

CARBON AND ENERGY – additional details

Our goal is to be carbon neutral in our own operational energy use by 2022 and to obtain 100% of our electricity from renewable sources in the same time frame.

Our commitments in relation to climate change extend beyond our business operations and activities. We have two climate goals approved by the Science Based Target initiative (SBTi): to reduce our absolute Scope 1 and 2 greenhouse gas emissions by 95% by 2022 and our absolute Scope 3 greenhouse gas emissions by 30% by 2030 (all from a FY 2016/17 base year). The Scope 1 and 2 targets focus on emissions from our direct operations (including electricity and gas consumption at our stores, offices, internal manufacturing and distribution sites) and represent 9% of total emissions at c.25,000 tonnes of CO₂e. The Scope 3 target relates to indirect emissions in our extended supply chain (which includes the impact from the sourcing of raw materials and manufacturing of finished goods) which represents 91% of total emissions at c.253,000 tonnes of CO₂e (calculated on a FY 2016/17 base year).

The targets covering greenhouse gas emissions from Burberry's operations (Scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement. Internal operations departments set year-on-year energy reduction targets to drive energy efficiency which are included in key management personal objectives and KPIs. All relevant employees are aware of their roles and responsibilities, relating to energy efficiency and waste and water reduction. To date, we have reduced our Scope 1 and 2 emissions by 82% compared to FY 2016/17.

Operational efficiency is a key part of Burberry's core strategy. As such, all relevant staff are trained to operate our business in an efficient way to reduce waste of all kinds. Additionally, we run awareness programmes across our internal operations, in the past these included campaigns around single use plastic and energy reduction.

We have many procedures in place to reduce our environmental impact. These procedures are reviewed on an annual basis as part of our external assurance process. This includes the management, data collection and reporting of:

- Energy consumption data across all our global operations
- Progress against our carbon neutral target
- Procedures for meeting our 100% renewable energy target which lays out our roadmap for transition to renewable energy across the company

To reduce energy and carbon in our own operations, we commissioned 23 energy efficiency audits across the EU in FY 2019/20 as part of the EU Energy Efficiency Directive. These audits identified 19 opportunities of low cost, easy to implement changes to heating and cooling systems across our European site portfolio.

We have systems in place to ensure compliance with local environmental legislation in the countries in which we operate and have conducted audits of rented properties which have a certified Environmental Management Systems (EMS) which accounts to 35% of our global square footage. We are subject to the EU Energy Efficiency Directive (EED) and the UK's Energy Savings Opportunity Scheme (ESOS). Our sites across Europe receive periodic audits as part of the EED and ESOS, these audits outline energy savings opportunities and are used to create action plans. All audits are required to be signed and approved by senior management. Sites covered by ESOS and EED represent 45% of our total global energy consumption. Our ESOS and EU EED audits were undertaken by external third-party auditors.

At Burberry, to achieve our climate-related goals we focus on energy efficiency first and foremost. We drive energy efficiency across our stores by instilling good practice behaviour and installing more efficient lighting systems at our new and refurbished stores. We then reinvest savings into renewable energy procurement in the region, before finally offsetting any remaining emissions, reducing our emissions footprint to zero. We are now carbon neutral in our own operational energy use across 85% of our sites globally and procure 83%[^] of our total energy (90%[^] of electricity) from renewable sources.

Through engaging with our suppliers on energy efficiency and renewable energy, we have reduced emissions in the supply chain by more than 1,600 tonnes of carbon. These initiatives, alongside our transition to more sustainable raw materials, are contributing to our Scope 3 science based target. We are supporting the UN Climate Change's efforts in the fashion industry and have taken a leadership position by collaborating with other brands to promote energy efficiency and renewable energy across the entire fashion industry. In addition, we signed the Fashion Charter Communiqué at the 25th session of the Conference of the Parties. The Communiqué encourages countries with major fashion production and consumer markets to partner with us to bring the industry in line with the Paris Agreement goal of limiting average global temperature rise to 1.5°C.

Product is at the heart of our strategy and our runway shows are key moments of inspiration and brand heat. However, it is important to us to take steps to protect our planet and ensure we operate in a responsible way. That's why we ensured both our Spring/Summer 2020 and Autumn/Winter 2020 shows were carbon neutral. To achieve this, we set a minimum carbon price for each show, this carbon price was reinvested in Verified Carbon Standard (VCS) certified projects in areas that had been recently devastated by fires in Australia and Brazil.

On the day of our show in February 2020, we announced the creation of our Regeneration Fund. The fund is designed to support a portfolio of carbon insetting projects to directly tackle the environmental impact of our operations. The new insetting projects will be implemented within Burberry's own supply chain and will work to promote biodiversity, facilitate the restoration of ecosystems and support the livelihoods of local producers. The projects will enable us to store carbon at source and remove it from the atmosphere. Kick-starting the programme, Burberry has partnered with PUR Projet to design and implement regenerative agricultural practices with some of its wool producers in Australia. The project will work at farm level to improve carbon capture in soils, improve watershed and soil health, reduce dryland salinity and promote biodiverse habitats.

^ Assured by PWC, see the [Creating Tomorrow's Heritage](#) page for more information on Burberry's basis of reporting.