight in the base year – to create a bespoke EF as in previous years.

Estimation methods

- Total volume of waste generated in the production of finished materials and manufacturing of finished goods across all vendors is estimated using available data from Burberry internal manufacturing sites and selected finished goods vendors where data is available. This waste is then extrapolated and applied to third-party vendors on a per-unit basis by geographic region where possible.
 - For example, for vendor A located in Italy where no waste data is available, real textile waste data from all Italian vendors providing data is applied to vendor A's true production volume of Burberry goods (known from internal purchase order data) on a per-unit basis [e.g., Vendor A units for Burberry x per-unit kg of waste from Italian vendors where data is available = estimated waste generated at Vendor A]

Key assumptions

- Imprecise weight and size of RMX leads to estimation of weight based on a reference table created from internal knowledge in the baseline year
- 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.
- For financial spend on samples and prototypes, a budgeted FX rate is applied to the finished goods receipted dataset previously outlined on pages 14-16 (01 PURCHASED GOODS & SERVICES (RAW MATERIALS USED IN FINISHED GOODS))

Calculation methodology

- As in raw materials calculations, the weight of each material is multiplied by the appropriate emissions factor to yield emissions. In this case, given lack of specific data on material composition, only three factors are used: generic fabric, leather, and metal.

01 PURCHASED GOODS & SERVICES (FINISHED GOODS MANUFACTURING ENERGY USE)

Data sources

- Manufacturing energy use data comes from energy use reports compiled by Burberry regional teams derived from source data provided by finished goods vendors. Reports include the following energy types where applicable: biomass, coal, diesel, fuel oil, gasoline, grid electricity, liquified petroleum gas, natural gas, and purchased steam, as well as on-site renewable energy generation and renewable energy credits purchased.
- It is necessary to downscale the total energy use at vendors from data collection only to goods directly associated with Burberry; more details can be found in the emissions calculation section below.

Emission factors

- Energy emissions factors are sourced from the International Energy Agency (IEA) via use in the UL Credit360 platform, and from UK Department for Energy Security and Net Zero (ESNZ), 2023 Full Set of Conversion Factors for Advanced Users.
- Grid electricity EFs come from IEA's country-specific database which Burberry have licence to via Credit360; all others (e.g., coal, diesel, fuel oil, gasoline/petrol, LPG, natural gas, purchased steam, CNG, and wood pellets) come from UK ESNZ, 2023 Full Set of Conversion Factors for Advanced Users within the <Fuels> and <Bioenergy> tabs.
- Note that no emissions factor is applied to the use of purchased or on-site generated renewable electricity, as this energy type generates more energy than it takes to produce and therefore has a net-zero output of carbon dioxide equivalency for each kilowatt hour used. As avoided emissions are not included in the Scope 3 boundary, a negative EF is not applied.

Estimation methods

- Energy use is estimated for vendors with no data capture based on a per-unit regional basis from primary data. For example, an Italian vendor with no available data will be estimated to use the same type and amount of energy as the average of all Italian vendors providing data, on a per-unit production basis.

Key assumptions

- All vendors without primary data were assumed to have the average energy intensity per-unit of those where data was available.
- Many vendors use subcontractors for parts of the production process; every effort is made to include this energy use. Where data is unavailable, this is considered an

exclusion and the energy use reported by the primary vendor is assumed to be the complete use.

Calculation methodology

- Where vendor energy use and total production data exists:
 1. Take total energy use by type and all production (not only Burberry goods) from vendors via regional teams
 2. Take Burberry-specific production data from internal receipted goods records (SAP HANA)
 3. Attribute energy use by type to Burberry based on share of total production accounted for by Burberry products; this is calculated using an internal database tracking number of received finished goods to each vendor which can be divided by total production at vendor sites. This is necessary because most vendor facilities are shared with other brands, therefore not all use is attributable to Burberry
 4. Multiply energy use attributable to Burberry for each type by the associated emissions factor to yield emissions for each vendor

- Where no energy use and total production data available:
 1. Create line item for each vendor with no data available from source
 2. Add production data from internal database on receipted goods (SAP HANA), as this is available for all vendors used in a given year
 3. Aggregate primary data from vendors on energy use and total production by energy type and region
 4. Calculate a per-unit energy use value by region (i.e., average amount of energy use by each type for EMEIA vendors where data exists)
 5. Apply estimates above to line item for each vendor (i.e. assume energy use by type is the average for the regional where data does exist)
 6. Multiply estimated per-unit energy use by EFs to result in emissions

- The results of both methods are summed to yield total emissions in the category.

01 PURCHASED GOODS & SERVICES (PACKAGING)

Data sources

- This subcategory of emissions accounts for the embodied carbon (cradle-to-gate, incl. extraction, primary processing, manufacturing and transporting materials to the point of sale) associated with the production of materials for use in both business-to-business and business-to-consumer packaging (e.g. hangers; cardboard boxes; plastics; product tags and labels).

- Data is sourced from a data collection template sent to all packaging suppliers. This includes customer (B2C) and non-customer facing (B2B) packaging and labelling materials by type for all packaging materials (e.g., dustbags, cardboard boxes, poly bags, hangers).

- As in raw materials, packaging data includes only the main material in the finished packaging product and as such secondary materials (e.g., cotton handles on paper retail bags) are excluded.

Emissions factors

- For paper, plastic, and wood, factors come from UK ESNZ, 2023 Full Set of Conversion Factors for Advanced Users within the <Material use> tab. For cotton, the same EF for cotton used in raw materials section is used here.

Estimation methods

- March data is not available given the timeline for data collection; as such an estimation is made using linear projection from the previous 11 months.

Key assumptions

- Where no specific data was available on type of material used (i.e. LLDPE versus PET plastic), average emissions factors were taken as a proxy.

Calculation methodology

1. Using product composition data, classify each line in the data into the appropriate material type from emissions factor source (e.g., paper, plastic, cotton, wood)
2. For each composition type and subtype (e.g., plastic; PET) sum the total weight (kg)
3. Before multiplying the above weights by the relevant emissions factor (e.g., closed loop recycling or primary production), we must account for the fact that not all packaging materials are 100% recycled content.
4. Take the difference between Primary material production EF and Closed loop recycling EF
5. Multiply that difference by the share of non-recycled content of the finished packaging product, to offset the emissions benefit from post-consumer recycled materials
6. Add the above figure to the Closed loop EF
7. Now each row of data will have kg weight and a modified EF; multiplying these together yields the emissions for each row.
8. Sum all row emissions calculations to result in total emissions by composition type/subtype
9. Sum all together for total category emissions.

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

Data sources

- Data comes from Burberry's Business Planning & Consolidation (BPC) system, which is a core financial system holding the consolidated financial data audited by the statutory auditors and used to prepare Burberry's financial statements. It interfaces to the general ledger, also in SAP.
- Data includes total GBP spend over the reporting period per relevant expense type indicated in the table below. Expenses are recorded net of VAT (unless the VAT is not recoverable) – this is standard and in line with International Financial Reporting Standards (IFRS). Data from each country is reported in local currency and is converted to GBP by the BPC system at the monthly average FX rate; for forecasted data (e.g., March 2023) the conversion is done using budgeted FX rate and is reconciled after the period is completed.
- Note that in some instances, negative values may appear in the underlying dataset necessary for emissions calculations. This represents income and this will happen for example when an entity receives a refund in relation to a certain cost. These values are excluded from the calculation procedures, as based on the nature of this emissions area, removing spend from the totals would artificially remove emissions from our boundary. Costs incurred relate to activity undertaken which accounts indirectly for emissions; income does not in reality reflect avoided or reduced emissions.
- No further adjustments are made to the financial data internally after use in emissions calculations, with the exception of March 2023 projected data which is reconciled after emissions calculations are made and therefore is used as-is upon receipt.

- Spend codes are classified as Capital Goods if they have an extended lifespan and/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

- Emissions factors for spend-based emissions sources come from the UK Department for Environment, Food, and Rural Affairs (DEFRA). The factors are based on a model which describes in monetary terms how the goods and services produced by different sectors of the economy are used by other sectors to produce their own output. These monetary accounts are then linked to information about the greenhouse gas emissions of different sectors of the economy. In lieu of direct activity data, these emissions factors are deemed to be the most relevant source for approximating emissions.
- As this emissions area is based solely on financial spend, the same emissions factors as applied in baseline and in FY 2021/22 are applied again here to maintain consistency.

Estimation methods

- March 2023 forecast is calculated by regional finance teams based on internal knowledge of the region and the costs that they are expecting to incur for the rest of the year per budgets.

Assumptions applied

- Global headline consumer price index (HCPI) inflation rates are assumed to represent each country where Burberry incurs expenses; UK DEFRA data on emissions per currency spend are assumed to equate to actual emissions in lieu of primary activity data.

Calculation methodology

1. Take global spend data across all relevant spend codes for reporting period from BPC dataset
2. Adjust for inflation back to FY 2018/19 levels based on historical inflation data from the World Bank (specifically the Global headline consumer price index (HCPI) median inflation rates). This is remove the inflationary impacts that would otherwise increase emissions artificially.
 - a. This is done taking the present FY 2022/23 value, then reversing the annual inflation rate from the World Bank back to 2022, then to 2021, then 2020, then finally 2019.
3. Multiply adjusted (deflated) values for each spend category by the appropriate emissions factor from DEFRA (per mapping above) to yield emissions.

03 FUEL AND ENERGY-RELATED ACTIVITIES

Data sources

- Final summary data for Scopes 1 and 2 by fuel and energy type.

Emissions factors

- EFs come from the UK Department for Energy Security and Net Zero (ESNZ), 2023 Full Set of Conversion Factors for Advanced Users. Specifically, factors accounting for transmission & distribution of purchased electricity and well-to-tank (WTT) production of purchased fuels are included.

Estimation methods

- See Scope 1 and 2 KPIs for estimations included in final figures

Key assumptions

- The WTT electricity figures for the UK are assumed to be the same and applied to all other countries as the EFs for overseas electricity have been removed from emissions factor sources in 2022.

Calculation methodology

- Scope 1 and 2 data inputs on energy use by type are multiplied by above emissions factors yielding total emissions for category.
- For electricity, the kWh use is multiplied by the WTT factor for ‘WTT- UK electricity (generation)’ and separately by the ‘WTT- UK electricity (T&D)’ factor in the UK ESNZ factor set. These are then combined to account for full WTT impact of the electricity generation and the losses experienced in the grid. For fuel use, activity data is multiplied by <Well-to-tank (WTT) fuels> EFs to yield upstream emissions.
- All figures are aggregated to calculate total emissions.

04 UPSTREAM TRANSPORTATION & DISTRIBUTION

Data sources

- Most upstream transportation data is provided by freight forwarders who arrange and carry out the upstream transportation on behalf of Burberry. These companies maintain their own records on shipping activity that is undertaken on behalf of Burberry. Data necessary for emissions calculations includes mode of transport, gross weight, and distance. In lieu of these, average unit weight, country origin and destination, or assumed method can be used as a proxy.
- Exclusions from this data source include the following, in line with previous annual accounting:
 - “Special shipments” which include items such as samples and VIP garments and internal movement of non-stock items (e.g., packaging; unsaleable finished goods)
 - First/last transport for Primary/Secondary transportation (PT/ST) movement is sometimes included in carrier data and sometimes not, depending on if carriers directly provide the service or if they subcontract these legs of the journey. This would include, for example, road transport to and from airport/seaport and hub/store. This is excluded rather than estimated as road transport on this scale is deemed immaterial from an emissions perspective.

Emissions factors

- Efs come from the UK Department for Energy Security and Net Zero (ESNZ), 2023 Full Set of Conversion Factors for Advanced Users, specifically the <Freighting goods> tab. EFs for road, air, and sea are applied as appropriate.
 - Road: HGV (all diesel) > All rigids > Average laden⁷
 - Air: Freight flights > Without RF⁸ (average of Domestic, Short-haul, Long-haul, International)
 - Sea: Cargo ship > Container ship > Average size

⁷ Average laden is used because payload capacity is unknown

⁸ Without RF is used to capture the direct CO₂e impact because “there is significant scientific uncertainty around the magnitude of the indirect effect of non-CO₂ aviation emissions and it is an active area of research”

Estimation methods

- For air freight shipping, airport-to-airport distances are calculated by carriers based on the Great Circle Distance (GCD) using the geographical coordinates of the airports and typical flight paths, and adding a supplement of 95km for take-off and landing as per EN 16258 (European standards for calculation and declaration of energy consumption and GHG emissions of transport services). This is in accordance with the Global Logistics Emissions Council – Smart Freight Centre, of which carriers are members. As such, origin to destination distance measurements cannot be verified through simple as-the-crow-flies search and are not always the same for the same origin/destination pairs.
- For sea shipping, direct port-to-port relations are calculated by carriers based on actual sea routes where possible. As most of these relations do not exist in reality because ship operators apply schedules with several port calls in a loop, the Clean Cargo Working Group, in which around 80% of global container vessel operators are represented, add a distance correction factor of 15% to each port-to-port connection. As such, origin to destination distance measurements cannot be verified through simple as-the-crow-flies search and may vary on the same origin/destination pairings.
- Where no data is available from carrier or internal systems, a distance lookup table is used to estimate distance from country to country. The lookup table is sourced from the Centre d'Etudes Prospectives et d'Informations Internationales (cepri) and estimates the geodesic distance following the great circle formula, which uses latitudes and longitudes of the most important cities/agglomerations (in terms of population). Where origin and destination country are the same, the formulas apply within said country.

Key assumptions

- Where accurate distance data was not available due to unavailability in external databases including flight timetables and schedules, average distances for some routes were applied as necessary per advice from third-party freight carriers. This is deemed to be a one-time instance necessitated by external factors and will not carry forward in future years
 - For example, movements from A to B are in some cases based on typical average distance of said route rather than on actual distance for trip taken from flight/ship routing
- Air freight EF is assumed to be the average of domestic, short-haul, long-haul and international
- Air and sea 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 and sea shipments are assumed to be by air and sea unless the carrier provides the transport link and therefore the distance data.
- Mode of transport, when not captured accurately by internal systems and not provided by the carrier, is assumed based on typical shipping between two points (using distance and geographical context.) Assume air not sea where no data exists.

Calculation methodology

- Where data is provided by carriers (e.g., all Primary transportation, and Secondary transportation where carriers submit data):
 1. Consolidate all carrier files into master dataset
 2. Format and process as needed (e.g., ensure dates and numbers are formatted correctly, remove duplicates)
 3. Using data from consolidated carrier files, calculate tonne.km e.g., ((Distance (km) * (Weight (kg)/1000))
 4. Multiply above tonne.km by appropriate emission factor to yield total emissions

- Where data is not provided directly by carriers (e.g., Secondary transportation originating in EMEIA):
 1. Take available data from internal SAP system incl. units, and origin and destination country
 2. Use distance lookup table to estimate distance between origin and destination countries
 3. Take average unit weight from primary data and apply to units to calculate gross weight per shipment
 4. Assume mode of transport from distance and sense check against geographic context; assume air over sea
 5. Calculate tonne.km e.g., ((Distance (km) * (Weight (kg)/1000))
 6. Multiply tonne.km output by relevant emissions factors depending on mode of transport to yield emissions

05 WASTE GENERATED IN OPERATIONS

Data sources

- Waste emissions data is calculated from an internal waste model covering all relevant waste streams within the business, including Offices & retail, production of raw materials, manufacture of finished goods (including raw material excess, samples and prototypes, vendor waste), distribution & logistics, damaged & defective finished goods unable to be repaired to appropriate standard, and ultimately disposed of, and other sources (including events, construction, visual merchandising, and unsaleable goods.)
- Data is collected from third-party waste contractors who carry out collection and disposal.

Emissions factors

- All waste disposal and treatment EFs are sourced from UK Department for Energy Security and Net Zero (ESNZ) , 2023 Full Set of Conversion Factors for Advanced Users published in September 2022. Specifically, EFs come from the <Waste disposal> tab for the relevant disposal route for all materials (e.g., clothing, wood, organics, plastics, paper).

Estimation methods

- 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.
- 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

Key assumptions

- “Mixed dry recycling” is assumed to be half paper and half plastic
- Across all sites, assume waste volume and disposal method rate is similar at sites with no data capture as sites where primary data available on a per-area basis
- 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

1. Tonnage by waste stream is aggregated from available data from waste contractors where available. Where no data exists, weight data estimates are created using per-square foot volume from existing data (e.g., dividing waste by type by floor area).
2. 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).

3. 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

- Burberry's licensed third-party travel booking agent collects data necessary for greenhouse gas emissions calculations (e.g. mode of travel, distance for each passenger segment travelled). This applies to trips booked through Burberry's internal travel booking and management system. In the instance that trips are booked by individuals outside of the mandated corporate system, these trips are unaccounted for and thus necessarily excluded.
- Only air and rail travel is included in this boundary; other modes are infrequently used and immaterial from a total emissions perspective as this category accounts for less than 0.5% of the total Scope 3 footprint in the latest year, with air accounting for the most emissions-intensive source of travel. Hotel stays are optional under the GHGP and also excluded.

Emissions factors

- Factors come from UK ESNZ, 2023 Full Set of Conversion Factors for Advanced Users within the <Business travel - air> and <Business travel - land> tabs based on the haul and class of flights and rail trips.
- The EF source for air travel provides factors that include or exclude radiative forcing (RF). Burberry use the factors that include RF as this factor includes both direct and indirect emissions associated with non-carbon dioxide gases, as carbon dioxide equivalency is standard practice across all other categories.

Estimation methods

- None

Key assumptions

- All air travel factors include a distance uplift of 8% to compensate for planes not flying using the most direct route (such as flying around international airspace and stacking). This has been common practice in the EF source since 2012.

Calculation methodology

- Total combined distance travelled (passenger trips times distance in kilometres) for each mode (e.g., rail, air) as provided by external partners is multiplied by the appropriate emissions factor to yield emissions.
- Emissions data is also provided directly from the vendor.

07 EMPLOYEE COMMUTING

Data sources

- Number of full time employee equivalency (FTE) in each applicable country comes from human resources data.
- Mode of travel and distance from home to workplace data comes from country or regional-level sources as compiled at numbeo.com (crowd-sourced global database) and is not specific to Burberry employees.
- Data on average number of days in workplace is unavailable outside of a few facilities and as such as estimated to be two days per week to maintain consistency with previous year reporting.

Emissions factors

- Factors come from UK ESNZ, 2023 Full Set of Conversion Factors for Advanced Users within the <Business travel – land> tab. Though employee commuting is distinct from business travel, the EF from this source still accurately accounts for movement via each commute type.
- The following are applied:
 - Medium car (petrol)
 - Local bus (average)
 - Rail (train/metro)
 - Motorbike (average)
 - Light rail and tram
- Note cycling and walking have no emissions therefore no EF is applied.

Estimation methods

- None

Key assumptions

- Assume Burberry employees' average distance from home to workplace is the same as the national average in each country based on available survey data
- Assume Burberry employees' typical mode of commuting to work is the same as the national-level breakdown in each country based on available survey data
- All rail is assumed to be equivalent to London Underground for emissions purposes
- Assume two days in the office each week during the reporting period
- Assume retail and corporate employee travel behaviour is the same in lieu of primary data

Calculation methodology

1. Take table of all Burberry employees by country
2. Take external data⁹ for each country on average distance (km) from home to work and multiply number of employees by average distance to derive total passenger km travelled in the year
3. Take same external data as above on typical share of commute type by method (e.g., car, bus, rail) for each country and multiply by total distance from above to derive, by country, total distance travelled by each commute type
4. Multiple values from above by relevant emissions factor
5. Sum values to yield total emissions from category

09 DOWNSTREAM TRANSPORTATION & DISTRIBUTION

Data sources

- Limited data is available on downstream shipping as Burberry does not arrange nor pay for the services. However, internal invoices generated and maintained by Burberry contain data usable for emissions estimations by proxy. This data is maintained by regional Customer Fulfilment teams based in the UK (UK and EMEA data), China (APAC data), and USA (North America data) and is stored internally in SAP AFS.

⁹ Publicly accessible data on commuting behaviour, taken from <https://www.numbeo.com/traffic/> for each country specifically.

- Data includes number of units moved, and origin and destination locations. No data is available on mode of shipping or weight.

Emissions factors

- See 04 Upstream transportation & distribution section above

Estimation methods

- See 04 Upstream transportation & distribution section above
- Where no data is available, weight has been estimated using average gross weight per unit figure calculated from global PT/ST upstream transportation data

Key assumptions

- See 04 Upstream transportation & distribution section above

Calculation methodology

1. Collect summary data from each region and group by shipment so as not to double count distance
 - Each shipment ID has several delivery IDs within; a unique ID is created by concatenating date, receiver name and shipment ID and removing duplicates
2. For each movement, sum the total units of each delivery ID
3. Estimate weight by multiplying real units data by average weight per unit from upstream Primary Transportation/Secondary Transportation data
4. Estimate the distance by looking up the origin/destination country pair in external database
5. Assume mode of transport from distance and sense check against geographic context
6. Calculate tonne.km e.g., ((Distance (km) * (Weight (kg)/1000))
7. Multiply tonne.km output by relevant emissions factors depending on mode of transport to yield emissions

12 END OF LIFE TREATMENT OF SOLD PRODUCTS

Data sources

- Total volume of sold products data comes from internal financial data from Burberry's Financial Planning & Analytics team. The volume of packaging associated with sold products is a subset of the packaging dataset outlined previously and includes all packaging materials tagged as business-to-consumer (B2C).

Emissions factors

- The same emissions factors are used here that are used for waste disposal in Category 05, Waste generated in own operations (e.g., UK ESNZ, 2023 Full Set of Conversion Factors for Advanced Users, <Waste disposal> tab.)
- Specific factors used include plastics by type where data is available, otherwise average plastic type is applied; mixed paper/cardboard; and clothing; and the associated disposal methods for each (e.g., recycling, landfill).

Estimation methods

- As no specific data is available from Burberry consumers regarding how products and packaging are disposed of, estimates of the breakdown of disposal types (i.e., recycling, incineration) are used as a proxy. This is done using external research from the European Commission.

Key assumptions

- Assume that Burberry consumer behaviour regarding disposal is the same as the data found in external research above. This assumes that EU consumer behaviour is similar to global consumers.
- Assume all B2C packaging procured in the reporting year is equivalent to the amount disposed by consumers (e.g., no packaging materials are re-used or kept by consumers).

Calculation methodology

1. Total volume in kilograms of paper, plastic, and clothing from packaging and sold products data is divided into different disposal routes based on external research, as no data is available specifically from Burberry consumers
2. Volumes by type and disposal route are then multiplied by relevant emission factors to yield emissions.

14 FRANCHISES

Data sources

- Floor area of franchise stores comes from internal SAP C4C system
- Energy use and emissions from Scope 1 and 2 data
- Licensee royalties and units sold from internal licensee tracker

Emissions factors

- Emissions factors are not directly applied to this category; rather they are used indirectly via an emissions per square foot or per product calculation which relies on energy emissions factors used in other categories and for Scopes 1 and 2.

Estimation methods

- Franchise square footage data is not available and is therefore estimated based on non-franchise Burberry stores, by region.
- If stores not operational for full year, energy use is discounted based on time open

Key assumptions

- Assume franchise store energy use is equal to that of stores included in Scope 1 and 2 boundary on a per-area basis.

Calculation methodology

- For franchise stores:
 1. Compile list of stores active at any point in 2023 from internal SAP C4C system (that are not included in Scope 1/2 boundary);
 2. Take total square footage of stores from same source;
 3. Derive emissions per square foot value using total Scope 1 and 2 emissions for reporting year divided by total square footage of sites included in Scope 1 and 2 boundary;
 4. Total franchise square footage is multiplied by per-square foot emissions to yield total emissions from franchise stores

For licensees:

1. From public reporting, obtain latest reporting year revenue and Scope 1 and 2 emissions for each licensee;
2. Divide licensee Scope 1 and 2 emissions by their associated revenue to yield an emissions per revenue unit figure;
3. Count Burberry-related revenue associated with each licensee from internal royalty tracker data for each licensee over same time period
4. Multiply above revenue by emissions per revenue figure to yield licensee emissions

Changes applied from previous year reporting:

- In FY 2023/24, we reassessed our methodology for calculating scope 3 GHG emissions, specifically in regards to estimations of Sample and prototype emissions which sit in the Product waste subcategory of Category 1 (Purchased Goods and Services). As a result, we have revised our spend-based calculations for sub-categories within Category 1, accounting for 0.3% of total scope 3 emissions in FY 23/24. This is considered a change in methodology for the baseline year, and the correction of an error in FY 2021/22 and FY2022/23 data. In line with our restatement policy, as described on page 3 of this Basis of Reporting, we have restated our FY 2022/23 scope 3 emissions in order to correct this error. To ensure clarity and consistency in the comparison between our year on year performance, we have applied this new methodology to our FY 2023/24 calculations as detailed in this Basis of Reporting (pages 17-18). Our FY 2018/19 baseline and FY 2021/22 remain unchanged due to being below our restatement threshold. As a result of the restatement, our FY 2022/23 scope 3 emissions reduction is 45.5% from our FY 2018/19 base year.

Our methodology for accounting and reporting GHG emissions is aligned with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. A full category breakdown of our scope 3 emissions, including the restated figures for FY 2022/23, can be found in our Responsibility Data Appendix 2023/24 on [Burberryplc.com](https://www.burberryplc.com).

PEOPLE

People KPI list:

- Number of onsite social compliance audits carried out in FY 2023/24
- Number of desktop social compliance assessments carried out in FY 2023/24

KPI:

- Number of onsite social compliance audits carried out in FY 2023/24

Definition:

- One of Burberry's 'People' objectives is to continue our long standing ethical trading and due diligence programme in the supply chain to ensure our standards and audit requirements are upheld by our supply chain partners. One of the measures is the number of social compliance audits that have been carried out. Social compliance audits consist of an inspection of supply chain partners' facilities, carried out by ethical trading experts in the Responsibility team, which are experienced and certified auditors, and appointed external accredited audit agencies, to assess whether the standards set forth in the Ethical Trading Code of Conduct and legislative requirements, whichever provides the highest protection to the supply chain workers, are being properly implemented and complied with.

Scope:

- For this KPI, the scope is that the social compliance audits are carried out at the facility in person, by either one of Burberry's corporate responsibility team or an approved third party auditor.
- All supply chain partners are included in scope, this include vendors, sub-contractors, supporting facilities and raw material suppliers as well as Burberry's owned manufacturing facilities.

Units:

- The number of onsite social compliance audits carried out in 2023/24

Method:

- There were two methods used in FY 2023/24. The first was used from April to August of 2023 and the second was used from August onwards. In the first method, we conducted onsite social compliance audits to all finished goods supply chain partners. For other types of partners, we would only conduct onsite audits in case of business need and/or extremely high risk. The audit frequency will be based on the last audit grading. In the second methodology, partners go through the desktop assessment and onsite audit is conducted based on the operations they are required to perform. If the partners are required for development, an onsite audit will be conducted when high risk is identified. If the partners are required for production, when medium and high social and reputational risks are identified, an onsite audit is conducted. If there is no risk, no onsite audit is needed. The frequency of the regular monitoring audits will be based on the risk level and last audit grading.

Source:

- The number of onsite social compliance audits come from our EMEIA and APAC supply chain databases. The total audits in the respective databases is added to calculate the total number of onsite social compliance audits carried out in FY2023/24. Through completed audit reports and email exchanges with vendors or suppliers, the documents can confirm the audit dates and audit grading.

KPI:

- Number of desktop social compliance assessments carried out in FY 2023/24

Definition:

- One of Burberry's 'People' objectives is to continue our long standing ethical trading and due diligence programme in the supply chain to ensure our standards and assessment requirements are upheld by our supply chain partners. One of the measures we use to show the effectiveness of our ethical trading programme is the number of desktop social compliance assessments that have been carried out with our supply chain partners.

Scope:

- For this KPI, the scope is the desktop social compliance assessments that are based on documental review of our onboarding documents (Letter of Undertaking and Partner Questionnaire) to determine whether a partner can be accepted or acknowledged for development and/or production. It includes desktop social compliance assessments that have been carried out by the Burberry Responsibility team.
- The assessment is conducted against Burberry's Ethical Trading Code of Conduct and legislative requirements, whichever provides the highest protection to the supply chain workers.
- All finished goods supply chain partners are included in scope, this includes vendors, sub-contractors and supporting facilities. The majority of assessments are conducted with our external supply chain partners, but the scope is also inclusive of Burberry's owned manufacturing partners.

Units:

- The number of desktop social compliance assessments carried out in 2023/24

Method:

- There were two methodologies used in FY 2023/24. The first was used from April to August of 2023 and the second was used from August onwards. The reason for this is due to the development of an internal risk assessment to enhance our due diligence which was implemented in August. In the first methodology, upon receiving the onboarding documents completed by our supply chain partners, we conduct the assessment against our Burberry's Ethical Trading Code of Conduct and legislative requirements. In the second methodology, we developed an internal risk assessment tool, which was implemented from August onwards, and used as an additional step in the desktop assessment. We conduct the assessment of the onboarding documents against our Burberry's Ethical Trading Code of Conduct and legislative requirement and through the risk assessment tool. In both methodologies, after the assessment is conducted, grading from the desktop assessment will be communicated to our internal teams requesting the onboarding through email or an internal IT system. A copy of the onboarding documents is saved down for our record keeping.
- We utilise these two databases to calculate the number of desktop assessments that have been carried out.

Source:

- The number of desktop social compliance assessments come from our EMEIA supply chain database. The number of desktop social compliance assessments in the database is to calculate the number of desktop social compliance assessment carried out in FY2023/24. When we conduct the assessment, an entry will be added into our internal risk assessment tool to analyse the risk. Email exchanges with internal teams requesting the onboarding to confirm the assessment grading can also confirm the number of desktop social compliance assessments.