Sustainability Basis of Reporting
FY 2024/25

BURBERRY

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INTRODUCTION

This document sets out the principles, criteria and methodologies for collecting and calculating data relating to selected Sustainability Indicators which are reported in the 'Sustainability at Burberry' section of Burberry's Annual Report 2024/25. These selected sustainability 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 2024/25 (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
- Combustion of fuel and operation of facilities (scope 1)/tCO2e
- Combustion of fuel from owned or leased transport (scope 1)/tCO2e)
- Electricity purchased and used for operations (scope 2, location-based)/tCO2e
- Total emissions location-based (scopes 1 and 2)/tCO2e
- Electricity purchased and used for operations (scope 2, market-based)/tCO2e
- Total emissions (scopes 1 and 2, market-based)/tCO2e
- % of the company's energy and electricity consumption (kWh) sourced from renewable sources (%)
- Scope 3 - Total indirect emissions (Tonnes CO2e)

People:

- Number of social compliance audits carried out in FY 2024/25
- Total number of employees in direct operations
- % employees by significant operating location
- Workforce gender breakdown

Communities:

- % of colleagues engaged in volunteering activities

CONTEXT

Our sustainability strategy, Burberry Beyond, encompasses everything we do across our Company, our supply chain and our communities with respect to the sustainability-related impacts, risks and opportunities that exist within our value chain. The strategy consists of four strategic pillars:

- Product
- Planet
- People
- Communities

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 2024 to 31 March 2025 (FY 2024/25), unless otherwise stated. For the avoidance of doubt, this period varies from the Company's financial accounting period which is from 31 March 2024 to 29 March 2025. However, references to FY 2024/25 for the selected sustainability indicators included in the 'Sustainability at Burberry' section of Burberry's Annual Report 2024/25 refer to the period 1 April 2024 to 31 March 2025.

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 SUSTAINABILITY INDICATORS

PRODUCT

Responsibly Sourced Key Raw Materials

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

PLANET

Scope 1 and 2 emissions

- Total energy including: purchase of electricity, the operation of any facility, combustion of fuel for facilities and vehicles/kWh
- Combustion of fuel and operation of facilities (scope 1)/tCO2e
- Combustion of fuel from owned or leased transport (scope 1)/tCO2e)
- Electricity purchased and used for operations (scope 2, location-based)/tCO2e
- Total emissions location-based (scopes 1 and 2)/tCO2e
- Electricity purchased and used for operations (scope 2, market-based)/tCO2e
- Total emissions (scopes 1 and 2, market-based)/tCO2e
- % of the company's energy and electricity consumption (kWh) sourced from renewable

Scope 3 emissions

- Scope 3 - Total indirect emissions (Tonnes CO2e)

PEOPLE

Our People

- Total number of employees in direct operations
- % employees by significant operating location
- Workforce gender breakdown

People in our Supply Chain

- Number of social compliance audits carried out in FY 2024/25

COMMUNITIES

Volunteering

- % of colleagues engaged in volunteering activities

PRODUCT

Responsibly Sourced Key Raw Materials

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, PU), 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.
- Main materials are defined as key commodities used across Burberry products which represents at least 50% of the product composition.
- 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.
    - Raw material suppliers providing <0.5% of total of weight (main material) delivered during the period and those which have exited the supply chain from Q3 onwards or are in liquidation will be excluded from the scope. The exclusions should not exceed 5% of the total volume in tonnes of main commodities.
    - Products that have transitioned to using excess fabric for a specific season and are made from Raw Material Excess.

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 Sustainable 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, viscose and Norwegian wool 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

*In scope for FY25 target

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) ≥**50%** & Global Organic Textile Standard (GOTS) ≥**70%**
		Recycled	Global Recycled Standard (GRS) ≥**20%** & Recycled Claim Standard (RCS) ≥**20%**
Synthetic	 Polyester, Nylon, TPU, PU Econyl®	Econyl	Global Recycled Standard (GRS) ≥**50%**
		Bio Based	Carbon Testing[1] ≥**30%**
		Recycled	Global Recycled Standard (GRS) ≥**50%** & Recycled Claim Standard (RCS) ≥**50%**
Man made fibres	 Viscose	Green Rated	Canopy Hot Button Report (Green Rated) **100%**
		Certified	Forest Stewardship Council (FSC)
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 ≥ **Bronze Level** Social: SA8000, UNIC code of conduct, Burberry audit or equivalent[2]
	 Wool	Recycled	Global Recycled Standard (GRS) ≥**20%** & Recycled Claim Standard (RCS) ≥**20%**
		Certified Virgin Wool	Responsible Wool Standard (RWS), Nativa Precious Fibre & ZQ Natural Fibres **100**% Norwegian Wool[3]

1. For biobased materials, laboratory tests are mandated to meet internal carbon content thresholds (≥30%)
2. For certified leather, alongside certifications, we accept social compliance audits conducted by Burberry and other brands.
3. Norwegian wool is not a certification but part of Responsibly Sourced criteria. It is not associated to any product claim.

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%).
- 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
- Combustion of fuel and operation of facilities (scope 1)/tCO2e
- Combustion of fuel from owned or leased transport (scope 1)/tCO2e)
- Electricity purchased and used for operations (scope 2, location-based)/tCO2e
- Total emissions location-based (scopes 1 and 2)/tCO2e
- Electricity purchased and used for operations (scope 2, market-based)/tCO2e
- Total emissions (scopes 1 and 2, market-based)/tCO2e

Definition:

- One of Burberry's 'Planet' objectives is to achieve a 95% reduction in Scope 1 and 2 emissions by FY 2026/27 from a FY 2016/17 baseline (SBTi validated target). This target was resubmitted to the SBTi in March 2024, with the aim to extend the target date to FY 2026/27, and was validated by the SBTi in July 2024. Burberry will no longer procure Energy Attribute Certificates (EAC's) to cover the small amount of gas consumption which cannot be completely eliminated with renewable power.

- This target will be achieved through replacing gas boilers at Burberry manufacturing sites, reducing absolute consumption and improving energy efficiency across the operations. Burberry will also support the Scope 1 and 2 SBTi target by continuing to source 100% renewable electricity in its own operations throughout 2025/26.

- 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 FY2024/25 this no longer includes the operations of the Russian entity as Burberry does not have operational control of these sites to influence and implement the energy efficiencies required for it to fall within the boundary. For more information please see the position statement.

- 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 data should be estimated based on the average of the previous 12 months actual data.

- Where gas invoices are not available at the time of reporting, the consumption is estimated based on the average consumption across 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 C02 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 DESNZ (2024), and the International Energy Agency (IEA) (2024), are used for all CO2e calculations, according to geography.

- Burberry is monitoring its emissions profile by using market-based emissions. The focus for Burberry remains on reducing energy within internal operations and purchasing renewable energy to cover operations. In 2024/25, all electricity was sourced from renewable resources, either produced onsite, through green tariff contracts or via unbundled energy certificates. In 2024/25 Burberry have not purchased any Verified Emissions Reduction certificates to mitigate emissions from gas consumption which cannot be completely eliminated and instead focus on implementing actions which will drive absolute reductions in emissions.

- Sales revenue data[1] is 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. In FY2024/25, this platform was decommissioned, and data is now submitted into the Sweep platform and continues to be supported by invoices. Sweep is an integrated Carbon Management platform which allows Burberry to collate and manage its Scope 1, 2 and 3 data.
- Data on fuel used in owned or leased vehicles are obtained from invoices submitted by employees through the expense claim platform, Concur. For vehicles at Burberry's internal manufacturing sites fuel spend data is extracted from the external partner. Data is then uploaded into Sweep and is subject to a series of internal reviews conducted at Burberry group level.

[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.

KPI:

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

Definition:

- Burberry measures the % of total energy and electricity within our own operations obtained from renewable sources against the commitment to procure all electricity from renewable sources in 2024/25.

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 excludes the operations of the Russian entity as detailed above.

Unit:

- % of renewable energy and electricity consumption in kWh

Method:

- Within Sweep, each operational site is assigned a 'Market-Based' contract based on the type of renewable energy procured for that site. The Sweep system will calculate the total kWh of electricity associated with each contract type for each country.

- The accepted methods for generating and procuring renewable energy are aligned to the RE100 Technical Criteria and the GHG Protocol 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 purchase 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:

- 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 2024/25, 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 2024/25

3.1 Purchased goods and services	• 3.1.1 Raw materials: Full 12-month Financial Year period (April 2024 – March 2025)
	• 3.1.2 Product-related waste
	  ○ Raw material excess: Full 12-month Financial Year period (April 2024 – March 2025)
	  ○ Samples: see 3.1.5 below
	  ○ Cutting waste: Calendar year (January – December 2024)
	• 3.1.3 Manufacturing energy use: Calendar year (January – December 2024)
	• 3.1.4 Packaging: 11 months of real data within the period (April 2024– February 2025) + 1 month of real data from previous year (March 2024); in effect, reporting period covers March 2024 to February 2025.
	• 3.1.5 Other PG&S: 11 months of real data (April 2024– February 2025) + 1 month forecasted estimate (March 2025)

3.2 Capital goods	• 11 months of real data (April 2024– February 2025) + 1 month forecasted estimate (March 2025)
3.3 Fuel- and energy-related activities	• Full 12-month Financial Year period (April 2024 – March 2025)[1]
3.4 Upstream transportation & distribution	• Calendar year (January – December 2024)
3.5 Waste generated in operations	• Calendar year (January – December 2024), excepting materials-related waste as outlined in 3.1.2
3.6 Business travel	• 11 months of real data (April 2024– February 2024) + 1 month forecasted estimate (March 2025)

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

3.7 Employee commuting	• Full 12-month Financial Year period (April 2024 – March 2025)
3.9 Downstream transportation & distribution	• Calendar year (January – December 2024)
3.12 End-of-life treatment of sold products	• Finished goods: Full 12-month Financial Year period (April 2024 – March 2025) • B-2-C Packaging: see 3.1.4
3.14 Franchises	• Franchise stores: Full 12-month Financial Year period (April 2024 – March 2025) • 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 3.8, Upstream and Category 3.13, 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 3.10, 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 3.11, 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 3.15, 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 & EMISSIONS SOURCES
3.1 Purchased goods and services	
3.1.1 Raw materials used in products	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).
3.1.2.1 Raw material excess (RMX)	Embodied carbon from **raw materials excess**, defined as those left over from the pre-commitment (pre-buy or top-up by vendors) made by Burberry raw materials procurement teams after vendors have completed finished goods manufacturing. This includes, but is not limited to, yarn, fabrics, trims and skins. Only excess that is written off, recycled, or sent for incineration and energy recovery are included within this subcategory as waste; materials repurposed for collections will be accounted for in 3.1.1 and materials donated or resold are not considered as waste. Emissions are not generated until excess is exited from the business; any materials still in stock are not considered waste as there maybe be a future use.
3.1.2.2 Samples & prototypes	Embodied carbon from raw materials utilised in the **sampling and prototyping** stages of production (incl. materials development, and product development & engineering) for goods used as press, showroom & runway samples; this also includes materials in purchased vintage items during design process.
3.1.2.3 Manufacturing offcuts	Embodied carbon from **raw materials wasted in the manufacturing process** at external vendor and internal production sites that is discarded and recycled or otherwise disposed of and has no potential further use.
3.1.3 Finished goods vendors energy use	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).
3.1.4 Packaging	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.
3.1.5 Other purchased goods and services	Embodied carbon associated with **all other purchased goods and services** not already included above, including but not limited to training, consultancy, creative and professional services).

3.2 Capital goods	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.[2]
3.3 Fuel- and energy-related activities	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 accounting.[3]
3.4. Upstream transportation & distribution	**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).
3.5 Waste generated in operations	
3.5.1 Retail and offices waste	**General office waste** generated at Burberry offices (e.g., paper and plastics, food scraps); and waste generated at Burberry retail stores, including all business-to-business packaging disposed of by retails stores; and waste generated at global pop-up retail spaces.
3.5.2 Hubs and LFCs waste	**General office waste** (e.g., paper, plastics, cardboard) generated at Burberry operated warehousing & distribution hubs and local fulfilment centres.
3.5.3 Finished goods production waste	**Disposal of raw materials waste**[4] from manufacturing offcuts, raw material excess, and samples & prototypes via recycling and incineration.
3.5.4 Visual merchandising waste	**Visual merchandising items of various materials exited** in the reporting year through recycling, write off, or incineration.
3.5.5 Events waste	**General waste** generated at Burberry **fashion shows**.
3.5.6 Construction waste	**Construction materials waste** generated during Burberry site building and/or renovations, incl. concrete and masonry, metal, wood, glass, etc.
3.6 Business travel	**Employee air and rail travel** for business-related purposes.
3.7 Employee commuting	**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.
3.9 Downstream transportation & distribution	**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**.
3.12. End-of-life treatment of sold products	**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.
3.14 Franchises	
3.14.1 Licensees	Emissions from operations associated with **companies creating licensed Burberry products** (e.g., the Scope 1 and 2 emissions attributable to Burberry from **companies creating Burberry-licensed** products (eyewear, fragrance/beauty products).

[2] 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.

[3] 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

[4] Note this differs from *embodied carbon* of waste as outlined in 3.1.2 above

3.14.2 Franchise stores	Operation (e.g. energy usage) of **franchise stores** (i.e., stores operating under a license to sell or distribute Burberry-branded products within a certain location) **not otherwise included in Scope 1 or 2.**

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.

SCOPE 3.1.1 PURCHASED GOODS & SERVICES (RAW MATERIALS USED IN FINISHED GOODS)

Data sources

- Finished goods data incl. material composition and product weight comes from Burberry's master raw materials dataset created by the IT and Analytics Platform teams in reporting year FY2023/24 to automate and improve efficiency of previous sources. This master dataset, as did its predecessors (known as ZPCR or Sustainability Report), draws from two internal systems: FlexPLM (third-party product lifecycle management tool used and managed internally by upstream product-facing teams) and SAP S/4 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 (e.g., the brass zippers and other hardware in a bag). These are excluded rather than included as estimates based on internal data availability and confidence. Note that 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 by proxy.

- Note the term "main" here refers more to part of the product and is not synonymous with "primary" or "majority" composition (i.e., Cashmere can be listed as a main material even if it comprises one percent of the finished product's composition.) This has been consistent since Burberry's original baseline calculation based on data availability.

- The product boundary includes all Burberry products receipted in the reporting year. Exclusions are as follows:
  - Samples (included in 3.1.2.2 Samples & prototypes)
  - VIP and bespoke garments (also included in 3.1.2.2 Samples & prototypes)
  - Any product manufactured by a licensee, including limited edition collaboration products, where Burberry has not been involved in the manufacturing process (emissions are indirectly captured by proxy in 3.14.1 Licensees)

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 (representing purchase order). The first step is to divide the product weight into component materials based on the composition.
    - Note that product weight itself is derived by multiplying units receipted by the net weight of each product.
2. The weight of each material included in the composition, from above, is then multiplied by the appropriate emissions factor based on the material used.
3. The above yields the emissions, by material, for each line item.
4. Each line item is then summed to yield emissions for all products across portfolio.

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

- Process Loss Rates are assumed to apply to all materials in the Higg MSI. These rates are defined as “the amount of the intermediate input from the previous Production Stage that is lost or consumed as part of the process (mass/mass basis).” A loss rate of 20% indicates that for every 1kg of input, there is only 0.8kg of output. Alternately, this means that an output of 1kg from that process requires 1.25kg of input. Process Loss Rates are fixed within the Higg MSI and not customisable by the user. Rates were determined using values from secondary data sources, expert guidance, and industry methodology such as Textile Exchange’s Fiber Conversion Methodology.

- 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

- 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.

3.1.2 PURCHASED GOODS & SERVICES (PRODUCT-RELATED WASTE)

Data sources

- Product-related waste calculations draw on the following data sources:
    - Quantity, weight, and composition 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 (RMX) database which tracks movement of RMX including exit date, quantity, composition, and method; and
    - Financial spend on samples & prototypes from BPC system, as well as cost, weight, and composition data from finished goods receipted dataset previously outlined, used as a proxy for samples and prototypes volume.

- Inputs into calculations are from both primary and estimated data. For offcuts, waste collection data from internal manufacturing sites and selected external vendors 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 which is primary data but with assumed weights. Samples waste uses primary financial spend data from internal consolidation system (BPC).

- 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 3.5, 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 generic fabric, a weighted average applies, based on the top four most commonly used materials by volume (excl. leather).

Estimation methods

- Imprecise weight and size of RMX leads to estimation of weight based on a reference table created from internal knowledge in the baseline year
- 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

- Assume that breakdown of waste where specific material unknown has average impact of the four most commonly used textile materials

Calculation methodology

- For Samples & prototypes, spend on product design & development is used as a proxy to understand the amount of materials likely generated in the processes. This is based on the real ratio of spend to material output in finished goods.
- 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.

3.1.3 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 carbon management platform, and from UK Department for Energy Security and Net Zero (ESNZ), 2024 Full Set of Conversion Factors for Advanced Users.
- Grid electricity EFs come from IEA's country-specific database; all others (e.g., coal, diesel, fuel oil, gasoline/petrol, LPG, natural gas, purchased steam, CNG, and wood pellets) come from UK ESNZ, 2024 Full Set of Conversion Factors for Advanced Users within the <Fuels>, <Heat and Steam>, 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

- The procedure assumes that, on a per-unit intensity basis, vendors in the same region have similar energy consumption. This extends to types of energy being used; for instance, if no petrol use is present in primary data in one region, the modelled data will assume no petrol use.
- The model also assumes that the share of production for which Burberry accounts at each site is similar within vendor and region.
- If no grid electricity emissions factor is available for one country, the country in closest geographic proximity with available data is used as proxy. This applies to approx. one percent of total units receipted in the period.
- 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

Manufacturing sites with primary data

1. Create a listing of all vendors and sites in scope, incl. vendor and manufacturer name, country and region, and units delivered in period.
2. Add to listing above inputs from data collected from vendors for Burberry share of production (e.g., 49%)
3. Use real units receipted from internal data and provided share of production to yield estimated units covering the data provided (e.g., energy use data will be assumed to come from a site producing 200,000 units if the site provides data showing 50% of all production is for Burberry, and Burberry units receipted from site is 100,000).
    a. If no share of production provided, estimate based on sites with same vendor; if not other vendor sites available, estimate on regional average
4. Add in total energy use data by type (e.g., electricity, natural gas).
5. Using data provided on share of Burberry units, discount all energy use to account only for Burberry share.
6. Multiply discounted energy use by relevant emission factor to yield emissions.
7. Make calculations for use in data modelling
    a. Calculate per-unit intensity of each energy type for each region
    b. Calculate average share of production for Burberry by region (only where real data is provided; exclude estimates based on same vendor)

Vendors with no data (Modelled data)

1. For each line item (vendor or manufacturing site), model the energy use of each type by taking actual Burberry units receipted by average per-unit intensity calculate from primary data within each region
    a. If no average per region., this means primary data for sites in this region has no use, therefore no use is modelled (e.g., only Asian sites used steam power, therefore no steam power usage is applied to sites in Italy where primary data shows it is not typically used.)
2. Using data provided on share of Burberry units, discount all energy use to account only for Burberry share.
3. Multiply discounted energy use by relevant emission factor to yield emissions.

Results from both methods are aggregated to yield total emissions in this subcategory.

3.1.4 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 primary material in the finished packaging product and as such secondary materials (e.g., cotton handles on paper retail bags) may be excluded depending on how the composition is given.

Emissions factors

- For paper, plastic, and wood, factors come from UK ESNZ, 2024 Full Set of Conversion Factors for Advanced Users within the <Material use> tab. For cotton and nylon, the same EFs used in raw materials section are 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. LLDP versus PET plastic), average emissions factors were taken as a proxy.

Calculation methodology

Packaging data contains information covering up to three materials (main, secondary, other.) Each material may also include recycled content. Therefore for each line item (representing a quantity of one type of packaging) will have up to six calculations; one for the recycled content quantity in each of the three materials, and another for the virgin component of each of the three materials.

In the example of a hypothetical item that contains paper, plastic, and cotton, the calculation would be completed as follows, using data from the packaging dataset:

1. Take the total weight of each line item
2. Allocate total weight to Main, Secondary, and Other weight based on percentages provided in data
3. Allocate above to each material (e.g., paper, plastic, cotton)
4. Further allocate weights above of each material to recycled and/or virgin component using percentages provided, yielding up to six weights
5. Multiply each weight by the relevant emissions factor (e.g., recycled cotton, virgin cotton)
6. Aggregate the results across each line item
7. Sum the line items to yield total emissions.

3.1.5 PURCHASED GOODS & SERVICES (OTHER) + 3.2 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.

- 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 (represented by Standard Industry Classification or SIC codes) 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.

- The latest available factors are from 2021 UK National Carbon Footprint and as such necessitate modifications of activity data for their use. See more in Estimations section below.

Estimation methods

- March 2025 forecast is calculated by regional finance teams based on budgeted spend and FX rates.
- Activity data (e.g., financial spend) is adjusted for inflation to account for emissions factors which have not been updated since 2021

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), 2024 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.

3.4 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.

- One major carrier provides data separately and in aggregation per partner agreement.

- 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 leg 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 segments 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

- Factors come from the UK Department for Energy Security and Net Zero (ESNZ), 2024 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 laden[5]
  - Air: Freight flights > Without RF[6] (average of Domestic, Short-haul, Long-haul, International)
  - Sea: Cargo ship > Container ship > Average size

- The partner providing aggregated reporting accounts using emission factors as recommended by the Greenhouse Gas (GHG) Protocol, the Global Logistics Emissions Council (GLEC) Framework, the EPA SmartWay, GREET Model, and Clean Cargo Working Group.

Estimation methods

- Where accurate distance data was not available due to unavailability in external databases including flight timetables and schedules, median distances for some routes were applied as necessary per advice from third-party freight carriers.
  - For example, movements from A to B are in some cases based on median of data provided on said route rather than on actual distance data provided for trip taken from flight/ship routing.
- 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). 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 (cepii) and estimates the geodesic distance following the great circle formula, which uses latitudes and longitudes

[5] *Average laden* is used because payload capacity is unknown
[6] *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"

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

- Air freight EF is assumed to be the average of domestic, short-haul, long-haul and international to maintain consistency with baseline accounting.
- 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. Calculate tonne.km e.g., ((Distance (km) * (Weight (kg)/1000)) of each line-item shipment
  2. Multiply above tonne.km by appropriate emission factor for mode to yield total emissions

- Where data is provided by carriers but distance data missing or deemed an outlier:
  1. Take median distance of all records for same mode and shipment route (e.g., air movement from Italy to Hong Kong);
  2. Calculate tonne.km e.g., ((Distance (km) * (Weight (kg)/1000)) of each line-item shipment
  3. Multiply above tonne.km by appropriate emission factor for mode 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

Note that distance is deemed to be an outlier is the reported value is greater than or equal to 1.5 times the median distance of all other records for same mode and origin/destination pair.

3.5 WASTE GENERATED IN OPERATIONS

Data sources

- Waste emissions data from disposal of waste is calculated from an internal waste model covering all relevant waste streams within the business as determined by waste assessment carried out prior to baseline emissions calculation, including offices & retail,

distribution & logistics sites, manufacture of finished goods (including raw material excess, samples and prototypes, vendor waste), and other miscellaneous sources (incl. events, construction, and visual merchandising.)

- 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) , 2024 Full Set of Conversion Factors for Advanced Users. 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 (e.g., kilograms or tonnes).

Key assumptions

- 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

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).

3.6 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, 2024 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 trail 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.

3.7 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 three days per week.

Emissions factors

- Factors come from UK ESNZ, 2024 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 carbon intensity for emissions purposes given availability of emissions factors

- Assume three days in the office each week during the reporting period per current practices
- 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 data[7] 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

3.9 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 EMEIA data), China (APAC data), and USA (North America data) and is stored internally in SAP AFS.

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

Emissions factors

- See 3.4 Upstream transportation & distribution section above

Estimation methods

- See 3.4 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 3.4 Upstream transportation & distribution section above
- Mode of shipment is assumed based on feasibility of travel; for instance, shipments from Italy to Hong Kong are conservatively assumed to be air, as no road option is available and no evidence exists to determine they are sea-based

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

[7] Publicly accessible data on commuting behaviour, taken from https://www.numbeo.com/traffic/ for each country specifically.

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

3.12 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, 2024 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.

3.14 FRANCHISES

Data sources

- Floor area of franchise stores, from internal SAP C4C system where available (otherwise estimated)
- Energy use and emissions, from Scope 1 and 2 calculated figures
- Licensee royalties and associated data, from internal licensee tracker and from licensees

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 floor area data not available, it is estimated using primary data, by region.

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.
- Assume floor area is similar within regions.

Calculation methodology

- For franchise stores:
    1. Compile list of Franchise stores active at any point in 2024 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. Convert licensee revenue to GBP using average conversion rate within reporting period from HMRC foreign currency exchange;
3. Divide licensee Scope 1 and 2 emissions by their associated revenue to yield an emissions per revenue unit figure;
4. Count Burberry-related revenue associated with each licensee from internal royalty tracker data for each licensee over same time period
5. Multiply above revenue by emissions per revenue figure to yield licensee emissions.

Changes applied from previous year reporting:

- Scope 3.1.4 Purchased goods & services, Packaging, now uses real data for March from previous reporting year rather than a projection. In practice this means the reporting period is now March 2025 to February 2025 using all primary data.
- TScope 3.7 Employee Commuting has been updated to reflect an average of three days per week in office, as compared to two last year, to reflect current practices

PEOPLE

People in our supply chain

KPI:

- Number of onsite social compliance audits carried out in FY 2024/25

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 or approved auditors, 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 includes 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 2024/25

Method:

- When partners are on-boarded to Burberry they go through a desktop assessment and an onsite audit is conducted based on the operations they are required to perform as well as thier risk level. 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.
- Audits include onsite assessments only, and the following 'Audit types' are to be filtered in the excel file to include: Full Audit, Follow Up Audit, Focus Audit, Initial Audit, Surveillance Audit, Reinforced Due Diligence audits, along with the date.

Source:

- The number of onsite social compliance audits come from our supply chain database. The total number of audits in the respective database is added to calculate the total number of onsite social compliance audits carried out in FY2024/25. Completed audit reports can confirm the audit dates and audit grading.

Our People

KPIs:

- Total number of employees in direct operations
- % employees by significant operating location
- Workforce gender breakdown

1. Total number of employees in direct operations

Definition: Defined by the total number of permanent (non-contractor) employees as of 31st March 2025 across all legal entities and countries

Method: We run a headcount report from SuccessFactors/Connect as of 31st March 2025 for all Active and Dormant Colleagues[8].

2. % employees by significant operating location

Definition: Defined by the total number of permanent (non-contractor) employees as of 31st March 2025 split across EMEIA, Americas and APAC

Method: We run a headcount report from SuccessFactors/Connect as of 31st March 2025 for all Active and Dormant Colleagues[8] and use the Legal Entity Code field in the system to map each country into one of the three regions listed above based on their geography.

3. Workforce gender breakdown

Definition: Defined by the total number of permanent (non-contractor) employees as of 31st March 2025 across all legal entities and countries split by binary gender. Binary gender refers to the sex assigned at birth (Male/Female).

Method: We run a headcount report from SuccessFactors/Connect as of 31st March 2025 for all Active and Dormant Colleagues[8] and use 'Gender' field from the system to count the number of Male colleagues and the number of Female colleagues across the organisation, divided by the total population.

[8] Dormant Colleagues are those on long-term absence from the business e.g. Maternity Leave.

COMMUNITIES

Volunteering

KPI:
- % of colleagues engaged in volunteering activities

Definition:
- Burberry measures the percentage of the colleagues actively participated in the community activities that takes place during paid working hours and is not part of regular job responsibilities.

- Burberry adopts Business for Societal Impact (B4SI) Framework for measuring corporate community investment programmes for our community investment activities. The framework refers volunteering as the unpaid time employees contribute to community activities outside of their regular work hours, essentially meaning any time a company staff member dedicates to charitable organisations or social initiatives, which can be measured and reported as part of a company's overall social impact assessment.

Scope:
- The scope covers colleagues who are registered on Burberry's internal volunteering platform, Spark, through their Burberry email.

- Volunteering activities include company-led and employee-led volunteering initiatives, active participation in fundraising activities, participation in mentorship programmes and supervision of work experience placements, and activities dedicated in providing Gift In kind contributions that is not part of their role already. It also covers other case-by-case activities considered to have a positive community impact, all of which must be recorded on Burberry's internal volunteering platform.

- The volunteering percentage excludes colleague headcount where there are data restrictions of Spark platform, in mainland China and six emirates of the United Arab Emirates (UAE) Abu Dhabi, Sharjah, Umm Al Quwain, Fujairah, Ajman, and Ras Al Khaimah (excluding Dubai).

Units:
- The number of employees who engaged in volunteering activities recorded at Spark platform

Method:
- The data is tracked through Spark volunteering and fundraising platform, and then pulled from Benevity's reporting tool into an excel file. Data is based on sign-up data and relies on the individual employee to report if they did not attend the volunteering; attendance is not monitored.
- The percentage of employees who have engaged in an activity on Burberry's internal volunteering platform since 1st April 2024 to 31st March 2025, relative to the number of users active in the platform as of 31st March 2025.

Source:

- Burberry’s internal volunteering platform, Spark, a platform provided by Benevity.