

## ENVIRONMENTAL POLICY

Kukri sees the change to our environment as the number one challenge facing all leaders and organisations today. Our environmental policy has been created to reflect our values and ongoing commitment to change. Reducing the impact on our planet as well as continuing to care for all those who manufacture and wear our product around the world is our commitment. We continue to drive ongoing initiatives across the business to achieve our key goals.

Kukri is committed to leading the bespoke sportswear industry in minimising the impact of its activities on the environment. We have established the base year of our Scope, 1, 2 & 3 GHG emissions resulting from the energy consumption at our facilities and our business transport activities by submitting to assessment from 1st February 2022 to 31st January 2023. The total location-based carbon footprint for Kukri GB Ltd for the period is 852.27 tons CO<sub>2</sub>e, and the market-based total is 865.20 tons CO<sub>2</sub>e.

Scope	GHG Protocol Emission Category	Emission Source	Location-Based (tCO <sub>2</sub> e)	Market-Based (tCO <sub>2</sub> e)
1	On-site fuel use	Natural Gas	11.17	11.17
1	Company owned vehicles	Company vehicles	2.97	2.97
1	<b>Scope 1 Total</b>		<b>14.13</b>	<b>14.13</b>
2	On-site Consumption of purchased electricity, heat steam and cooling	Electricity	18.04	30.97
2	<b>Scope 2 Total</b>		<b>18.04</b>	<b>30.97</b>
3.1	1. Purchased goods and services	Paper	0.54	0.54
		Water	0.09	0.09
3.2	2. Capital goods	Computing	3.21	3.21
3.3	3. Fuel- and energy related activities (not included in scope 1 or scope 2)	Scopes 1 and 2 WTT	6.92	6.92
		Transmission & Distribution	2.04	2.04
3.4	4. Upstream transportation and distribution	Upstream air freight	482.71	482.71
		Upstream sea freight	33.23	33.23
		Upstream lorry freight	29.08	29.08
3.5	5. Waste generated in operation	Waste	10.73	10.73
		Wastewater	0.17	0.17
3.6	6. Business travel (not included in scope 1 or scope 2)	Grey Fleet (employee-owned vehicles)	37.58	37.58
		Flights	4.77	4.77
		Hotel Stays	1.48	1.48
3.7	7. Employee commuting	Commuting	113.21	113.21
		Home-working	0.62	0.62
3.9	9. Downstream transportation and distribution	Downstream air freight	66.41	66.41
		DPD outsourced	26.01	26.01
		RM outsourced	1.28	1.28
		Downstream UK & IRE Pallet	0.01	0.01
3	<b>Scope 3 Total</b>		<b>820.10</b>	<b>820.10</b>
All	<b>Tonnes of CO<sub>2</sub>e</b>		<b>852.27</b>	<b>865.20</b>
All	<b>Tonnes of CO<sub>2</sub>e per employee</b>		<b>17.05</b>	<b>17.30</b>
All	<b>Tonnes of CO<sub>2</sub>e per £ million turnover</b>		<b>79.65</b>	<b>80.86</b>

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We aim to achieve climate neutrality in our operations for scope 1 and 2 emissions by 2035 and have also set a short-term reduction target for scope 3 emissions of -30% compared to base year by 2035.

In view of this we have instigated some initiatives targeting:

- A 30% improvement in energy efficiency across heating, cooling, and ventilation equipment.
- Usage of farms which utilise targeted spreading in cotton cultivation to reduce fertiliser and pesticide use by up to 40%. Fertilisers are a significant source of nitrogen whilst pesticides emit carbon during the manufacturing process.
- Technology improvements within machinery targeting a 20% improvement in energy efficiency. Particularly improvements in sewing machines via new technology and equipment upgrades.
- Our policy is to ship into the UK via Sea Freight, only utilising Air Freight when absolutely necessary. In the financial year to the end of January 2023, 76.5% of garments shipped to the UK were brought in utilising sea freight with a target to achieve 90% of transport via sea freight by 2030 against the industry norm 73%.

The Kukri Initiative has been created around five key incentives:

Reuse – Using recycled materials, where possible, from packaging to fibres.

Reduce – Reducing our waste & impact on the planet.

Recycle – Recycling our products, otherwise heading for landfill.

Responsible – Maintain high ethical standards throughout the business and around the world.

Review – Regularly review our goals and challenge ourselves as a business to be as sustainable as possible.

Some targets in relation to these incentives include:

Reuse - Kukri have developed an expanding range of polyester fabrics; these innovative fabrics are knitted using recycled fibres from items which may otherwise have gone to landfill such as plastic bottles and discarded packaging. This results in fabrics which retain the performance and durability of a man-made fibre without the environmental impact of virgin plastics. We develop new products using recycled polyester, organic cotton, or a mix of the two fabrics and are committed to 50% of our garments being made from recycled fabrics by 2026.

Reduce – We aim to keep the amount of packing that we use for our products to a minimum and avoid unnecessary waste. In instances where plastic bags are required, we aim to reduce the amount that results in landfill waste and in 2023 switched all our packaging to be 100% Recycled and 100% Recyclable.

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Recycle - We anticipate additional regulatory measures such as 'Extended Producer Responsibility', whereby brand owners and manufacturers are required to take on additional responsibility for the recycling or disposal of end-of-life products and packaging. We are committed to a circular economy model to ensure the minimisation and eradication of landfill waste across all our business and partner with Avena Environmental, who are experts in secure textile recycling. Garments collected are sustainably recycled and an environmental impact statement issued.

This policy has been approved by the board for the financial year to the end of January 2025 and will be reviewed annually.



Andrew Ronnie  
Group Chief Executive Officer