

# Independent Assurance statement to the Directors of Burberry Group PLC

## Scope

We have been engaged by Burberry Group Plc to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Burberry Group Plc's Task Force on Climate-related Financial Disclosures (TCFD) (the "Subject Matter") contained in Burberry Group Plc's (the "Company's") Annual Report and Accounts for the year ended 30<sup>th</sup> March 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

In preparing the Task Force on Climate-related Financial Disclosures (TCFD), Burberry Group PLC applied the following criteria:

- TCFD 2021 Annex: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021)
- TCFD Technical Supplement entitled "The Use of Scenario Analysis in Disclosure of Climate Related Risks and Opportunities" (June 2017)
- The TCFD Fundamental Principles for Effective Disclosures.
  - Disclosures should represent relevant information
  - Disclosures should be specific and complete
  - Disclosures should be clear, balanced and understandable
  - Disclosures should be consistent over time
  - Disclosures should be comparable among companies within a sector, industry or portfolio
  - Disclosures should be reliable, verifiable and objective
  - Disclosures should be provided on a timely basis.

## Burberry Group PLC's responsibilities

Burberry Group PLC's management is responsible for selecting the Criteria, and for presenting the TCFD disclosures in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Management is responsible for preparing the climate related scenario analysis which is subject to inherent uncertainties given incomplete and evolving scientific and socio-economic knowledge about the possible impact, timing, and likelihood of physical and transition climate-related risks.

## **EY's responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with Burberry Group PLC on 26<sup>th</sup> March 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

With the exception of the procedures listed below, EY did not undertake assurance procedures in relation to the forward-looking assessment of physical and transition climate risks, or the non-financial key performance indicators included in or referenced within the Report.

## **Our Independence and Quality Control**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or

performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the TCFD disclosures and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Interviewed key personnel within the organisation to understand the reporting process, including management's processes to identify Burberry's material climate-related risks and opportunities.
2. Evaluated the suitability of the Criteria used to prepare the TCFD disclosures and evaluated whether the reporting Criteria have been applied appropriately in relation to TCFD disclosures.
3. Performed walkthroughs informed by analytical procedures to gain an understanding of the approach to Burberry's scenario analysis considering the capability of the external specialists who performed the scenario analysis, Burberry's inputs, key assumptions, and consistency with the principles and documents specified in the Criteria.
4. Considered the Report to understand how Burberry's identified material climate related risks and opportunities are reflected in the qualitative disclosures and for consistency of the Subject Matter with the Criteria.
5. For the non-financial KPIs (Scope 1, 2 and 3 GHG emission KPIs) within the TCFD disclosure, liaised with Burberry's non-financial assurance provider to understand the procedures performed under their assurance engagement.
6. On a sample basis, based on professional judgement, checked statements within the disclosures to source information to support the accuracy and reasonableness of these claims. The sample of statements was taken from across the Governance, Strategy, Risk Management and Metrics & Targets sections of the TCFD disclosure. Refer to Appendix 1 of this Assurance Statement for the statements subject to our assurance procedures.
7. Considered the Report for the appropriate presentation of assumptions and cross references to other parts of the Annual Report and Accounts.

## Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Company's TCFD disclosures for the year ended 30<sup>th</sup> March 2024 in order for it to be in accordance with the Criteria.

## Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any persons other than the Company, or for any purpose other than that for which it was prepared.

Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

Ernst & Young LLP  
14 May 2024  
London

## **Appendix 1: Selected statements within the Reports, forming part of the Subject Matter**

We list the selected statements, with the words underlined, that have been subject to the procedures described in step 6 of the procedures performed within our Assurance Statement.

Where the statements selected contain quantitative information, our procedures performed were the review of supporting evidence to assess whether the statements are fairly stated. Our procedures did not assess the completeness and accuracy of the underlying data.

Statements within the Burberry TCFD Disclosures	
1.	<u>Since 2016, we have reduced our market-based scope 1 and 2 emissions by 93%, maintaining our commitment to consume 100% of our electricity from renewable sources. In addition, we have reduced our scope 3 emissions by 45.9%^ since our FY 2018/19 base year, against which we are measured for our 2030 and 2040 science-based targets.</u>
2.	<u>The governance framework of committees and advisory forums provide updates and key information to the Board to ensure it can make informed decisions.</u>
3.	<u>During FY 2023/24, the Board received two updates from the Sustainability Committee, which included progress against the Company's sustainability-related goals and targets.</u>
4.	<u>Burberry seeks to ensure that our Board and senior leadership have the relevant knowledge and skills to help us build a business that is both successful and responsible. Details on the sustainability skills and experience of these Board members is included in the Board Leadership and Company Purpose section.</u>
5.	<u>Team members involved in the execution of the Burberry Beyond strategy participate in external training courses and educational events, including the Accounting for Sustainability Academy, to keep abreast of relevant climate- and nature-related topics. We also educate employees on various sustainability-related issues through frequent engagement, focused events, strategic communications and volunteering opportunities.</u>
6.	<u>In FY 2023/24, 25% of the annual bonus for Executive Directors was once again linked to performance against strategic objectives linked to our strategy and brand as well as our environmental and social targets.</u>
7.	<u>In FY 2023/24 we began linking a proportion of our annual corporate bonus plan for the wider workforce to the achievement of sustainability metrics in our Product and Planet pillars.</u>
8.	<u>Typically, three years is used for our financial and operational planning, as this is sufficient to cover almost all approved capital expenditure projects, and most current business development projects will be completed in the three-year period. Our viability assessment is also aligned to this time period, with going concern typically considered over 18 months.</u>
9.	<u>Our Incident Management teams were convened to respond to weather-related events in FY 2023/24</u>
10.	<u>The remuneration of our Executive Directors is partly linked to our progress in building a more sustainable future, including progress towards our Group climate goals, via the annual bonus plan and a sustainability underpin in the Burberry Share Plan (BSP).</u>
11.	<u>Our £300 million Revolving Credit Facility (RCF) is linked to our scope 3 GHG emissions reduction target</u>

12.	<u>In FY 2023/24, the Product Sustainability business partners delivered sustainability training to over 300 colleagues involved in the key stages of product development and raw material sourcing processes to accelerate the uptake of our responsible raw materials sourcing principles</u>
13.	<u>Our Sustainability Principles provide our Marketing teams, Production teams and external partners with a mandatory and comprehensive guide to reducing the overall impact of marketing activity, events, visual merchandising and gifting.</u>
14.	<u>In March 2024, we released the Burberry Classics collection, a core commercial range where all ready-to-wear clothing in the Summer 2024 collection has a main material which is responsibly sourced (at least 70% organic or 50% recycled content).</u>
15.	<u>We continue to evolve our aftercare offer and trial new circular business models.</u>
16.	<u>We are currently working to replace gas boilers at our UK internal manufacturing sites with more efficient electric boilers.</u>
17.	<u>Improved building efficiency through obtaining LEED Gold certification in 32 additional stores and BREEAM Excellent certification at our flagship Bond Street store</u>
18.	<u>Solar panels have been installed at our headquarters in London and our distribution sites in Italy and the USA.</u>
19.	<u>We continued our rental partnership with My Wardrobe HQ in the UK, through which members can rent Burberry outerwear, ready-to-wear, bags and accessories. We also continued our trial with Cocoon, a luxury bag subscription service in the UK.</u>
20.	<u>Climate change has been identified as a principal risk to Burberry see page 86 and has the potential to impact our business in the short, medium and long term as detailed in the 'Strategy' section..</u>
21.	<u>The overarching approach to identifying climate-related risks is the same as for all principal risks and is described on pages 83 to 90. Additionally for climate-related risks, we have undertaken qualitative scenario analysis since FY 2018/19 and a quantitative scenario analysis since FY 2019/20 to support our identification and understanding of such risks..</u>
22.	<u>We targeted the use of 100% renewable electricity across our operational footprint by end of FY 2021/22. This target has been achieved and maintained.</u>
23.	<u>Our Sustainability Bond proceeds are allocated across three categories outlined in the Framework as Eligibility Criteria:</u> <ul style="list-style-type: none"> <li>• <u>Green buildings</u></li> <li>• <u>Environmentally sustainable management of living natural resources and land use</u></li> <li>• <u>Pollution prevention and control (including waste prevention, waste reduction and waste recycling)</u></li> </ul>
24.	<u>The proceeds of the £300m Sustainability Bond have been fully allocated across the three categories outlined in the Framework.</u>