BY APPOINTMENT TO
HM QUEEN ELIZABETH II
WEATHERPROOFERS
BURBERRY LIMITED LONDON

BY APPOINTMENT TO
HRH THE PRINCE OF WALES
OUTFITTERS
BURBERRY LIMITED LONDON

Annual Report 2023/24

BURBERRY

MODERN BRITISH LUXURY

Burberry is a British luxury brand headquartered in London with a longstanding commitment to quality, innovation, creativity and responsible business.

Our brand is built on the principles of Thomas Burberry, who founded the Company in 1856. With his invention of gabardine in 1879, Thomas revolutionised outerwear and opened opportunities for adventurers to explore new spaces.

We continue that legacy today as we focus on bringing our vision of Modern British Luxury to life.

Photograph by Lord Lichfield

Strategic Report

Corporate Governance Statement

Financial Statements

For further information, visit Burberryplc.com

STRONG PROGRESS TO ACHIEVE OUR AMBITIONS

Dear Shareholder,

It has been a challenging year. Since our CEO Jonathan Akeroyd laid out his strategy to realise Burberry's potential as the Modern British Luxury brand, there has been a slowdown in luxury demand globally that has impacted our FY 2023/24 financial results and made it harder to achieve our ambitions as quickly as we would have liked.

Jonathan sets out in the following pages the progress made in FY 2023/24 and his plans to adapt and evolve Burberry's creative expression, collections and customer experience to reflect market conditions and our own recent learnings. The Board remains confident that Burberry's strategic direction is right and that Jonathan and our executive team have the talent, energy and plans in place to deliver Modern British Luxury for all of our stakeholders.

Governance and Board matters

In the context of a more challenging macroeconomic environment the Board is mindful, more than ever, of the need to operate within a robust governance framework. During the year, I have spoken to investors on a variety of topics, including strategy, capital allocation, board composition and environmental and social matters. We have concentrated on improving our governance disclosures within this Annual Report and I look forward to continued engagement with shareholders in the coming year.

There have been a number of Board changes during FY 2023/24. On behalf of the Board, I would like to thank Matthew Key, who retired from the Board on 12 July 2023, for his service to Burberry, including as Audit Committee Chair. We welcomed Kate Ferry, who joined the Board as Chief Financial Officer on 17 July 2023. Kate joined us from McLaren Group where, as Chief Financial Officer, she oversaw financial strategy and investor relations.

It was also my pleasure to welcome Alessandra Cozzani who joined the Board as an independent Non-Executive Director on 1 September 2023. Alessandra previously served as Chief Financial Officer of Prada Group SpA and her financial and luxury fashion expertise make her a valued addition to our Board. Further information on Board recruitment and the induction processes for Kate and Alessandra is provided in the Nomination Committee Report on pages 113 to 117.

Finally, Debra Lee will retire as a Non-Executive Director following the 2024 Annual General Meeting (AGM). Since joining the Board in October 2019, Debra's insights and wise counsel have helped influence how we do business. On behalf of the Board, I thank her for her valuable contribution to Burberry.

Shareholder returns

During FY 2023/24, we undertook a £400 million share buyback programme and paid dividends of £233 million.

In accordance with our established Capital Allocation Framework and progressive dividend policy, the Directors are pleased to recommend a final dividend of 42.7p per ordinary share, making the full year dividend 61.0p, subject to approval at the 2024 AGM. This is consistent with FY 2022/23, representing a pay-out ratio of 83%, and reflects the Board's continued confidence in Burberry's future growth, notwithstanding current trading challenges.

> "The Board remains confident that Burberry's strategic direction is right and that Jonathan and our executive team have the talent, energy and plans in place to deliver Modern British Luxury for all of our stakeholders."

Looking ahead

As custodians of this extraordinary 168-year-old British brand, we are committed to continuing to build on our founder Thomas Burberry's legacy. We are harnessing creativity to drive responsible growth so that future generations can look back and be proud of the steps we are taking to drive long-term sustainable value, while making a positive contribution to our people, our communities and our planet. Further information on our Burberry Beyond sustainability strategy can be found on pages 35 to 62.

With a shared vision of what it means to be the Modern British Luxury brand, our colleagues across the world are building a rich and exciting future for Burberry. I would like to thank them for their passion and commitment over the past year. I would also like to thank the Board and our shareholders for their continued support.

Gerry Murphy
Chair

DELIVERING THE TRANSITION TO MODERN BRITISH LUXURY

"I am confident in our ability to successfully navigate this period and continue to leverage the unique attributes that make Burberry special to achieve our growth ambition."

Dear Shareholder,

Over the past year, we have focused on executing our plan to realise Burberry's potential as the Modern British Luxury brand. While the progress we have made on our journey is not yet reflected in our results, which underperformed our original expectations for FY 2023/24, we have made advances, starting with the launch of our new creative expression and building to the delivery of Daniel Lee's first collections.

Since September, we have seen a slowdown in luxury demand globally. We are adapting to the additional challenges that this presents while in a creative transition. I am confident in our ability to successfully navigate this period and continue to leverage the unique attributes that make Burberry special to achieve our growth ambition.

FY 2023/24 performance

In terms of our financial performance in FY 2023/24:

- Revenue was £2.97 billion, flat at constant exchange rates (CER) and down 4% on a reported basis
- Adjusted operating profit was £418 million, down 25% at CER
- Reported operating profit was £418 million, down 36%
- Adjusted diluted earnings per share (EPS) was 73.9p, down 30% at CER
- Reported diluted EPS was 73.9p, down 41%

Regionally, Europe, Middle East, India and Africa (EMEIA) and Asia Pacific grew in the full year at CER, while the Americas continued to underperform. Tourism supported growth in Europe, Japan and Southeast Asia, led by customers from Mainland China.

A new creative expression

We have a clear strategy to achieve our vision across brand, product and distribution, supported by operational excellence, people and talent, values and sustainability. In the past 12 months, we have made advances in each of these areas. Our brand is more focused, our offer is more elevated and we have continued to strengthen our distribution, while delivering operational improvements.

As we implement our strategy, we can see how customers are responding to our new creative expression and importantly where the opportunities are. We are using what we have learned to fine-tune our approach, while adapting to the external environment.

Our British heritage is a position of strength and we are leveraging and reinterpreting this to give a more contemporary, modern feel to our storytelling. Focusing on what makes us unique is helping to clarify what we stand for in the minds of consumers. At the same time, we have amplified our messaging through high-visibility activations, such as our takeover of Harrods, which have driven awareness and consideration among luxury consumers.

While we have received positive feedback from fashion insiders about our new creative expression, we recognise the power of the timeless, classic attributes that Burberry is known for and we are refining our storytelling so it incorporates more of these elements. We are also shifting the emphasis of our communications to place more focus on building desirability around our key categories. This is important not only in areas of strength, such as outerwear and softs, which outperformed in the year, but also in categories for which we are less well known, such as bags and shoes and where we see significant opportunities for expansion.

"We have a clear strategy to achieve our vision across brand, product and distribution, supported by operational excellence, people and talent, values and sustainability. In the past 12 months, we have made advances in each of these areas."

Evolving our collections

Since Daniel's debut collection, which landed in stores in September, we have started to evolve our collections. Our seasonal fashion offer is now more elevated and relevant, and this is resonating with our top clients. We will build on this with our Winter 2024 collection, celebrating outerwear.

In parallel, we have begun to refresh our core offer with Burberry Classics, released in March. With this collection, we have animated the Burberry Check in new colourways across an edit of essential wardrobe pieces that include items made with at least 50% organic or recycled materials. The initial response from customers has been very encouraging and we are excited about the opportunity here.

As Daniel grows in the role of Chief Creative Officer, we will continue to build a more balanced offer between seasonal fashion and core collections, which are particularly important in the current market environment. We will also continue to expand our offer across categories so we can provide our clients with a full range of wardrobe staples.

We have invested significantly in the quality of our offer and in the choice of materials we are using, particularly in leather goods. Our assortment of handbags is much more elevated than before with new image-driving shapes, such as the Knight and Rocking Horse, which complement our existing core offer. Building credibility in this area will take time, as it will in shoes where we have started to establish a new, broader range. I remain excited about our plans for both categories and convinced of the opportunity.

Elevating the customer experience

Burberry has a well-established retail network in high-visibility locations that we have continued to strengthen over the year, including a new store on Avenue Montaigne in Paris and our newly refurbished store in Ocean Centre in Hong Kong S.A.R., China. The majority of our stores are now new or refurbished and continue to perform ahead of comparable stores in terms of productivity. We will continue to roll out our programme this year, while increasing control of distribution in EMEIA to ensure it reflects our elevated positioning.

E-commerce has been impacted by changes in consumer behaviour, which have been widely reported across the sector. We continue to believe that digital is an important part of the omnichannel journey and as such we are investing in elevating the shopping experience on Burberry.com and in tools to support our client advisors with remote selling.

Enabling delivery

Operational excellence remains key. Over the past year, we have reconfigured our supply chain to deliver our new elevated offer. We have also strengthened our internal manufacturing capabilities with the acquisition and integration of a product development business from one of our longstanding technical outerwear partners. We will continue to focus on delivering process and technology improvements to support the business.

I am proud that we have also continued to advance our sustainability agenda this year, particularly in the areas of responsible sourcing, circular business models, net zero and inspiring young people. We are fully committed to building on our momentum in this area in FY 2024/25.

Looking ahead

As we reflect on the past 12 months and look to the year ahead, I would like to take this opportunity to thank my Burberry colleagues for their continued passion and commitment. I also want to thank our Burberry Board members for their support. A huge amount of work has gone into operationalising our strategy over the past year. We are fortunate to have such a strong and complementary team.

In the context of a still uncertain external environment, we expect the first half of FY 2024/25 to remain challenging and the benefit of the actions we are taking to start coming through from the second half. We remain confident in our strategy and clear about our priorities, and we will continue to focus on execution while staying agile.

Burberry remains an extraordinary brand and business with a unique position within the UK and the luxury industry globally. We are committed to seizing the opportunities that lie ahead to realise our potential as the Modern British Luxury brand.

Jonathan Akeroyd
Chief Executive Officer

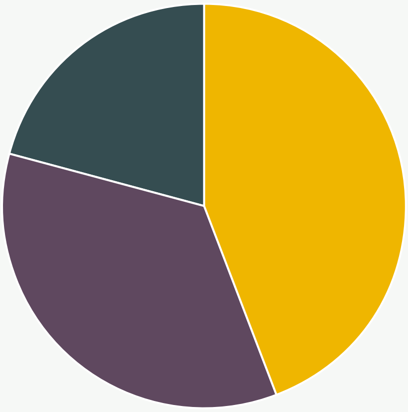
FY 2023/24 HIGHLIGHTS

Total revenue

£2,968m

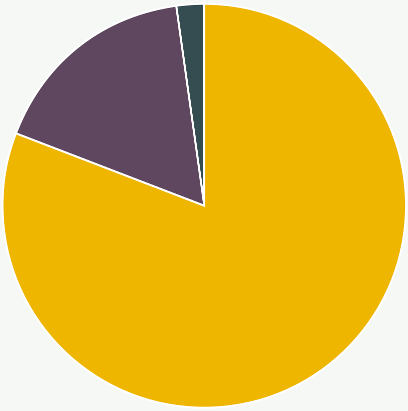
(FY 2022/23: £3,094m)

Revenue by region (£m)



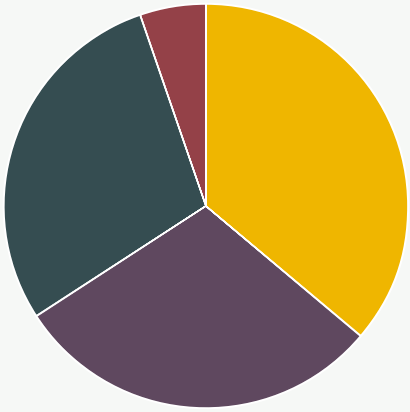
	2023/24 £m	2022/23 £m
Asia Pacific 239 stores	**1,286**	1,297
EMEIA 100 stores	**1,017**	1,004
Americas 83 stores	**603**	743

Revenue by channel (£m)



	2023/24 £m	2022/23 £m
Retail	**2,400**	2,501
Wholesale	**506**	543
Licensing	**62**	50

Revenue by product (£m)



	2023/24 £m	2022/23 £m
Accessories	**1,055**	1,125
Womenswear	**860**	867
Menswear	**842**	868
Childrenswear and other	**149**	184

Adjusted operating profit

£418m

(2022/23: £634m)

Operating profit

£418m

(2022/23: £657m)

Adjusted diluted EPS

73.9p

(2022/23: 122.5p)

Diluted EPS

73.9p

(2022/23: 126.3p)

Dividend per share

61.0p

(2022/23: 61.0p)

Cash (net of overdrafts)*

£362m

(2022/23: £961m)

* The Group also had borrowings at 30 March 2024 of £299m (1 April 2023: £298m).

9,336

Colleagues

45.9^%

Reduction in scope 3 emissions from a FY 2018/19 base year

55^%

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

422

Directly operated stores

219,377

People positively impacted in FY 2023/24 through community programmes supported by Burberry Group plc and The Burberry Foundation

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Synonymous with British style, the Burberry Heritage Trench Coat has been a wardrobe staple for over a century and is a global fashion icon.

INSPIRED BY HERITAGE, EMBRACING MODERNITY

Explore more online

With his invention of gabardine, Thomas Burberry raised the bar for performance outerwear. Weather resistant and breathable, the fabric opened opportunities for everyone from city dwellers to Arctic adventurers to explore the outdoors.

A quintessentially British take on outerwear, the Burberry Heritage Trench Coat is a global fashion icon and emblematic of Burberry's positioning as the Modern British Luxury brand. Classic styles are regularly reworked and reinterpreted, reflecting the inspiration we derive from our heritage.

Discover...

Our refocused brand storytelling

Page 19

Our elevated aesthetic across product categories

Page 20

Our strengthened distribution network

Page 21

We are proud of our British manufacturing heritage. Our products are designed with a focus on using certified and responsibly sourced materials.

BRITISH DESIGN, RESPONSIBLE CRAFTSMANSHIP

Explore more online

Target for

100%

of key raw materials in our products to be certified or responsibly sourced by FY 2029/30 (as defined in our Sustainable Raw Materials Portfolio)

We are proud to continue our founder's legacy of championing British craft and production, and are focused on manufacturing excellence.

We make products at Burberry-owned sites in the UK and Italy, as well as in collaboration with a network of global suppliers.

Over the last six years, we have also acquired two businesses from longstanding suppliers to enhance our in-house capabilities in leather goods and technical outerwear. This allows us even greater control over the quality, delivery and sustainability of our products.

Discover...

Our commitment to responsible craftsmanship

Page 37

How we are embedding circular business models

Page 38

Our pledge to reach Net Zero by 2040

Page 42

As a responsible business, we are committed to delivering sustainable long-term value while playing a positive role in society.

CREATIVELY DRIVEN, POSITIVE IMPACT

Explore more online

Throughout its history, Burberry has been inextricably linked to exploration of the great outdoors. The environment continues to be our inspiration today, and we are playing our part in protecting it for future generations by factoring sustainability considerations into our business decisions.

We uphold Thomas Burberry's values by fostering creativity and championing British artists and cultural institutions. His altruistic legacy inspires the work of The Burberry Foundation and our Burberry Inspire youth empowerment programme.

Target to positively impact

500,000

people between FY 2022/23 and FY 2025/26, particularly young people hailing from underserved communities

Discover...

How we are evolving our culture

Page 49

How Burberry Inspire is helping young people to build brighter futures

Page 59

Spark, Burberry's volunteering and fundraising platform

Page 61

OUR BUSINESS MODEL

Inspired by the principles of our founder, Thomas Burberry, our purpose and values play an important role in framing our business model and guiding how we operate.

Our purpose

We believe that Creativity Opens Spaces. The choices we make as a Company and our long-term goals are shaped by our desire to harness creativity to open new opportunities and effect change.

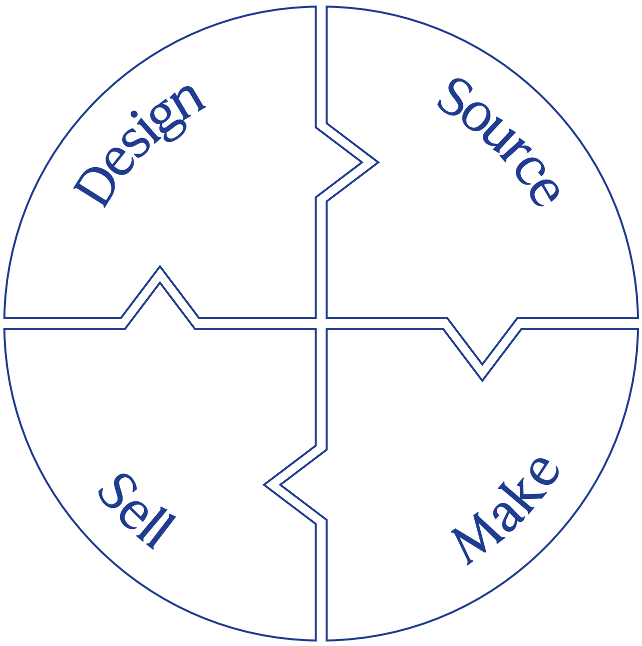
Our values

Our purpose is supported by four values which encompass what we expect from ourselves and each other. We are creatively driven, forward thinking, open and caring, and proud of our heritage.

Our business model is rooted in British craftsmanship

We combine traditional craftsmanship and innovative manufacturing techniques to create desirable products. Our design teams are based in London, where we are headquartered. We weave gabardine and make our Heritage Trench Coats at our mill and factory in Yorkshire, UK. Our classic Burberry Check cashmere scarves are made in Scotland. We operate wholly-owned leather goods and technical outerwear centres of excellence in Italy, and we work with a network of global suppliers.

We design products which are elevated by our house codes. Our teams collaborate to innovate and deliver on our common goals so that we continually inspire and delight our customers.



We work to responsibly source materials of the highest quality to make products that will stand the test of time. When making business decisions, we consider environmental impacts and the wellbeing of everyone in our value chain, from our people to our communities.

We sell our products through our network of directly operated and franchised stores, online and via wholesale channels.
In special categories we work with licensing partners to benefit from their product and distribution expertise.

We continue our founder's legacy of championing British craft and production. We manufacture our luxury products at Burberry-owned sites in the UK and Italy, and in partnership with a network of global suppliers.

Our heritage and our future are inspired by the natural world

Outfitting adventurers for a variety of experiences, climates and terrains is core to the Burberry story. Thomas Burberry's invention of gabardine revolutionised outerwear and opened opportunities for people to explore far-flung destinations as well as closer-to-home rural and urban spaces. We continue Thomas Burberry's pioneering legacy today.

Purpose-driven people are key to our performance

We are an open and inclusive employer. We are guided by our purpose and values. Our people's diversity of skills, backgrounds and life experiences drive innovation within our business. We are proud that our colleagues represent 132 nationalities across 33 countries and territories.

We deliver value for all stakeholders while playing a positive role in society

Burberry represents Modern British Luxury to the world. We do this by designing and manufacturing beautiful products, engaging our customers, challenging ourselves to be creative and continuing to be a sustainable and responsible business. We listen to our stakeholders and innovate to create value for them.

Customers

We create unique and engaging opportunities for our customers to explore the world of Burberry and discover our products. We build and reinforce connections with our brand through memorable experiences in-store and online.

Shareholders

We aim to create sustainable long-term value for our shareholders. We allocate capital by reinvesting for organic growth, paying dividends through a progressive policy, allocating capital to strategic inorganic investments, and delivering additional returns to shareholders. For more information see our Capital Allocation Framework on page 29.

People

Our people are our greatest asset and we strive to provide a rich and rewarding colleague experience. We aim to create workplaces where our people can express their creativity and feel a sense of belonging. We seek to protect and enhance the lives of those in our supply chain, while respecting and upholding human rights across our value chain.

Communities

We are committed to supporting local communities where we operate, with a particular focus on assisting young people through the work of The Burberry Foundation. Our global youth empowerment programme, Burberry Inspire, works in partnership with local youth-focused organisations to create opportunities for young people by unlocking their creativity and amplifying their voices.

Environment

Under the banner of our Burberry Beyond strategy, we have set ambitious science-based targets to reach Net Zero by 2040. We are working to reduce our impact on the environment and protect nature. Concurrently, we are building resilience to environmental and social risks to ensure the long-term success of our business.

THE GLOBAL LUXURY MARKET IN 2023

Burberry operates within the global personal luxury market, with a presence in over 140 countries and territories[1] around the world.

Below is an analysis of recent global market trends and performance for the year ending 31 December 2023.

The global personal luxury market reached €362 billion in 2023, representing year-on-year growth of 8% at constant exchange rates, and a deceleration from 15% growth in 2022. Growth rates varied by region, with a slowdown occurring globally in the second half of the year.

Asia

Mainland China's personal luxury goods market grew by 9% in 2023[2]. Japan was the fastest growing region in Asia at 17%. This growth was attributed to the recovery of Chinese tourism following severe disruption during the COVID-19 pandemic, as well as a weakened yen. Excluding Mainland China and Japan, the rest of Asia grew by 8% compared to the previous year. This can be attributed to tourism from Mainland China, from which Hong Kong S.A.R., China, and Macau S.A.R., China, benefited most. Southeast Asia, particularly hubs such as Thailand, saw equally strong growth. Conversely, South Korea showed a weakened performance due to macroeconomic challenges and adverse tourism flows.

Americas

In the Americas, the luxury market declined by 8% compared to 2022. The decrease, which followed a strong performance to the prior year, was primarily linked to cautious spending behaviour locally amid an uncertain macro-environment. Factors such as inflation and the depletion of pandemic savings, exemplified by the end of COVID-19 USA government stimulus check payments, played a significant role. While these factors notably affected aspirational shoppers, the top customer group remained resilient but directed their spending outside the Americas.

Europe (including the UK) and the Middle East

Europe's luxury market recorded 7% growth compared to 2022. Growth surged in the first half, propelled by a strong increase in tourism across countries and territories, with tourism-linked luxury spending, largely driven by American travellers, surpassing pre-pandemic levels. The region faced a progressive slowdown in the second half of the year, driven by a softening in local consumer spending as a result of challenging macroeconomic conditions. The UK continued to be impacted by the withdrawal of tax-free shopping and tourists diverting spending elsewhere. The Middle East registered strong growth, driven by Dubai and the growing relevance of Saudi Arabia as a destination for luxury tourism expenditure.

Product categories

Across the luxury market, all product categories recorded low- to mid-single-digit growth in 2023, slowing significantly from the previous year's double-digit growth rate. Apparel grew 5% to 6%. Leather goods grew by 3% to 4%, largely driven by price increases. Shoes grew 2% to 3%, impacted by the category's reliance on aspirational shoppers.

Channels and distribution

Following a robust performance in 2022, monobrand retail stores sustained growth of 11% in 2023, while online channel sales fell by 5%. This was driven by growing customer desire for in-store experiences, increasing tourism across regions, and a decline in spending by aspirational consumers who have a greater tendency to shop luxury online and to be affected by macroeconomic uncertainty. Wholesale continued to lose market penetration in 2023 as a result of consumers' increasing preference for direct-to-consumer channels.

1. Refers to number of countries and territories in which Burberry has a store presence or ships to directly and via partners.
2. All growth rates reported at current exchange rates, unless stated otherwise.

Source: Bain Altagamma Luxury Goods Worldwide Market Study, Fall 2023.

Key trends

The personal luxury market's performance was supported by tourism spending, strong generational trends and resilient demand from the top customer group. It was also bolstered by solid fundamentals, such as continued product elevation and luxury brands' power to inspire and engage customers. The following key themes impacted the industry in 2023:

Multi-generational demand and prioritisation of high-spending customers

The personal luxury market customer base continued to expand across generations, spend levels and geographies. Demographically, Gen Y (born between 1981 and 1996) drove 45% of spending in 2023 and is projected to remain dominant, while Gen Z (born between 1997 and 2012) held a 20% share and is expected to grow rapidly to become the second largest segment by 2030. Gen Z's demand for impact and purpose exceeds Gen Y's pursuit of experiences and emotional connections. By income bracket, high-spending customers are increasingly taking share of the market, driven by the high-net-worth and ultra-high-net-worth population continuing to expand its wealth. Acknowledging this trend, brands are embracing multi-generational segmentation, as well as having focused client strategies to appeal to high-spending customers.

Brand marketing with a new influencer playbook

In response to rising performance marketing costs and data policies around customer targeting, brands are working to build deeper emotional connections with their customers. To increase engagement, they are leveraging the personalities behind their brands; telling stories that evoke their brand values; investing in experiences; and collaborating with celebrities and influencers.

Brands are forging deeper relationships with more authentic content creators and leveraging short videos on social media as customers, particularly Gen Z, seek relatable and entertaining content beyond the product offer. In doing so, brands are increasingly willing to relinquish a degree of creative control.

Price elevation alongside refined value proposition

The personal luxury market saw continued price elevation across categories at both the entry and top end of the range, while volumes also contracted. Brands are revisiting their value propositions to cover the positioning gap and broadening their offers to ensure they have compelling entry-price products. Having a tailored pricing approach will be key for brands serving aspirational clientele, while also targeting the top customer group, particularly as volume growth is set to weaken further.

Increasing urgency around sustainability and faster pace of transformation

Brands continued to make progress in their sustainability agendas. New regulations are coming into force spanning the whole value chain, from sourcing and production to traceability and end-of-life waste. Simultaneously, customers are demanding more sustainable products. Addressing these needs requires a shift towards greater supply chain transparency and due diligence, the use of more sustainable materials, and embedding sustainability targets across businesses.

How Burberry is responding

In response to key market trends, Burberry is focused on:

- Enhancing desirability and deepening our connection with our customers
- Building out our product offer, ensuring balance between seasonal and core collections
- Improving the retail store experience and focusing on conversion, while elevating online
- Improving operational delivery and driving efficiencies
- Progressing our responsibility commitments through Burberry Beyond





For more information see Our Strategy and Business Update sections on pages 18 to 21.

Source: McKinsey State of Fashion 2024.

OUR STRATEGY

Our vision is to realise Burberry's potential as the Modern British Luxury brand. We have a clear strategy to achieve this across brand, product and distribution, supported by operational excellence, people and talent, and values and sustainability.

Modern British Luxury

Harness the power of our brand

Bring all product categories to full potential

Strengthen distribution

Operations

Operational excellence

People and talent

Values and sustainability

Our ambition is to grow annual revenue to £4 billion. Underpinning this, we have set targets to double our leather goods sales, more than double shoe sales, double women's ready-to-wear and grow outerwear by 1.5 times. We also aim to improve store productivity to £25,000 per square metre per annum, and double e-commerce sales, to reach ~15% retail penetration.

BUSINESS UPDATE

Brand

Following the launch of our new creative expression in February 2023, we have focused on leveraging our Britishness and reinterpreting our heritage to give our storytelling a more contemporary, modern feel.

Bringing to life our first end-to-end expression of Modern British Luxury, our Winter 2023 campaign celebrated our connection to the outdoors with a multicultural portrait of the British Isles. Captured by Tyrone Lebon, imagery incorporated a distinctive visual language and featured new and established house codes.

At the same time, we amplified our messaging and drove awareness and consideration through high-visibility activations in key cities, including New York, Shanghai, Seoul and London. Our series of city takeovers, Burberry Streets, celebrated the arrival of our Winter 2023 collection in stores and online with an urban twist.

During the year, we have focused on what makes Burberry unique, reinforcing our connection with Britishness and our heritage of the outdoors. We held our Summer 2024 show in a tent in Highbury Fields during London Fashion Week in September 2023. The event helped amplify our brand visibility and received positive press responses as well as good customer engagement. Our Spring 2024 campaign focused on discovering London's urban landscape, underscoring our deep connection with the city.

We explored Burberry's connection with craftsmanship and nature with our Winter 2024 show, which was held at London's Victoria Park. The show told a cohesive story celebrating outerwear, and was very well attended by some of the most exciting talent from the worlds of art, film, music and sport.

English garden flowers and summer fruits coloured our Summer 2024 campaign which put a summertime spin on outdoor living. Set against a Caribbean backdrop, the collection referenced Burberry's British heritage as well as our icons which were reimagined for the summer season.

We believe our British heritage is a position of strength and we are building on this. We are refining our storytelling so it incorporates more of the timeless, classic attributes that Burberry is known for. We are also shifting the emphasis of our communications to building desirability around our key product categories now that we have introduced our new aesthetic.

FY 2024/25 Priorities

Enhance desirability and deepen the connection with our customers

- Continue to refine brand expression, incorporating more timeless, classic attributes in communications
- Increase product focus in storytelling, with dedicated moments for key categories
- Prioritise marketing investment in Mainland China and the USA to strengthen brand visibility and consumer engagement
- Strengthen customer recruitment and engagement through locally relevant campaigns and activations

Burberry turns Harrods Knight Blue

In February 2024, we staged a takeover of Harrods to mark the department store's 175th anniversary. The event saw the storied building illuminated in Burberry's Knight Blue hue and its signature green canopies replaced with tent-inspired awnings in a seasonal Burberry Check. The traditional green uniforms of the store's famed doormen were redesigned to feature a Knight Blue Burberry Check, too.

To highlight Burberry's heritage of exploration and links to the outdoors, camping equipment featured in the department store's windows and a Burberry Camping Corner offered hiking accessories, including an exclusive water bottle and a limited-edition orienteering map of the surrounding Knightsbridge neighbourhood. A Burberry food truck offered a menu of British pastries and hot drinks, while a picnic area featured benches in Knight Blue.

A dedicated rainwear space showcased Burberry trench coats and offered insights into our brand's heritage, while pop-up spaces housed a limited-edition capsule collection, which included womenswear, menswear and childrenswear pieces, as well as accessories.

An in-store digital experience offered a new way to interact with Burberry, while an online take on the event was accessible via the multiplayer game Roblox.

Product

During FY 2023/24, we started to evolve our collections in line with our new creative vision.

Our seasonal offer is now more elevated and relevant and this is resonating with our top clients.

We have also begun to reinvigorate our larger, core offer. In March, we released Burberry Classics, an edit of essential wardrobe pieces animating the Burberry Check in new colourways. The collection includes pieces made with at least 50% organic or recycled materials. We are excited about the opportunity here.

In outerwear, we have a strong foundation in heritage rainwear that continues to attract customers to the brand. We continue to build on this momentum with new shapes and fabrics. We have also introduced more diversity into our offer with coats and jackets.

We dressed VIPs and brand ambassadors in Heritage Trench Coats and new styles at our Summer 2024 and Winter 2024 shows. We also launched a new exclusive scarf and Trench collection in partnership with Highgrove. The collection features illustrations of Highgrove Gardens which surround the private residence of His Majesty King Charles III and Queen Camilla.

FY 2024/25 Priorities

Build out our product offer, ensuring balance between seasonal and core collections

- Build on outerwear category strengths
- Develop full product offer in ready-to-wear
- Balance assortment and increase visibility in communications for bags
- Expand softs category with focus on functions, fabrics and colour
- Continue to develop shoe offer

In ready-to-wear, we have refined and elevated our seasonal offer, including introducing a stronger feminine aesthetic. We have also begun to evolve our assortment across price points, particularly in Men's, and are rebuilding our jersey offer. Our focus is on building a complete everyday assortment across ready-to-wear.

We have invested significantly in the quality of our offer and in the choice of materials we are using, particularly in leather goods, which performed broadly in line with the Group average. We have introduced new image-driving shapes, including the Knight and Rocking Horse, which complement our existing core offer. We also continued to support the Burberry Check.

Scarves are an area of strength. We have a good cashmere offer that continues to attract customers to the brand. We have re-energised the assortment with new colours and fabrics, while expanding our fashion offer.

In shoes, we have started to develop a more complete offer across functions which complements our ready-to-wear collections and gives us the opportunity to provide our clients with a full range of wardrobe staples. As part of our Winter 2023 collection, we partnered with Northampton, England-based shoemaker Tricker's to create an exclusive collection of traditionally crafted footwear.

During the year, we also launched our latest fragrance Burberry Goddess, which has been highly successful.

Outerwear layers heritage and modernity

Our new creative vision for Burberry has focused on elevating outerwear through evolutions in cuts, the incorporation of performance fabrics and craftsmanship. Classic pieces are reinterpreted with new takes on shapes and textiles to create the iconic looks of tomorrow. Trench coats, duffle coats and field jackets are reworked to feature tactile fabrics, including moleskin, shearling and fleecy wool, while traditional craft techniques from the British Isles are a nod to Burberry's long-held tradition of championing craftsmanship. House codes, including the Equestrian Knight Design and Burberry Check, are revisited and reinterpreted in new and surprising ways. The approach has struck a chord with existing Burberry customers while also appealing to new audiences.

Distribution

In terms of distribution, we enhanced and elevated the customer experience in-store and online.

We have a well-established network of stores in high-visibility locations, which we have continued to strengthen. The majority of our stores, including most of our flagships, are now new or refurbished. We opened a new store on Avenue Montaigne in Paris in early 2024, and reopened refurbished stores in New Bond Street, London and Ocean Centre, Hong Kong S.A.R., China. Our new and refurbished stores continue to perform ahead of comparable stores in terms of productivity.

We have begun to elevate the shopping experience on Burberry.com. The site reflects our new brand aesthetic and has a greater focus on product with an improved customer journey. We continue to invest in enhancing our omnichannel capabilities and personalising the shopping experience for our customers.

FY 2024/25 Priorities

Enhance retail store experience, focus on conversion and elevate online experience

- Continue to deliver store refurbishment programme
- Strengthen visual merchandising in store
- Focus on clienteling and styling
- Maximise commercial opportunity for Burberry.com and expand omnichannel capabilities
- Rationalise wholesale channel with focus on EMEIA

Operations

To support our strategic priorities, we continued to deliver operational improvements.

During the year, we reconfigured our supply chain to deliver our new elevated offer, and improved product availability across our core replenishment lines. We have also strengthened our internal manufacturing capabilities with the acquisition and integration of a product development business from technical outerwear partner Pattern SpA.

From a sustainability point of view, we continued to make strong progress against our commitments across responsible sourcing, circular business models, net zero and inspiring young people.

We have evolved our refresh and repair aftercare services and developed new circular business models, including our partnership with Vestiaire Collective, enabling our customers to trade-in their pre-loved Burberry pieces. We have also developed plastic-free consumer packaging and launched our Burberry Classics collection, continuing responsibly sourced materials.

We continued our efforts to positively impact the lives of young people through dedicated programmes, such as Burberry Inspire and the Thomas Burberry Prize for Print, as well as partnerships with The BRIT School, Save the Children and the Evening Standard Winter Survival Appeal. We also partnered with Tate Britain to support artist Sarah Lucas on projects celebrating British arts and culture.

Read more about our responsibility commitments on pages 35 to 62.

FY 2024/25 Priorities

Continued focus on operational delivery and commitment to sustainability

- Unlock speed and elevate customer experience with focus on strategic categories
- Drive cost efficiencies
- Deliver process and technology improvements
- Maintain pace of delivering our sustainability targets

FINANCIAL MEASURES

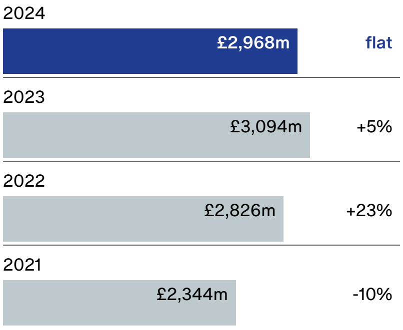
Revenue growth*

This measures the appeal of the Burberry brand to customers through all of our sales channels.

Measured by

CER Revenue growth %

flat



Performance

FY 2023/24 revenue was flat at constant exchange rates.

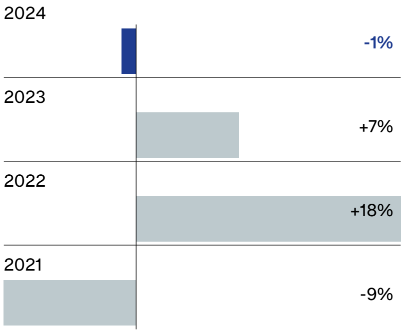
Comparable sales growth*

This measures the growth in productivity of existing stores. It is calculated as the annual percentage increase in sales from retail stores that have been open for more than 12 months. It is adjusted for permanent closures and refurbishments, and includes all digital revenue.

Measured by

CER Comparable store sales growth %

-1%



Performance

FY 2023/24 comparable sales decreased by 1% in the year.

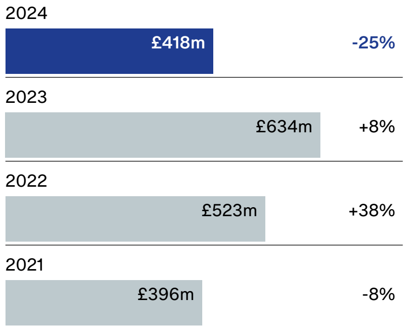
Adjusted operating profit growth*

This measure tracks our ongoing operating profitability and reflects the combination of revenue growth and cost management.

Measured by

CER Adjusted operating profit growth %

-25%



Performance

Adjusted operating profit in FY 2023/24 decreased by 25% at constant exchange rates. This was as a result of the investment in product cost and increases in operating costs from the store refurbishment programme.

* At constant exchange rates and adjusted for the 53rd week in FY 2021/22.

Details of alternative performance measures are shown on pages 27 and 28.

Adjusted operating profit margin

This measures how we drive operational leverage and disciplined cost control, with thoughtful investment for future growth building the long-term value of the brand.

Adjusted diluted EPS growth

Growth in adjusted diluted EPS reflects the increase in profitability of the business, movement in the tax rate and share repurchase accretion.

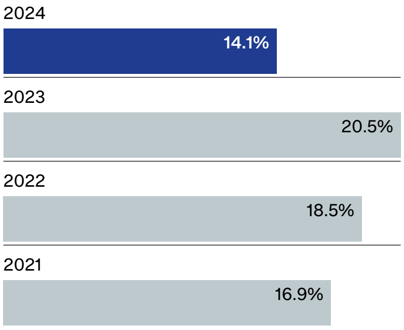
Adjusted Group ROIC

Adjusted Group ROIC measures the efficient use of capital on investments. It is calculated as the post-tax adjusted Group operating profit divided by average adjusted operating assets over the period.

Measured by

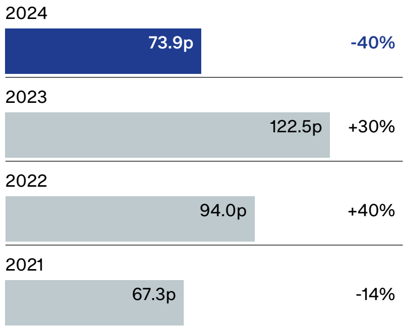
Adjusted operating profit margin %

14.1%



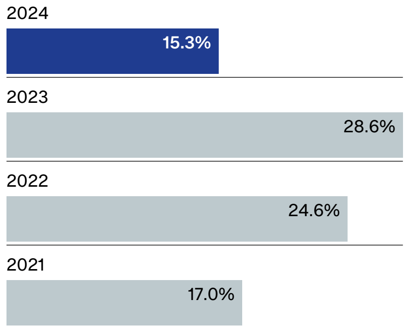
Adjusted diluted EPS growth %

-40%



Adjusted Group ROIC %

15.3%



Performance

Adjusted operating profit margin declined by 640 bps which was 500 bps at constant exchange rates as a result of a reduction of 170 bps in gross margin at constant exchange rates following increased stock provisions and investment in product and an increase in net operating expenses of 7% at constant exchange rates.

Adjusted diluted EPS decreased by 40% year-on-year, due to the reduction in adjusted operating profit, the increase in the tax rate partially offset by the accretion from the share buyback.

Adjusted Group ROIC decreased to 15.3%, mainly due to the decrease in adjusted operating profit and the increase in tax rate. Average operating assets increased by 12%.

FINANCIAL REVIEW

Our financial performance in the year reflected the challenges of implementing a creative transition against a backdrop of slowing luxury demand. In spite of this, good progress was made on refining our brand image, evolving our product and strengthening distribution.

The performance metrics and commentary included in the Financial Review exclude adjusting items unless stated otherwise. The alternative performance measures presented in this section include: CER, adjusted profit measures, comparable sales, free cash flow, cash conversion, adjusted EBITDA and net debt. The definitions of these alternative performance measures are on pages 27 and 28.

Revenue

- Revenue of £2,968 million was flat to the prior year at constant exchange rates and fell -4% on a reported basis with comparable store sales fell -1%
- Outerwear up 8%, led by heritage rainwear

Adjusted operating profit

- Adjusted operating profit of £418 million decreased 25% at constant exchange rates and 34% on a reported basis due to a combination of increased stock provisions and investment in product and an increase in property costs from increased depreciation from the refurbishment programme and increased right of use assets partially offset by disciplined cost control
- Adjusted operating margin of 14.1% decreased 500 bps at constant exchange rates and 640 bps on a reported basis in line with this

Summary income statement

Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023	YoY % change Reported FX	YoY % change CER
Revenue	**2,968**	3,094	(4)	flat
Cost of sales*	**(959)**	(912)	5	6
Gross profit*	**2,009**	2,182	(8)	(3)
Gross margin*	**67.7%**	70.5%	(280 bps)	(170 bps)
Net operating expenses*	**(1,591)**	(1,548)	3	7
Net opex as a % of sales*	**53.6%**	50.0%	360 bps	330 bps
Adjusted operating profit*	**418**	634	(34)	(25)
Adjusted operating profit margin*	**14.1%**	20.5%	(640 bps)	(500 bps)
Adjusting operating items	**–**	23		
Operating profit	**418**	657	(36)	
Operating profit margin	**14.1%**	21.2%	(710 bps)	
Net finance charge**	**(35)**	(23)	52	
Profit before taxation	**383**	634	(40)	
Taxation	**(112)**	(142)	(21)	
Non-controlling interest	**(1)**	(2)		
Attributable profit	**270**	490	(45)	
Adjusted profit before taxation*	**383**	613	(37)	(28)
Adjusted diluted EPS (pence)*	**73.9**	122.5	(40)	(30)
Diluted EPS (pence)	**73.9**	126.3	(41)	
Weighted average number of diluted ordinary shares (millions)	**366.2**	388.0	(6)	

* Excludes adjusting items. All items below adjusting operating items on a reported basis unless otherwise stated. For detail, see note 6 of the Financial Statements.

** Includes adjusting finance charge of £nil (FY23: £2m).

Financial Performance

Revenue by channel

Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023	YoY % change Reported FX	YoY % change CER
Retail	**2,400**	2,501	(4)	1
Comparable store sales growth	**-1%**	7%		
Wholesale	**506**	543	(7)	(5)
Licensing	**62**	50	23	23
Revenue	**2,968**	3,094	(4)	flat

Retail

- Comparable store sales decreased -1% with a strong 10% first half growth more than offset by a decline of 8% in the second half
- Space increased 2% leading to total retail revenue growth of 1% at constant exchange rates
- Retail revenue fell -4% on a reported basis following a headwind from foreign exchange

Comparable store analysis by region

Asia Pacific

Asia Pacific comparable store sales grew +3% in the year. The fourth quarter fell -17% on tough comparatives with local customers challenged across the region

- Mainland China comparable store sales increased +2% in the year and fell -19% in the fourth quarter. The Mainland Chinese customer group fell -12% in the fourth quarter with tourism accounting for almost a quarter of the customer group sales globally
- South Korea fell -8% in the year and -17% in the fourth quarter with South Koreans purchasing abroad up double-digit percentage, with tourist spend mainly in EMEIA and Japan
- Japan saw strong comparable store sales growth up +25% in the year and +18% in the fourth quarter
- South Asia Pacific rose +4% in the year with a slowdown in the last quarter to -24% driven by a declining local customer not fully offset by tourist spend

EMEIA

EMEIA saw comparable store sales up +4% in the year but down -3% in the fourth quarter.

- The region benefited from strong tourist growth but with some pressure from local consumer spending

Americas

- Americas fell -12% both in the year and in the fourth quarter where we are continuing to see a relatively broad-based decline in the region across our local customers

Comparable store analysis by product

By product, luxury customers continued to gravitate towards categories for which we are known.

- We saw a very strong performance from our outerwear that grew by a high single digit percentage in the year, led by Heritage rainwear
- Scarves also performed well, up a double digit percentage in the year.
- Leather goods performed broadly in line with the group average with a better performance from bags, while small leather goods were slower as we developed the category
- Ready-to-wear for both men's and women's were below the group average, declining by a mid singe digit percentage in the year.

Store footprint

The transformation of our distribution network continued during the year taking over 50% of the network now upgraded to the refurbished concept.

- We opened 22 full price stores, closed 14 stores with 2 outlets opened and 2 closed
- Including refurbishments, we increased the number of updated stores by 79
- Most of our key doors are now new or refurbished including our new store on Avenue Montaigne in Paris and the newly refurbished store in Ocean Centre, Hong Kong S.A.R., China
- We now have over 50% of the network completed and plan to finish the roll out by FY27

Wholesale

- Wholesale revenue decreased -5% at constant exchange rates (-7% at reported rates) due to pressure in the Americas

Licensing

- Licensing revenue grew 23% at both constant exchange rates and reported exchange rates supported by the launch of our latest fragrance, Burberry Goddess

Operating profit analysis

Adjusted operating profit

Period ended £ million	**52 weeks ended 30 March 2024**	52 weeks ended 1 April 2023	YoY % change Reported FX	YoY % change CER
Revenue	**2,968**	3,094	(4)	flat
Cost of sales*	**(959)**	(912)	5	6
Gross profit*	**2,009**	2,182	(8)	(3)
Gross margin %*	**67.7%**	70.5%	(280 bps)	(170 bps)
Net operating expenses*	**(1,591)**	(1,548)	3	7
Net operating expenses as a % of sales*	**53.6%**	50.0%	360 bps	330 bps
Adjusted operating profit*	**418**	634	(34)	(25)
Adjusted operating profit margin %*	**14.1%**	20.5%	(640 bps)	(500 bps)

* Excludes adjusting items.

Adjusted operating profit declined 25% at constant exchange rates and 34% reported with the margin down -500 bps and -640 bps respectively:

- The gross margin was 67.7%, a decrease of 170 bps at constant exchange rates and 280 bps at reported exchange rates following increased stock provisions and investment in product that was not fully offset by pricing. The impact related to regional and channel mix effects and a benefit from transportation costs broadly netted-off.

- Adjusted net operating expenses rose by +7% at constant exchange rates and +3% at reported exchange rates primarily due to property costs from increased depreciation and amortisation on the refurbishment programme, impairments, rent increases and utility cost increases partially offset by disciplined cost control
- Reported adjusted operating profit was £418m, including a £60m foreign exchange headwind in the year, achieving a reported adjusted operating margin of 14.1%

Adjusting items*

There were no adjusting items in the current year (FY23: £21m net credit).

Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
The impact of COVID-19		
Inventory provisions	–	1
Rent concessions	–	13
Store impairments	–	6
Government grants	–	2
COVID-19 adjusting items**	–	22
Restructuring costs	–	(16)
Profit on sale of property	–	19
Revaluation of deferred consideration liability	–	(2)
Adjusting operating items	–	23
Adjusting financing items	–	(2)
Adjusting items	–	21

* For more details see note 6 of the Financial Statements.

** Includes £nil (FY23: £1m credit) that has been recognised through COGS.

The key adjusting items in the prior year are as follows:

- Total credit of £22m from COVID-19-related adjusting items
- £16m of restructuring costs
- Net £19m profit on the sale of an owned property in the USA

Adjusted profit before tax*

After an adjusted net finance charge of £35m (FY23: £21m), adjusted profit before tax was £383m (FY23: £613m).

* For detail on adjusting items see note 6 of the Financial Statements.

Taxation*

The effective tax rate on adjusted profit increased to 29.2% (FY23: 22.2%) primarily due to the increase in the UK corporation tax rate. The reported tax rate on profit before taxation was also 29.2% (FY23: 22.4%).

* For detail see note 9 of the Financial Statements.

Total tax contribution

The Group makes a significant economic contribution to the countries and territories where it operates through taxation either borne by the Group or collected on behalf of and paid to the relevant tax authorities. In FY 2023/24, the total taxes borne and collected globally by the Group amounted to £529 million. In the UK, where the Group is headquartered and has significant operations, Burberry paid business taxes of £157 million and collected a further £66 million of taxes on behalf of the UK Exchequer. For further information see Burberryplc.com.

Cash flow and leverage

Summary statement of cash flows

The following table is a representation of the cash flows, excluding financing cash flows to align with our definition of free cash flow.

Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
Adjusted operating profit	418	634
Depreciation and amortisation	379	344
Working capital	(166)	(76)
Other including adjusting items	34	10
Cash generated from operating activities	665	912
Payment of lease principal and related cash flows	(235)	(210)
Capital expenditure	(208)	(179)
Proceeds from disposal of non-current assets	–	32
Interest	(20)	(22)
Tax	(139)	(140)
Free cash flow	63	393

Free cash inflow* was £63m in the year (FY23: £393m).

The major components were:

- Cash generated from operating activities decreased by £247m to £665m from £912m primarily due to a £216m reduction in adjusted operating profit and a working capital outflow of £166m, £90m greater outflow compared with last year (FY23: £76m outflow) mainly due to higher inventory following weaker than expected sell through.
- Capital expenditure of £208m (FY23: £179m) as we continued to prioritise store refurbishments
- Proceeds from disposal of non-current assets were £nil (FY23: £32m from the disposal of owned property)
- Tax cash of £139m, a decrease of £1m compared to the prior year with lower profitability offset by the higher UK corporation tax rate

Cash net of overdrafts on 30 March 2024 was £362m compared to £961m on 1 April 2023. On 30 March 2024, borrowings were £299m from the bond issue leaving cash net of overdrafts and borrowings of £63m (1 April 2023: £663m). With lease liabilities of £1,188m, net debt in the period was £1,125m (1 April 2023: £460m). Net Debt/Adjusted EBITDA was 1.4x, above our target range of 0.5x to 1.0x. The increase in leverage from 0.5x at 1 April 2023 has been driven by the lower profitability, working capital outflow and the share buyback programme.

Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
Adjusted EBITDA – rolling 12 months	797	975
Cash net of overdrafts	(362)	(961)
Bond	299	298
Lease debt	1,188	1,123
Net Debt*	1,125	460
Net Debt/Adjusted EBITDA	1.4x	0.5x

* For a definition of free cash flow and net debt see page 28.

Outlook

In the year ahead, we will focus on deepening the connection with our customers as we execute our priorities across brand, product and distribution. We will continue to balance investment in consumer-facing areas with disciplined cost control to support our growth ambition. In the context of a still uncertain external environment, we expect retail space to be broadly stable with capex expected to be around £150 million in FY25. We have retained the proposed dividend for the current year in line with the capital allocation policy.

Based on foreign exchange rates effective as of 25 April 2024, we now expect a currency headwind of around £30m to revenue and around £20m to adjusted operating profit in FY25.

Store portfolio

	Directly-operated stores				
	Stores	Con-cessions	Outlets	Total	Franchise stores
At 1 April 2023	219	138	56	413	35
Additions	22	8	2	32	1
Closures	(14)	(7)	(2)	(23)	(3)
At 30 March 2024	**227**	**139**	**56**	**422**	**33**

Store portfolio by region*

	Directly-operated stores				
At 30 March 2024	Stores	Con-cessions	Outlets	Total	Franchise stores
Asia Pacific	122	94	23	239	9
EMEIA	46	36	18	100	24
Americas	59	9	15	83	–
Total	**227**	**139**	**56**	**422**	**33**

* Excludes the impact of pop-up stores.

Alternative performance measures

Alternative performance measures (APMs) are non-GAAP measures. The Board uses the following APMs to describe the Group's financial performance and for internal budgeting, performance monitoring, management remuneration target setting and external reporting purposes.

APM	Description and purpose	GAAP measure reconciled to
Constant Exchange Rates (CER)	This measure removes the effect of changes in exchange rates compared to the prior period. The constant exchange rate incorporates both the impact of the movement in exchange rates on the translation of overseas subsidiaries' results and also on foreign currency procurement and sales through the Group's UK supply chain.	Results at reported rates
Comparable Sales	The year-on-year change in sales from stores trading over equivalent time periods and measured at constant foreign exchange rates. It also includes online sales. This measure is used to strip out the impact of permanent store openings and closings, or those closures relating to refurbishments, allowing a comparison of equivalent store performance against the prior period.	Retail Revenue: (see table below)
Adjusted Profit	Adjusted profit measures are presented to provide additional consideration of the underlying performance of the Group's ongoing business. These measures remove the impact of those items which should be excluded to provide a consistent and comparable view of performance.	Reported Profit: A reconciliation of reported profit before tax to adjusted profit before tax and the Group's accounting policy for adjusted profit before tax are set out in the financial statements.

Retail Revenue:

Period ended YoY%	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
Comparable sales	**(1%)**	7%
Change in space	**2%**	(1%)
CER retail	**1%**	6%
53rd week	**–**	(2%)
FX	**(5%)**	6%
Retail revenue	**(4%)**	10%

APM	Description and purpose	GAAP measure reconciled to
Free Cash Flow	Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets and including cash outflows for lease principal payments and other lease related items.	Net cash generated from operating activities:

Period ended £m	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
Net cash generated from operating activities	506	750
Capex	(208)	(179)
Lease principal and related cash flows	(235)	(210)
Proceeds from disposal of non-current assets	–	32
Free cash flow	63	393

APM	Description and purpose	GAAP measure reconciled to
Cash Conversion	Cash conversion is defined as free cash flow pre-tax/adjusted profit before tax. It provides a measure of the Group's effectiveness in converting its profit into cash.	Net cash generated from operating activities:

Period ended £m	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
Free cash flow	63	393
Tax paid	139	140
Free cash flow before tax	202	533
Adjusted profit before tax	383	613
Cash conversion	53%	87%

APM	Description and purpose	GAAP measure reconciled to
Net Debt	Net debt is defined as the lease liability recognised on the balance sheet plus borrowings less cash net of overdrafts.	Cash net of overdrafts:

Period ended £m	As at 30 March 2024	As at 1 April 2023
Cash net of overdrafts	362	961
Lease liability	(1,188)	(1,123)
Borrowings	(299)	(298)
Net debt	(1,125)	(460)

APM	Description and purpose	GAAP measure reconciled to
Adjusted EBITDA	Adjusted EBITDA is defined as operating profit, excluding adjusting operating items, depreciation of property, plant and equipment, depreciation of right of use assets and amortisation of intangible assets. Any depreciation or amortisation included in adjusting operating items are not double counted. Adjusted EBITDA is shown for the calculation of Net Debt/EBITDA for our leverage ratios.	Reconciliation from operating profit to adjusted EBITDA:

Period ended £m	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
Operating profit	418	657
Adjusting operating items	–	(23)
Amortisation of intangible assets	42	37
Depreciation of property, plant and equipment	103	95
Depreciation of right-of-use assets*	234	209
Adjusted EBITDA	797	975

* Excludes £nil depreciation on right-of-use assets included in adjusting items (FY23: £3m).

CAPITAL ALLOCATION FRAMEWORK

Our strategy and targets are governed by our Capital Allocation Framework, which we use to prioritise the use of cash. This framework addresses the investment needs of the business, regular dividend payments and additional returns to shareholders. The framework also seeks to maintain an appropriate capital structure for the business and a strong balance sheet with a solid investment grade credit rating.

Net Debt/Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) was 1.4x at FY 2023/24 (FY 2022/23: 0.5x) on a rolling 12-month period, above our target range of 0.5x to 1.0x. We continue to be a cash generative business and are comfortable with this current leverage position which is consistent with our policy to maintain an investment grade credit rating as we go through our creative transition. The diagram below summarises the key priorities of our framework.

1

Reinvest for organic growth

Capital spend across store portfolio, including new spaces and refurbishments; IT infrastructure, including digital; and the supply chain. Spend includes investment in Environmental, Social and Governance initiatives, for example, costs incurred in meeting our Sustainability Bond use of proceeds commitments set out on page 64.

2

Progressive dividend policy

The absolute amount of dividend per share will remain stable or increase on a full-year basis, broadly targeting a pay-out of around 50% of adjusted earnings per share at reported rates of exchange. The interim dividend pay-out is 30% of the absolute value of the prior year full-year dividend.

3

Inorganic strategic investment

Investment in acquisitions to our business activities, which are expected to be infrequent.

4

Return excess cash to shareholders

Returns to shareholders based on target leverage range of 0.5x to 1.0x, after considering future cash generation and the external environment.

Maintain a strong balance sheet with a solid investment grade credit rating

- Review the principal risks of the Group and relevant financial parameters, both historical and projected, including liquidity, net debt and measures covering balance sheet strength.
- These risks and financial parameters are considered by the Board when assessing the viability of the Group, as set out on pages 83 to 92.

Capital structure metrics	FY 2023/24	FY 2022/23
Cash net of overdrafts	**£362m**	£961m
Lease liability	**(£1,188m)**	(£1,123m)
Borrowings	**(£299m)**	(£298m)
Net debt	**(£1,125m)**	(£460m)
Net debt/EBITDA	**1.4x**	**0.5x**

ENVIRONMENTAL AND SOCIAL MEASURES

Key Performance Indicators (KPIs) help management to measure progress against our strategy.

Non-financial KPIs

We have developed non-financial measures to assess our performance against Burberry Beyond targets, with progress regularly monitored by our Board.

For further details on environmental and social responsibility activities and FY 2023/24 progress against our Burberry Beyond targets, see pages 35 to 62. The Group has considered the non-financial reporting requirements under sections 414CA and 414CB of the Companies Act 2006 and has included details in the Annual Report.

Objective	Measure	Performance
Product		
Procure certified and responsibly sourced key raw materials 100% of key raw materials in our products to be certified or responsibly sourced by FY 2029/30 (as defined in our Sustainable Raw Materials Portfolio)	• Percentage of key raw materials in our products certified or responsibly sourced (as defined in our Sustainable Raw Materials Portfolio) in FY 2023/24	• 55%^ of key raw materials in our products were certified or responsibly sourced (as defined in our Sustainable Raw Materials Portfolio) in FY 2023/24
	• Percentage of certified or responsibly sourced cotton	• 56% of cotton certified or responsibly sourced in FY 2023/24
	• Percentage of certified or responsibly sourced synthetics	• 53% of synthetics certified or responsibly sourced in FY 2023/24
	• Percentage of certified or responsibly sourced viscose	• 100% of viscose certified or responsibly sourced in FY 2023/24
	• Percentage of certified or responsibly sourced wool	• 27% of wool certified or responsibly sourced in FY 2023/24
	• Percentage of leather from certified tanneries	• 100% of leather from certified tanneries in FY 2023/24, an increase from 96% in FY 2022/23
	• Percentage of certified or responsibly sourced feather and down	• 100% of feather and down certified or responsibly sourced in FY 2023/24
Embed circular business models Continue to evolve aftercare offer and trial new circular business models	• Progress against aftercare offer	• In FY 2023/24, we increased the number of product categories eligible for our aftercare services, including refresh treatments for cashmere jumpers and shoe repairs • 383 stores across 33 countries and territories offer one or more aftercare services, compared to over 300 stores in 33 countries and territories in FY 2022/23

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Objective	Measure	Performance
Product		
Eliminate plastic packaging Eliminate plastic from our consumer packaging by FY 2025/26	• Progress against consumer packaging target	• In FY 2023/24, we made good progress against our target by introducing new plastic-free alternatives for our consumer packaging. Our pared back offering consists of a reusable, 100% recycled cotton shopper bag for larger purchases. In store, smaller items are packaged in a Forest Stewardship Council (FSC®) certified retail bag, whereas an FSC® certified paper pouch is used to package online purchases • 100% of consumer paper-based packaging procured in FY 2023/24 was FSC® certified[1]
Eliminate unnecessary plastics used in operational packaging and maximise recycled content (with at least 50% of plastic to be made from fully recycled content) by FY 2029/30	• Progress against operational packaging target	• 53% of operational plastic packaging was made from fully recycled content (a decrease of 8% compared to FY 2022/23 due to a variation in weight of packaging) • We continued to work on eliminating unnecessary plastics in operational packaging. For example, in FY 2023/24, we replaced plastic void fill with a recycled paper alternative across the majority of distribution hub sites. We also replaced plastic packaging tape with recycled paper sealing tape in two of our key distribution centres
Planet		
Reach net zero greenhouse gas (GHG) emissions across our value chain by FY 2039/40 Across our own operations, we commit to reducing absolute scope 1 and 2 GHG emissions by 95% by FY 2026/27 from a FY 2016/17 base year, and to maintain this year on year from FY 2026/27 through to FY 2039/40	• % reduction of scope 1 and scope 2 (market-based) emissions, relative to FY 2016/17 base year	• In FY 2023/24, we maintained our performance from the previous financial year, with a 93% reduction in scope 1 and scope 2 (market-based) emissions from a FY 2016/17 base year • 100% of the electricity we consumed matched with an equivalent amount of renewable generation sourced from renewable tariffs, Energy Attribute Certificates, or generated through on-site renewables • In FY 2023/24, our total energy consumption decreased by 36% from a FY 2016/17 baseline and by 3% from FY 2022/23
Across our extended supply chain, we aim for a 46% reduction in scope 3 GHG emissions by FY 2029/30 and a 90% reduction in scope 3 GHG emissions by FY 2039/40 (from FY 2018/19)	• % reduction of scope 3 emissions, relative to FY 2018/19 base year	• 45.9%^ reduction in scope 3 emissions from a FY 2018/19 base year, and a 0.8% reduction from FY 2022/23 • Our FY 2022/23 total scope 3 emissions has been restated due to a prior year error, as described on page 44, in line with our restatement policy detailed in our Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com. As a result of the restatement, our FY 2022/23 scope 3 emissions reduction is 45.5% from our FY 2018/19 base year. A full category breakdown of our scope 3 emissions, including the restated figures for FY 2022/23, can be found in our Responsibility Data Appendix 2023/24 on Burberryplc.com

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

1. In order to calculate the percentage of FSC® certified paper-based packaging, we have relied on the accuracy of the information supplied to us by our nominated packaging suppliers regarding the value of certified paper packaging sold to Burberry.

Objective	Measure	Performance
Planet		
Embed sustainable manufacturing processes across our supply chain Extend our sustainable manufacturing initiatives, covering energy, water and waste, both within our own manufacturing and across our supply chain	• Percentage of products delivered by key supply chain partners[1] assessed against the ZDHC Supplier to Zero (S2Z) programme requirements	• 89% of products delivered by key supply chain partners[1] assessed against the ZDHC S2Z programme requirements in FY 2023/24
	• Percentage of products delivered by key supply chain partners[1] assessed against our water conservation framework	• 83% of products delivered by key supply chain partners[1] assessed against our water conservation framework
	• Volume of raw material donations	• Over 360,000 metres of fabric donated to a variety of global non-profit organisations in FY 2023/24
Protect nature Contribute to sustainable management of natural forests and support zero deforestation across our products and supply chain by FY 2025/26	• Percentage of Canopy 'Green Shirt' rated viscose	• 100% of our viscose is Canopy 'Green Shirt' rated in FY 2023/24
	• Percentage of our leather from certified tanneries • Percentage of paper-based packaging procured that is FSC® certified	• 100% of our leather was procured from certified tanneries in FY 2023/24 • 96% of all paper-based packaging procured in FY 2023/24 was FSC® certified[2]
People		
Support inclusion Achieve a 95% completion rate globally for episodes 1 and 2 of our online Diversity, Equity and Inclusion learning journey	• Percentage of colleagues who have completed episodes 1 and 2 of the online training	• 89% of colleagues have completed episode 1 and 90% of colleagues have completed episode 2
Increase representation Ensure shortlists across all recruitment campaigns are gender balanced	• Percentage of female candidates shortlisted	• In FY 2023/24, shortlists across all recruitment campaigns consisted of 57% female, 41% male and 2% 'other' candidates[3]
Aim to increase hiring representation to 25% ethnic minority candidates in the UK	• Percentage of ethnic minority candidates in the UK	• In FY 2023/24, hiring representation in the UK consisted of 31% ethnic minority candidates[3]
Aim to increase hiring representation to 25% Black/African-American candidates in the USA	• Percentage of Black/African-American candidates in the USA	• In FY 2023/24, hiring representation in the USA consisted of 10% Black/African-American candidates[3]
Cultivate engagement Create a workplace where all our colleagues are engaged with our brand, purpose and values to drive positive business outcomes	• Colleague engagement score as measured by our Glint survey	• Colleague engagement score of 74 points[4]
Ensure our policies, processes and resources promote equal gender representation in our leadership population	• Number of women globally in Director and above roles, divided by the total number of Director and above roles	• Women account for 57% of the leadership population

1. Key supply chain partners refers to our direct supply chain partners, including finished goods vendors and raw material suppliers.
2. In order to calculate the percentage of FSC® certified paper-based packaging, we have relied on the accuracy of the information supplied to us by our nominated packaging suppliers regarding the value of certified paper packaging sold to Burberry.
3. These values are based on candidates who chose to voluntarily disclose.
4. Employee engagement score as measured by Glint. Employee Engagement survey undertaken in September 2023. Engagement index based on completed survey responses only.

Objective	Measure	Performance
People in our supply chain		
Advance ethical trading in our supply chain Continue to ensure our responsible sourcing standards and audit requirements are upheld by partners across our supply chain (this applies to finished goods vendors and key raw material suppliers)	• Number of onsite social compliance audits carried out in the year • Number of desktop social compliance assessments carried out in the year • Percentage of finished goods supply chain partners undergoing a social compliance audit or remaining in scope from previous audit	• 495^ onsite social compliance audits carried out in FY 2023/24 • 100^ desktop social compliance assessments carried out in FY 2023/24 • 71% of our finished goods supply chain partners have had a social compliance audit or remained in scope from previous audit
	• Number of finished goods vendors participating in the Vendor Ownership Programme (VOP) • Number of workers reached through the VOP	• 24 finished goods vendors participating in the VOP as of FY 2023/24, an increase from 22 in FY 2022/23 • Over 20,500 workers reached through the VOP, a 25% increase from FY 2022/23
Extend wellbeing across our supply chain Extend our Supply Chain Engagement Programmes to further advance wellbeing, livelihoods, inclusivity and worker voice across our supply chain	• Number of finished goods suppliers participating in our Wellbeing Programme • Number of finished goods supply chain workers covered by the Wellbeing Programme	• Nine finished goods suppliers participated in the Wellbeing Programme • 11,650 workers in the finished goods supply chain covered by the Wellbeing Programme, an increase from over 5,000 in FY 2022/23
	• Number of calls to Burberry-sponsored hotlines in the last year • Number of workers covered by hotlines	• 473 calls made to Burberry-sponsored worker hotlines, compared to 502 in FY 2022/23 • Approximately 33,350 workers covered by Burberry-sponsored hotlines, a 22% increase from FY 2022/23
Communities		
Inspire young people to create better futures Positively impact 500,000 people between FY 2022/23 and FY 2025/26, particularly young people hailing from underserved communities	• Number of people positively impacted through community programmes supported by Burberry Group plc and The Burberry Foundation in FY 2023/24 • Number of people positively impacted cumulatively through community programmes supported by Burberry Group plc and The Burberry Foundation since FY 2022/23	• 219,377 people positively impacted through community programmes supported by Burberry Group plc and The Burberry Foundation in FY 2023/24 • 380,162 people positively impacted cumulatively through community programmes supported by Burberry Group plc and The Burberry Foundation since FY 2022/23
Increase volunteering opportunities for colleagues 25% of Burberry colleagues actively engaged in volunteering and fundraising activities by FY 2025/26	• Percentage of colleagues engaged in volunteering and fundraising activities • Number of volunteering and fundraising projects supported by Burberry colleagues • Number of charities supported through volunteering, match funding and in-kind donations	• 8%[1] of colleagues engaged in volunteering and fundraising activities in FY 2023/24 • 139 volunteering and fundraising projects were supported by Burberry colleagues in FY 2023/24 • 92 charities were supported through volunteering, match funding and in-kind donations

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

1. Figure excludes colleague headcount where there are data restrictions on the Spark volunteering and fundraising platform.

A MORE SUSTAINABLE FUTURE FOR LUXURY AND BEYOND

OUR BURBERRY BEYOND STRATEGY

As a brand with a deep connection to the outdoors, we strive to act responsibly with respect to the environment, the communities in which we operate and those employed within our business and wider supply chain.

Burberry is a global business operating in a variety of environments and contexts. As an open and caring company, we are committed to behaving responsibly towards our planet, our people and the communities we impact, and we continue to embed sustainable practices across our Company footprint.

Our Burberry Beyond strategy, with its Product, Planet, People and Communities pillars, outlines the steps we are taking to achieve our goals. We continue to make strong progress against our 12 targets (see table below) and have been working to embed and operationalise our strategy by collaborating with teams across the business and our supply chain.

To ensure we continue to prioritise and act on our most material Environmental, Social and Governance (ESG) topics, we will regularly conduct double materiality assessments in line with upcoming regulations, such as the European Union's Corporate Sustainability Reporting Directive (CSRD). Insights from this assessment will act as our guiding principles for complying with regulation requirements alongside any future strategy development.

We are in the process of completing our first double materiality assessment and its preliminary findings have been used to guide our disclosures for FY 2023/24.

Our Burberry Beyond strategy is supported by four pillars which encompass our key areas of focus. We have set 12 targets that allow us to track progress as we work towards creating lasting positive change.

Product

Responsible craftsmanship

1. Procure certified and responsibly sourced key raw materials
2. Embed circular business models
3. Eliminate plastic packaging

Read more from page 37

Planet

Climate Positive

4. Reach net zero greenhouse gas emissions across our value chain by FY 2039/40
5. Embed sustainable manufacturing processes across our supply chain
6. Protect nature

Read more from page 41

People

Champion Diversity, Equity and Inclusion and people in our supply chain

7. Support inclusion
8. Increase representation
9. Advance ethical trading in our supply chain
10. Extend wellbeing across our supply chain

Read more from page 48

Communities

Positively impact young people

11. Inspire young people to create better futures
12. Increase volunteering opportunities for colleagues

Read more from page 58

EMBEDDING BURBERRY BEYOND

Governance

Embedding Environmental and Social Responsibility into our governance structures supports the delivery of our strategy and our commitments.

The Board is responsible for ensuring our approach to environmental and social matters is integrated into and implemented across the business. The Board delegates regular oversight of environmental matters to relevant Committees responsible for governing the Group's strategy on environmental and social matters, including strategy and disclosures (as outlined below).

Our Sustainability Committee, chaired by our CEO, is responsible for the Product and Planet pillars of our Burberry Beyond strategy. Together, these pillars and their targets make up our Group's environmental agenda. The Committee met nine times in FY 2023/24 and reported to the Board twice on progress towards our environmental targets. Key actions taken by the Committee in FY 2023/24 include approving our ReBurberry consumer initiative and reviewing Burberry's preparations for complying with forthcoming ESG-related regulations.

The Ethics Committee oversees the governance of our People pillar, including the governance of human rights risks and due diligence in our supply chain. Where risks are identified, they are reported by management to the Ethics Committee, which directly reports to the Audit Committee. The Ethics Committee also has oversight of our Communities pillar as it reviews the Company's charitable donations twice a year.

This governance structure ensures the implementation of all four Burberry Beyond pillars across the business. The Board receives regular updates and key information relating to environmental and social matters.

Our full governance framework is outlined in the Corporate Governance Statement on page 107.

Managing Environmental and Social Responsibility

The CEO, who has accountability for Environmental and Social Responsibility performance at executive level, delegates managerial oversight of environmental and social responsibility matters to our Corporate Responsibility team. This team, led by the Vice President of Corporate Responsibility, comprises over 40 experts globally, with expertise ranging from carbon accounting through to raw material sourcing and ethical trading. The Corporate Responsibility team acts as a centre of excellence, guiding the operationalisation of our strategy by collaborating with teams across the business, including Sustainable Finance, Sustainable IT, Legal, and Human Resources. We also have Sustainable Manufacturing and Responsible Sourcing teams embedded within our Supply Chain function ensuring the delivery of our Burberry Beyond targets across our value chain.

Colleague engagement

We believe that all colleagues have a role to play in delivering our Burberry Beyond strategy. We seek to inspire, educate and equip our people with the tools to do so through training, events, strategic communications and engagement opportunities.

In FY 2023/24, we grew our Sustainability Professionals Network to over 350 members, representing multiple areas of the business, including IT, Finance, Marketing and Internal Manufacturing. The network, which is open to all Burberry colleagues globally, is an active and engaged community with members who support each other in decision-making, information sharing and championing best practice. Members have access to insights, events and webinars on topics including Burberry Beyond updates, industry trends, best practice and upcoming regulations.

This year, the Corporate Responsibility team conducted training on a number of sustainability topics for teams across the business (see Product section, pages 37 to 40, for further details). We will continue to expand our sustainability training, with a particular focus on developing the relevant skills, knowledge and competencies required for colleagues to contribute to the delivery of our strategy.

Reward

The remuneration of the Executive Directors is partly linked to our progress in building a more sustainable future, including progress towards the Group's longer-term climate goals, via the annual bonus plan and a sustainability underpin in the Burberry Share Plan (BSP).

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. There will once again be a sustainability underpin in the 2024 BSP award for the Executive Directors. More details of this are set out in the Directors' Remuneration Report on pages 125 to 142.

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. This has been well received by colleagues and demonstrates the value we place on sustainability as part of our strategy.

Traceability

Traceability enables us to assess and manage the environmental and social risks associated with raw material sourcing, while acting as an enabler for meeting wider strategic goals, such as product and supply chain decarbonisation in support of our net zero transition. Additionally, traceability is central to the Company's compliance with existing and incoming ESG regulations.

In FY 2022/23, we set ourselves a target to have full traceability of key raw materials by FY 2029/30 delivered through our traceability programme. Using a third-party traceability tool, we have successfully implemented a traceability pilot for cotton, wool and synthetics with our key suppliers, allowing us to track these fibres back to the country of origin. We continue to scale this programme at pace, with the ambition of reaching 80% traceability of cotton, synthetics and wool by FY 2025/26, and will include additional materials in line with our FY 2029/30 raw material targets.

PRODUCT

Introduction

Through textile innovation, Thomas Burberry elevated outerwear performance and enhanced its ability to protect explorers from the elements. Today, we are challenging ourselves to again harness creativity to play our part in protecting our planet. In line with our Company's strategy, we are incorporating certified and responsibly sourced key raw materials into our products, embedding circular business models into our ways of working and eliminating plastic from our packaging, while at the same time reducing our use of resources.

Policies

Our Product pillar is underpinned by our Responsible Raw Materials Sourcing Policy, which outlines our requirements for value chain partners and colleagues, as well as our commitments to responsible raw materials sourcing. The policy (available on Burberryplc.com) also outlines our requirements with respect to packaging, and animal welfare and testing.

Our Beauty licensee, Coty, publishes its own Against Animal Testing Policy & Programme, which is available on Coty.com.

Approach

As part of our Product strategy, environmental considerations are factored into the decisions we take with respect to the design and manufacture of our products.

In FY 2023/24, we introduced the Sustainable Raw Materials Portfolio, which details the certification and responsible sourcing criteria accepted for each raw material we procure. The document is regularly reviewed to ensure the best available sourcing criteria are included and considered. We also set targets for each business unit to track progress against use of the guidelines, including setting performance objectives for relevant teams and individuals. The Sustainable Raw Materials Portfolio is already embedded within merchandising plans and design briefs, resulting in all ready-to-wear clothing in our Burberry Classics collection being made with a main material containing at least 70% organic or 50% recycled content.

We also use consumer insights and our annual Brand Health Tracker to inform this agenda and deepen customer engagement.

Procure certified and responsibly sourced key raw materials

Target: 100% of key raw materials in our products are to be certified or responsibly sourced by FY 2029/30 (as defined in our Sustainable Raw Materials Portfolio)

In FY 2022/23, we set a target for all key raw materials in our products to be certified and traceable by FY 2029/30. We have since updated our target strategy to take a portfolio approach to raw materials used in our products, recognising the need for multiple raw material sourcing standards. Our Sustainable Raw Materials Portfolio sets out the accepted certification and responsible sourcing criteria across our raw materials, which allow us to track our progress in this area. Our traceability target to FY 2029/30 remains in place as a key enabler of our Burberry Beyond strategy.

Progress

In FY 2023/24, 55%^ of key raw materials in our products were certified or responsibly sourced (as defined in our Sustainable Raw Materials Portfolio).

This financial year, six key raw materials (as listed below) were included in the scope of our target. These represent over 90% of the total volume (in weight) of main materials within our products.

% of certified or responsibly sourced key raw materials	FY 2023/24
Cotton	56%
Synthetics (nylon, polyester and TPU)	53%
Viscose	100%
Wool	27%
Leather	100%
Feather and down	100%

Please refer to our Responsibility Data Appendix 2023/24 on Burberryplc.com for detailed data and calculation methodology.

During FY 2023/24, we updated our calculation methodology to align with external reporting requirements and best practice (see our Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com for details). We have made progress for all key raw materials, or maintained 100% certification, excluding wool where we updated our methodology for calculating our performance against target. Our Corporate Responsibility team drove progress against our target by partnering with internal teams and working with supply chain partners to champion the use of responsibly sourced materials. Organic cotton and recycled synthetics were strong driving forces of this year's performance. This is partly due to the launch of our Burberry Classics collection, a core commercial range, where all ready-to-wear clothing had a main material containing responsibly sourced materials (at least 70% organic or 50% recycled content). In addition, 100% of leather in FY 2023/24 was sourced from certified tanneries driven by strong engagement with our sourcing teams and suppliers.

Furthermore, to support the delivery of our raw materials targets, we delivered training to over 300 colleagues involved in key stages of the product development and raw material sourcing processes. We also have a team leading the development and integration of innovative materials. We are working with an Italian supplier and third-party technology supplier to develop and trial the use of hydroponic cotton. This cotton is grown through soil-less farming in a vertical greenhouse, resulting in the same high-quality cotton but with lower water usage.

Embed circular business models

Target: Continue to evolve our aftercare offer and trial new circular business models

We are working to create a more sustainable fashion industry and meet changing consumer expectations. Burberry products are expertly crafted using materials of the highest quality, so they are designed to last. Through innovations in circular business models, we aim to keep products and materials in use for longer.

Progress

Aftercare

Our increasingly popular aftercare services ensure our customers can enjoy their purchases for longer. In FY 2023/24, we expanded our refresh and repair services to include reproofing for select rainwear garments using organic biodegradable solutions, refresh treatments for cashmere jumpers, and shoe repairs.

Repair and refresh

By the end of FY 2023/24, over 380 stores across 33 countries and territories offered one or more of our aftercare services. Approximately 43,000 products were repaired or refreshed using these services during the year. Please see our Responsibility Data Appendix 2023/24 on Burberryplc.com for a breakdown of these services.

To support client engagement, we rolled out a dedicated services training series to just over 2,200 Retail Client Advisors, so they can inform customers about our work in-store and via our various customer service channels.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Rental

This year, we continued exploring alternative ways for customers to experience our products, including through rental partnerships and adapted product offerings.

We continued our partnership with My Wardrobe HQ in the UK, through which members can rent Burberry outerwear, ready-to-wear, bags and accessories. Our most rented items include dresses and bags, which are typically hired for a four-day period. Our trial with Cocoon handbag subscription service, which began in February 2023, is ongoing.

Resale

In FY 2023/24, we announced a partnership with global luxury resale platform Vestiaire Collective in the UK and USA. Customers can trade in Burberry women's outerwear and handbags on the Burberry x Vestiaire Collective platform in exchange for a Burberry gift card, which can be used in-store or online. All pre-loved Burberry pieces are available to purchase globally through Vestiaire Collective.

Remake

We launched our first product upcycle programme during FY 2023/24. Using the cashmere upcycle service, customers in the UK can have visible signs of wear and tear on their Burberry cashmere scarf repaired with custom embroidery, appliqués and personalised touches. This service helps extend the life of the product while at the same time giving it a bespoke finish.

Eliminate plastic packaging

Target: Eliminate plastic from our consumer packaging by FY 2025/26

Target: Eliminate unnecessary plastics used in operational packaging and maximise recycled content (with at least 50% of plastic to be made from fully recycled content) by FY 2029/30

Managing our use of plastic is key to reducing the environmental impacts associated with our products and operations.

Progress

In FY 2023/24, we made good progress against our target to eliminate plastic from our consumer packaging by introducing new plastic-free alternatives.

To minimise and reduce waste, we now take a minimalist approach to our consumer packaging. Our pared-back offering comprises a reusable 100% recycled cotton shopper bag for larger purchases and paper pouches or retail bags for smaller items. All of our consumer paper-based packaging is widely recyclable and (FSC®)[1] certified, reflecting our commitment to support zero deforestation and sustainable forest management.

We also removed all hardware such as zips and snaps from our new plastic-free garment covers to facilitate recyclability, and limited the types of purchases packaged with them to rainwear and tailoring. Garment covers and dust bags are made with 60% recycled cotton.

We continued to work on eliminating unnecessary plastics in operational packaging by replacing plastic void fill with a recycled paper alternative across the majority of distribution hub sites. We also replaced plastic packaging tape with recycled paper sealing tape in two of our key distribution centres. Testing is ongoing in all other sites. Finally, we removed plastic polybags used for shoes and now exclusively use dustbags comprised of 60% recycled cotton. In FY 2023/24, 53% of operational plastic packaging was made from fully recycled content (compared to 61% in FY 2022/23).

We also collaborated with industry experts and The Fashion Pact to progress our FY 2029/30 target to eliminate unnecessary plastic in our operational packaging.

> "Our 2025 plastic elimination target for customer packaging goes hand in hand with elevating the luxury customer experience. For example, we have replaced our plastic hangers with reusable, lightweight FSC® certified wooden hangers."
>
> Niclas Ekerot
>
> Vice President, Retail Excellence

1. In order to calculate the percentage of FSC® certified paper-based packaging, we have relied on the accuracy of the information supplied to us by our nominated packaging suppliers regarding the value of certified paper packaging sold to Burberry.

PLANET

Introduction

Burberry's heritage is embedded in the natural world. The Planet pillar of our Burberry Beyond strategy outlines how we manage our most significant environmental impacts and dependencies to mitigate material risks and realise opportunities while contributing to global efforts to tackle climate change and nature loss.

Policies

Our Global Environmental Policy (available on Burberryplc.com) sets out our commitment to environmental responsibility and the standards we uphold across our value chain. These principles are mandatory and apply to all of our operations and supply chain partners' activities. Supplier environmental performance is monitored systematically (see 'Embed sustainable manufacturing' section on pages 45 to 46).

Approach

Climate Positive is our approach to delivering our Planet pillar commitments. We are working to reach net zero GHG emissions by FY 2039/40, extend our sustainable manufacturing programmes, and contribute to the sustainable management of natural forests.

Our pillar objectives are delivered by the Corporate Responsibility and Sustainable Manufacturing teams working in close collaboration with other internal teams and supply chain partners to drive performance against our targets. Through cooperation between key operational teams, including Supply Chain, Merchandising, Sourcing and Strategy, we ensure environmental management remains integral to day-to-day business processes and decisions.

Reach Net Zero by 2040

Target: Reach net zero greenhouse gas emissions across our value chain by FY 2039/40

Reducing GHG emissions and managing climate-related risks are material to the long-term success of our business. We are dedicated to reducing our scope 1, 2 and 3 emissions and are embedding this commitment into our organisational strategy with the ultimate aim of becoming Net Zero by 2040. Our emissions reduction targets are aligned to a 1.5°C pathway and have been validated by the Science-Based Targets initiative (SBTi) against their Corporate Net-Zero Standard. We are assessing whether we will be required to set separate SBTi FLAG (Forest, Land and Agriculture) targets within our overall Net Zero by 2040 commitment.

Our approach to decarbonisation is to maximise absolute reductions through effective energy efficiency and carbon reduction projects, before compensating for any residual emissions through high-integrity and certified carbon credits in line with the SBTi's Corporate Net-Zero Standard. See the Global GHG emissions table on page 43 for the number of carbon credits we purchased in FY 2023/24. Our Burberry Beyond Climate Positive 2040 report details our strategic direction and plan to reduce GHG emissions across our operations and supply chain.

Progress

We are committed to business-wide decarbonisation, and during FY 2023/24, focused on building the internal capacity and momentum required to develop and operationalise our long-term transition plan.

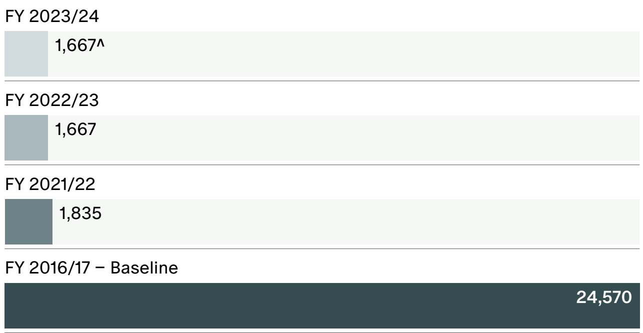
Delivering our Net Zero by 2040 target will require short-, medium- and long-term solutions driven by a broad range of teams across the business. In FY 2023/24, we began conducting cross-functional strategy "sprints" to identify feasible and effective solutions to our biggest blockers to achieving net zero emissions by 2040. Using insights gathered from our scope 3 emissions data (see our Responsibility Data Appendix 2023/24 on Burberryplc.com for the emissions category breakdown), we identified impact areas and actions to address. These areas cover each stage of our product lifecycle, from selection of raw materials to circular initiatives.

Scope 1 and 2

Target: Across our own operations, we commit to reducing absolute scope 1 and 2 GHG emissions by 95% by FY 2026/27 from a FY 2016/17 base year, and to maintain this year on year from FY 2026/27 through to FY 2039/40

In FY 2018/19, we set an SBTi-approved target to reduce our absolute scope 1 and 2 emissions by 95% by FY 2022/23 compared to a FY 2016/17 baseline. We set this commitment knowing that the target was ambitious but with the intention that it would help us drive change at pace. With new plans now in place, we have extended the deadline to FY 2026/27 and will maintain the 95% reduction year-on-year to FY 2039/40.

Scope 1 and 2 GHG emissions



Total scope 1 and 2 market-based emissions (tonnes CO_2e).

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Progress

We reduced absolute scope 1 and 2 emissions from our own operations by 93% from our FY 2016/17 baseline, maintaining our FY 2022/23 reduction performance.

Key to our emissions reductions from FY 2016/17 has been the continued use of renewable electricity throughout our operations. In FY 2023/24, we maintained the progress made in the previous financial year, with 100% of the electricity we consumed matched with an equivalent amount of renewable generation sourced from renewable tariffs, Energy Attribute Certificates, or generated through on-site renewables. We now have solar panels installed at our headquarters in London and our distribution sites in Italy and the USA. We have also begun improvement works at our distribution site in Blyth, UK, where we are installing solar panels, furthering on-site generation in our own operations.

In conjunction with our use of renewable electricity, we are focused on delivering emissions reductions through energy efficiency. In FY 2023/24, our total energy consumption decreased by 36% from a FY 2016/17 baseline and by 3% from FY 2022/23. Over the past financial year, we carried out a series of energy audits across our retail stores, offices, manufacturing sites and distribution hubs in line with the Energy Efficiency Directive (EED) and Energy Savings Opportunity Scheme (ESOS) energy regulations in the UK and Europe. Through these audits we identified more immediate opportunities to increase energy efficiency, including maximising lighting efficiencies through LED upgrades and improving the management of heating and cooling systems using temperature boundaries. We also identified more ambitious improvements, such as upgrading heating systems and replacing single-glazed windows in stores to reduce heat loss.

Delivery of our scope 1 and 2 emissions reduction target continues to be supported by ensuring our buildings meet high energy efficiency standards. In FY 2023/24, we obtained the LEED Gold certification in 32 additional stores and the BREEAM Excellent certification at one more store, our Bond Street flagship, making a total of 105 certified stores since FY 2018/19.

Global GHG emissions

	Current reporting year 2023/24		Reporting year 2022/23		Reporting year 2021/22	
	Global	UK and offshore only	Global	UK and offshore only	Global	UK and offshore only
Total energy including: purchase of electricity, the operation of any facility, combustion of fuel for facilities and vehicles/kWh	**54,735,836^**	**15,402,415**	56,262,614	15,518,973	72,548,109	18,517,153
Scope 1 – Combustion of fuel and operation of facilities (Tonnes CO_2e)	**1,545^**	**1,056**	1,585	1,082	1,768	1,311
Scope 1 – Combustion of fuel from owned or leased transport (Tonnes CO_2e)	**122**	**3**	82	2	67	1
Scope 2 – Electricity purchased and used for operations (location based) (Tonnes CO_2e)	**17,308^**	**1,998**	17,692	1,872	25,866	2,390
Scope 1 and 2 – Total emissions (location based) (Tonnes CO_2e)	**18,975^**	**3,057**	19,359	2,956	27,701	3,702
Scope 2 – Electricity purchased and used for operations (market based) (Tonnes CO_2e)	**0^**	**0**	0	0	0	0
Scope 1 and 2 – Total emissions (market based) (Tonnes CO_2e)	**1,667^**	**1,059**	1,667	1,084	1,835	1,312
Total emissions offset by Verified Emissions Reduction Certificates (Tonnes CO_2e)	**1,667**	**1,059**	1,667	1,084	1,835	1,312
Scope 1 and 2 intensity (location-based) (Tonnes CO_2e per £1,000,000 sales revenue)	**6.4**	**N/A**	6.3	N/A	9.8	N/A
% of energy and electricity consumption (kWh) sourced from renewable sources (%)	**84%^**	**63%**	84%	62%	86%	61%

Burberry applies an operational control approach to defining its organisational boundaries. Data is reported for sites where it is considered that Burberry has the ability to influence energy management. Data is not reported for sites where Burberry has a physical presence but does not influence the energy management for those sites, such as a concession within a department store. Overall, the emissions inventory reported equates to 97% of our net selling space square footage. Burberry uses the Greenhouse Gas Protocol (using a location- and market-based approach to reporting scope 2 emissions) to estimate emissions and applies conversion factors from UK BEIS, IEA and RE-DISS. All material sources of emissions are reported. Refrigerant gases were deemed not material and are not reported. Market-based emissions globally and for the UK relating to purchased electricity within our operations (scope 2) are stated as zero due to us procuring an amount of renewable electricity equivalent to 100% of our annual consumption. GHG emissions data reported is based on the period from 1 April 2023 to 31 March 2024. The Company's financial accounting period is from 2 April 2023 to 30 March 2024. However, references to FY 2023/24 for the selected Responsibility indicators included in the Environmental and Social Responsibility section of Burberry's Annual Report 2023/24 refer to the period 1 April 2023 to 31 March 2024.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Scope 3

Target: Across our extended supply chain, we aim for a 46% reduction in scope 3 GHG emissions by FY 2029/30 and a 90% reduction in scope 3 GHG emissions by FY 2039/40 (from FY 2018/19)

Progress

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

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

Overall, in FY 2023/24, our scope 3 GHG emissions decreased by 0.8% from FY 2022/23 and by 45.9%^ from our FY 2018/19 base year, against which we are measured for our 2030 and 2040 science-based targets.

Our scope 3 emissions performance in largely determined by both the volume of products we produce and our product mix. However, we continue to make targeted interventions to ensure we are working to reduce our carbon emissions over the coming years in line with our 2030 and net zero targets.

With the vast majority of our scope 3 GHG emissions arising from our extended supply chain, we are focusing on five key impact areas to drive action and progress: 1) Raw Materials, 2) Circularity and Reducing Product-related Waste, 3) Supply Chain Decarbonisation, 4) Sustainable Transportation and 5) Operational Decarbonisation. These impact areas are also the focus of our cross-functional transition planning initiated this financial year. Further details about initiatives under each of these areas are provided in the Decarbonising our Value Chain section of the Burberry Beyond Climate Positive 2040 report on Burberryplc.com.

We have made additional progress in driving decarbonisation across our purchased goods and services by increasing the uptake of certified and responsibly sourced raw materials and further investment into innovative materials.

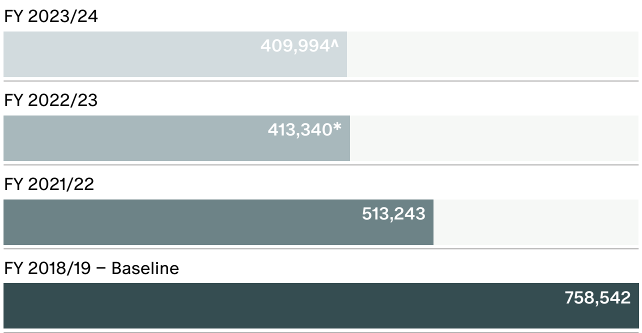
As cashmere contributes significantly towards our raw material emissions, we are part of a cross-industry Life Cycle Assessment coordinated by Textile Exchange with the aim of improving our understanding of its environmental impact. This builds on actions we are already taking to reduce emissions associated with cashmere sourcing and production, including phasing out the use of virgin cashmere in specific product categories.

We are also taking steps to reduce the amount of excess materials generated and increase material donations to external partners to both extend the life of materials already procured and avoid further emissions associated with excess materials (see page 46 for detail on textile and leather donations).

In other key impact areas, we are working to drive reductions in transportation and logistics emissions. This includes reducing the proportion of finished goods transported by air between our vendors to our hubs year on year, focusing instead on less carbon-intensive modes of transport such as sea- and road-freight.

We are working with supply chain partners to promote energy efficiency and transition to renewable electricity as part of our actions to reduce emissions. Specifically, we track energy performance across our finished goods production sites. In FY 2023/24, 70% of our finished goods vendors globally used electricity from renewable sources.

Scope 3 GHG emissions



Total scope 3 emissions (tonnes CO_2e).

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

* FY 2022/23 total scope 3 emissions has been restated due to a prior year error as described on page 44. Please see our Responsibility Data Appendix 2023/24 (on Burberryplc.com) for a full category breakdown of our scope 3 emissions including the FY 2022/23 restated figures. Additional details of our methodology are available in our Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Embed sustainable manufacturing

Target: Continue to extend our sustainable manufacturing initiatives, covering sustainable chemical management, water and waste, both within our own manufacturing and across our supply chain

Our work with our value chain goes beyond reducing GHG emissions to encompassing the sustainable management of resources and production processes. Our commitment to implementing our sustainable manufacturing programme within our supply chain ensures we are lowering both our dependencies and our impact across key environmental topics. Our dedicated Sustainable Manufacturing team is responsible for implementing and monitoring this programme.

Progress

Chemicals

Our approach to sustainable chemical management is to drive systemic change and achieve zero discharge of hazardous chemicals across the industry. Our Chemical Management Programme ensures safer products, reduced exposure for communities in and adjacent to our supply chain, and cleaner water and air emissions into the environment.

Our Burberry Manufacturing Restricted Substances List (MRSL) prohibits all Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) in addition to the Zero Discharge of Hazardous Chemicals (ZDHC) MRSL. Our Burberry Product Restricted Substances List (PRSL) ensures the safety of our products through monitoring and robust testing standards.

We are implementing the ZDHC Supplier to Zero (S2Z) programme across our value chain to ensure that the best practices in sustainable chemical management are adopted. In FY 2023/24, 89% of products were delivered by key supply chain partners[1] assessed against the ZDHC S2Z programme requirements. We work to continuously improve the quality of our supply chain effluents and therefore require wet processors to perform wastewater testing in line with the ZDHC Wastewater Guidelines. The results are published annually on Burberryplc.com.

Over the last 10 years, along with our luxury peers, third-party suppliers and external chemical experts, we have helped to shape the direction of the industry on the chemical management roadmap. Since 2014, Burberry has been an active member of the ZDHC and, in 2023, our chemical management implementation was recognised as Aspirational for the third consecutive year, the highest attainable level in ZDHC's Brands to Zero Leader Programme.

For more details and data on our Chemical Management Programme, please refer to our Responsibility Data Appendix 2023/24 on Burberryplc.com.

Water

We are committed to preserving water for future generations. Our Water Conservation Programme focuses on increasing resource efficiency, reducing our water impacts and increasing water resilience. To achieve this, we work closely with our key supply chain partners[1], cultivating a culture of openness and transparency to address our water impacts at the manufacturing stages of our value chain.

As part of this programme, we have developed a water resilience assessment to help us identify potential hotspots, defined as sites where water management levels are disproportionate to their levels of water intensity and risk. The assessment acts as a roadmap to improve water management at our partners' sites, by promoting a better understanding of their water demand, driving water efficiency and water recycling, and encouraging greater disclosure.

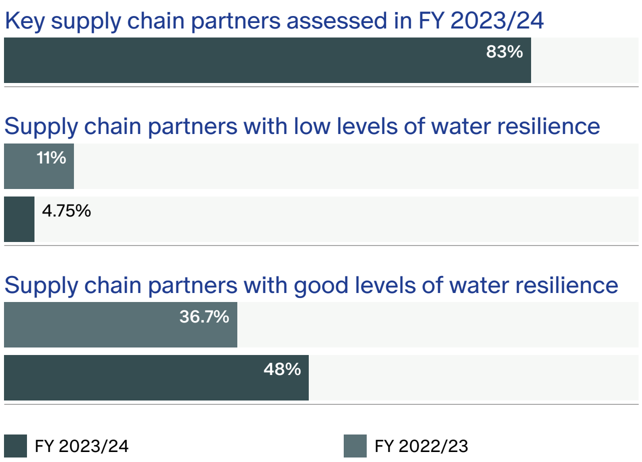
In FY 2023/24, 83% of products were delivered by key supply chain partners[1] assessed against our water conservation framework. We have improved our resilience profile annually through partner engagement, capacity building and direct support. The percentage of products delivered by partners with low levels of water resilience (Red/Hotspot) decreased from 11% in FY 2022/23 to 4.25%, while the percentage of products delivered by partners with good levels of water resilience (Green/Excellent) increased from 36.7% to 47.9%. For a full breakdown of our assessment and results, please refer to our Responsibility Data Appendix 2023/24 on Burberryplc.com.

Following our assessment, we work with potential hotspot sites to co-develop strategies to improve their water resilience. We aim to have zero hotspots by 2030.

Additionally, we are working to understand our products' water footprint to inform innovation efforts in water efficient technologies and materials. Beyond our manufacturing value chain, water is a key resource for raw material production. We are taking steps to mitigate our impacts and risks at this stage of the value chain. For example, Burberry's raw material certification targets aim to embed best practice environmental management, including minimising water impacts (see page 38 for more detail on these targets).

We report on our approach to managing water-related climate risks, such as water stress and flooding, in our Task Force on Climate-related Financial Disclosures (TCFD) on pages 66 to 79.

We are improving the reach of our assessment framework, and in turn our supply chain profile, and we recognise the need for greater collaboration to drive systemic change. See page 62 for details of the partnerships we have established to deliver on this.



Note: Figures are based on % product units delivered by key supply chain partners in the relevant financial year.

1. Key supply chain partners refers to our direct supply chain partners including finished goods vendors and raw material suppliers.

Waste

We are committed to embedding circular principles and reducing waste across our operations and direct supply chain. Our waste hierarchy outlines our preferred approach to reducing waste across our footprint, including at the design stage, in the supply chain and in merchandising. From most preferred to least preferred, we endeavour to Rethink, Reduce, Reuse, Recycle and Recover. Our preferred approach is to avoid waste before it is created by designing and planning with circularity and the inefficiencies that lead to waste creation in mind.

Where waste still occurs, we continue to expand existing routes while developing new partnerships and solutions. We manage our stock position closely by proactively allocating current stock across channels and regions to meet demand.

To help our customers keep their Burberry products in use for longer, we have been expanding our aftercare services and embedding circular business models. More details regarding our circularity programmes can be found on pages 38 to 39.

Operational waste

To minimise and reduce waste across our own operations in FY 2023/24, we diverted 100% of operational waste from landfill with an average recycling rate of 74% in our own operations (compared to 71% in FY 2022/23).

Non-stock waste

We have introduced Sustainability Principles to reduce the overall impact of marketing activity, events, visual merchandising and gifting. These Principles are mandatory for all external partners and internal Marketing and Production teams. A key component of the Sustainability Principles consists of detailed guidance for extending the life of materials where possible, as aligned to our waste hierarchy. For example, in collaboration with UpCycle Labs, a UK-based recycling partner, we repurposed our Bond Street flags from our London takeover in September 2023 into unique Thomas Burberry busts awarded to colleagues recognised by our annual internal Icon Awards.

We prioritise re-use where possible, giving products and props a second life. In FY 2023/24, we donated 20 metric tonnes of old props, retail furniture and visual merchandising to our charity partner Vitruvium. This includes 43 rolls (approximately 13 metric tonnes) of carpet previously used in our FY 2023/24 shows and events. Following our most recent Burberry Winter 2024 show, we donated 193 custom fleece cushions to the Royal Society for the Prevention of Cruelty to Animals (RSPCA) London East, RSPCA Thanet and RSPCA Leybourne.

Donations

Textile and leather waste

We recognise the fashion industry's shared challenge with respect to the environmental impacts of excess fabric and textile waste. Supply chain efficiency and management of materials is a key area of focus. By putting in place systems to optimise the procurement and utilisation of our materials and finished goods, we can reduce their associated climate impacts.

Working closely with our supply chain partners, we collaborate to increase recycling and repurposing of textile and leather offcuts through shared partners.

We continue to donate excess materials, including textile, leather, yarns, trims and mannequins, to charities and design schools globally. In FY 2023/34 we donated over 360,000 metres of fabric to a variety of global non-profit organisations, including the British Fashion Council, Leeds Beckett University, and Progetto Quid.

Finished goods

We provide finished goods donations to schools, charities and social enterprises. This includes our long-time partner and UK based charity, Smart Works, which provides clothing and coaching to help women secure employment. In FY 2023/24, we donated 2,650 items of business clothing to Smart Works for clients to wear during job interviews. In the USA, we donated over 2,000 units of clothing to Good360, an organisation that distributes urgently needed goods to charities that need them the most.

Protect nature

Target: Contribute to sustainable management of natural forests and support zero deforestation across our products and supply chain by FY 2025/26

This year, we initiated the development of a nature strategy to manage our most material nature-related impacts, dependencies, risks and opportunities in our value chain and beyond. This will build on our existing commitment to contribute to sustainable management of natural forests and support zero deforestation, and our alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

Progress

Deforestation and sustainable forest management

In FY 2023/24, for the second straight year, 100% of our procured viscose was 'Green Shirt' rated in Canopy's Hot Button Ranking. This ensures suppliers have been audited and assessed as low risk of sourcing from Ancient and Endangered Forests, and are ZDHC-compliant.

Regarding packaging, our retail bags and gift boxes are FSC® certified, guaranteeing that the paper used is made of responsibly sourced wood fibre and does not come from endangered forests. Additionally, we are enhancing our sustainable practices by ramping up the sourcing of eco-friendly cardboard for both consumer and operational packaging. In FY 2023/24, 96% of our paper-based packaging was FSC® certified[1].

We are also committed to avoiding deforestation and forest degradation driven by the sourcing of leather (please see our Responsible Raw Materials Sourcing Policy on Burberryplc.com for more details). In FY 2023/24, we sourced 100% of our leather from certified tanneries (compared to 96% in FY 2022/23). This increase in sourcing certified leather was driven by strong engagement with our sourcing teams and suppliers.

1. In order to calculate the percentage of FSC® certified paper-based packaging, we have relied on the accuracy of the information supplied to us by our nominated packaging suppliers regarding the value of certified paper packaging sold to Burberry.

Partnerships with raw material producers

The Burberry Regeneration Fund supports regenerative farming projects in our supply chain to promote biodiversity, improve soil carbon and support livelihoods in local communities. In partnership with PUR, a certified B Corp and provider of nature-based solutions, we work with wool producers in Australia to promote regenerative farming practices across 12 farms. With support from PUR, the farmers are implementing practices such as seeding new pasture grasses, setting aside wildlife corridors, and installing new fencing and paddocks to allow more rotational grazing.

In addition, we have partnered with a major cotton supplier to trial sourcing cotton produced in Southern USA using organic and regenerative practices. This cotton is certified by both the Global Organic Textile Standard (GOTS) and Regenagri and supports our mitigation of water- and biodiversity-related risks by reducing water consumption, preserving soil health and avoiding the use of harmful chemicals.

Protecting nature beyond our own value chain

In FY 2023/24, we took further action to support nature protection and restoration beyond our own value chain. For example, 2024 marks the second year of our three-year ecological restoration and conservation programme in partnership with the Hainan Provincial Bureau of International Economic Development, the Educational Department of Hainan Province, the Forestry Department of Hainan Province and Hainan Reform and Development Research Foundation. In line with Mainland China’s national sustainability goals and Burberry’s net zero agenda, this programme aims to restore the ecosystems in key areas across Hainan and preserve the island’s tropical forestry, mangrove ecosystems and biodiverse habitats.

PEOPLE

Introduction

People are at the heart of our business and operations and our direct colleagues and those in our supply chain are critical to our success. We work to create an inclusive culture and environment where creative minds from different backgrounds can collaborate and flourish.

We respect and uphold human rights wherever we operate and we work to enhance the wellbeing of all workers in our supply chain through dedicated initiatives. Read more from page 54.

Policies

Our people-focused policies and procedures are aligned to our commitment to being an open, inclusive and caring employer, and assist us in supporting our colleagues throughout their career at Burberry.

Our Code of Conduct includes our key policies and processes and sets the behaviours expected of our people and Burberry business associates. It reiterates the principles of respect, fairness and compliance inherent in our Company values, and our intention as a business to comply with local laws and regulations.

By championing inclusivity and diversity, we foster a workplace culture where our people can thrive. Our Global Diversity, Equity and Inclusion Policy includes clear guidelines and accountability measures to ensure we attract and retain a diverse workforce. For example, Burberry's Global Parental Leave Policy offers all eligible employees 18 weeks of parental leave at full pay and the opportunity to work a 30-hour week at full pay for a further four weeks on their return.

We review our Global Diversity, Equity and Inclusion Policy annually and continue to work with external organisations to ensure inclusive practices and procedures are upheld across Burberry, where we exercise fairness and ensure that people with disabilities are equally considered. We make reasonable adjustments for people with disabilities (including any colleagues who have become disabled) throughout their career at Burberry and ensure our online materials, career site, policies and processes are inclusive of people with both visible and non-visible disabilities. For example, to support fair and objective performance management, we provide training and guidance for line managers that emphasises evaluating colleagues based on skills, capability and demonstrated performance. We also offer leaders and line managers (including those involved in the recruitment process) training covering unconscious bias awareness and mitigation strategies to ensure all are candidates and colleagues assessed based on their experience, merit and contributions.

Our operations are also governed by our Global Health and Safety Policy, ensuring appropriate measures are in place to provide safe and healthy environments for our people and those visiting Burberry's premises. We follow all applicable guidelines and procedures relevant to our industry and local laws.

We are committed to engaging with our people, customers and suppliers not only in accordance with legislation but also ethically and with independence and integrity. Our Anti-Bribery and Corruption Policy outlines the steps taken to prevent bribery and corruption in connection with Burberry. Everyone associated with Burberry is expected to conduct themselves in accordance with the highest ethical standards at all times.

Approach

Our approach to supporting our people and meeting our targets requires collaboration between teams across the business. We leverage the strengths and capabilities of different departments and pool expertise and resources to achieve our targets.

Our values underpin our People strategy. They serve as guiding principles and help to maintain a positive, open and inclusive culture while driving growth through high performance.

Our Diversity, Equity and Inclusion principles supplement our values and are hardwired into how we operate as a business to help us advance, understand and support our people globally.

Evolving our culture with the values that unite us

We recognise and reward our people for what they do as well as how they demonstrate Burberry's leadership behaviours.

These considerations shape merit and pay decisions, annual bonus outcomes and awards under the Burberry Share Plan for our senior leaders. A proportion of our colleague bonus is also linked to the achievement of key targets in the Product and Planet pillars of our Burberry Beyond strategy.

Elevating leadership capability

At Burberry, our leaders act as the guiding compass for our people. Their actions and behaviours set the standard for what is expected and guide our organisation's culture. During FY 2023/24, we focused on elevating leadership capabilities and developing a more closely connected senior leadership community. We introduced training for our Director and above community. We also worked with an external partner to provide our senior leadership community with sessions that identified actions and behaviours that can elevate leadership qualities and bolster engagement within teams.

Cultivating colleague engagement

Throughout FY 2023/24, we supported our people in building behaviours and habits to maintain their engagement and wellbeing. Alongside the continuation of our longstanding summer and winter programmes, offering wellbeing days and other benefits, we launched our first global B:Well Week, featuring initiatives addressing mental, physical, social and financial wellbeing.

Acknowledging the challenges presented by the macro-economic environment, we launched a dedicated financial wellbeing microsite in November as part of Talk Money Week. This platform offers resources and guidance on various financial topics, providing essential support for navigating economic complexities.

In FY 2023/24, we enhanced our Diversity, Equity and Inclusion education programmes and introduced dedicated training sessions on the topic of psychological safety. The sessions explored how to create high-performing teams built on trust and discussed barriers to driving a culture of inclusion, respect and reflection.

Our global resolution framework supports our psychological safety training. Launched in 2022, the initiative aims to foster a culture of speaking up and ensuring early, consistent and lasting resolution of employee concerns. Our global framework has played a pivotal role in building trust and instilling a people-centred, dialogue-driven approach to workplace issues, and earned Burberry the Personnel Today HR Impact Award in 2023.

Culture Hacks

This year, we introduced 'Culture Hacks' sessions, which brought teams together to boost understanding of our values. The immersive sessions addressed how our Leadership Standards guide our colleagues and empower them to work in ways that align with our values while also progressing our Company strategy.

Colleagues took part in a number of activities, including outlining what our values mean to them and demonstrating them through provided images. Groups also developed two cartoon storyboards depicting scenarios related to Burberry's values. In one storyline the characters adhered to Burberry's values and performed well, whereas in the second, they did not, which resulted in them encountering performance-limiting obstacles.

Following the sessions, teams reported feeling a deeper connection to and understanding of our values.

Empowering our people through Diversity, Equity and Inclusion

Our Diversity, Equity and Inclusion principles are woven into our global colleague journey, from fostering an open and inclusive culture to investing in global education programmes, which encourage our people to be curious and challenge behaviours.

Diversity, Equity and Inclusion pillars

Attracting and retaining diverse talent	Fostering an open and inclusive culture	Educating and raising awareness	Implementing a global approach

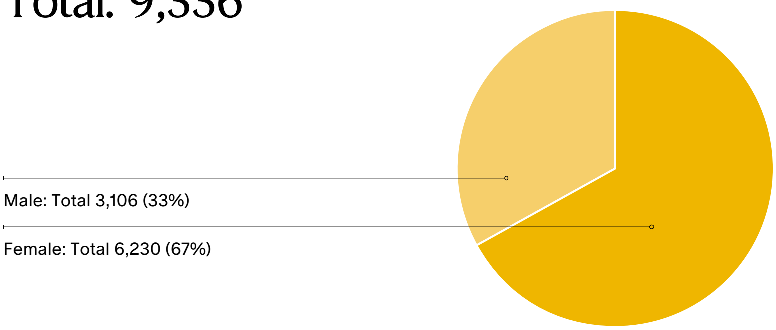
Diversity in our workforce

Understanding the diversity in our workforce enables us to leverage the strengths and experiences of our people to deliver our business strategy.

In FY 2023/24, we launched a campaign encouraging our colleagues to voluntarily share their diversity information. This data enables us to design policies and initiatives to support a diverse, equitable and inclusive workforce. For example, we developed a trans-inclusive language guide to support our transgender and non-binary colleagues, as well as those connected to trans and non-binary communities, to help facilitate conversations on this topic.

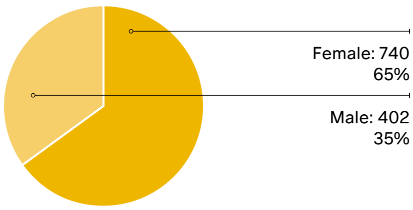
All workforce[1]

Total: 9,336



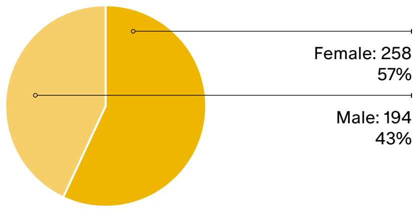
Junior Managers

Total: 1,142



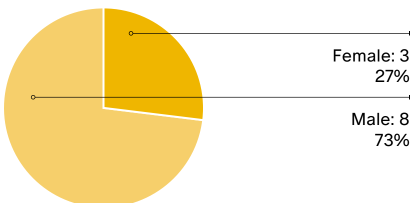
Senior Managers

Total: 452



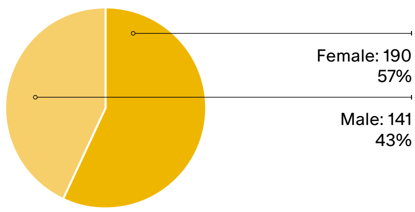
Executive Committee

Total: 11



Leadership (Director and above)[2]

Total: 331



1. See more details regarding our people data in our Responsibility Data Appendix 2023/24 available on Burberryplc.com.
2. Senior managers as defined in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Our commitment to fair pay

We are committed to ensuring that all our colleagues are paid in a way that is both fair and equitable. We are dedicated to the promotion and adoption of the UK real Living Wage within our own operations and are proud to be the first luxury retailer and manufacturer to achieve accreditation as a UK real Living Wage employer. In April 2024, we implemented a pay increase of 12% for approximately 1,000 colleagues in the UK. This increase was above the recommended 10% real Living Wage increase.

We are also dedicated to the promotion and adoption of the UK real Living Wage across our supply chain. Our longest-standing supplier, Johnstons of Elgin, the manufacturer of Burberry's Heritage Cashmere Scarves, also holds the Living Wage Employer accreditation.

We are committed to paying all colleagues fairly and providing them with competitive total reward. We regularly undertake pay analysis to ensure total reward is in line with their level and experience, and at a competitive and fair market rate. We have voluntarily disclosed ethnicity pay and bonus gap data for three consecutive years, underscoring our dedication to transparency and monitoring progress.

Our talent acquisition strategy adopts an inclusive approach, placing value on diversity, authenticity and passion in the ever-evolving fashion landscape. We partner with our professional community network and a range of creative institutions, including The British Fashion Council, The Outsiders Perspective and The BRIT School, to bolster our diverse talent pipeline and drive representation across the business.

Attracting and retaining diverse talent

Target 1: Ensure shortlists across all recruitment campaigns are gender balanced

FY 2023/24 shortlists across all recruitment campaigns consisted of 57% Female, 41% Male, 2% Other[3]

Target 2: Aim to increase hiring representation to 25% ethnic minority candidates in the UK

FY 2023/24, hiring representation in the UK consisted of 31% ethnic minority candidates[3]

Target 3: Aim to increase hiring representation to 25% Black/African-American candidates in the USA

FY 2023/24, hiring representation in the USA consisted of 10% Black/African-American candidates[3]

We focus on ensuring that every stage of our recruitment process is fair. Steps we have taken include ensuring all job descriptions are gender neutral, using standardised interview forms, and running mandatory unconscious bias training for talent acquisition teams.

The BRIT School

In 2023, we announced a partnership with The BRIT School to support fashion education and assist young people from diverse backgrounds to enter the creative industry. As part of the two-year collaboration, we sponsored the school's University of the Arts London-accredited Fashion, Styling and Textile course which covers a range of technical skills, including textiles, pattern cutting, photography, styling, fashion illustration and graphic design.

Our sponsorship of the course enables the school to maintain world-class facilities and provide off-site educational visits at no cost to families.

We also participated in The BRIT School's enrichment programme, which facilitates mentorship and panel sessions from industry experts, including colleagues from our Product Design teams.

In addition, we introduced the Burberry Stepping Stones Bursary Prize, which provides financial support to two graduating final-year students from global majority backgrounds pursuing creative careers.

3. These values are based on candidates who chose to voluntarily disclose.

Our early careers development programmes

We believe that talent can be found in a wide variety of locations. We want to diversify where we find our talent, as well as how we hire our people. As part of this ambition, we have enhanced our early careers talent acquisition programmes, including our Graduate Design Programme and our Undergraduate Programme.

In September, we welcomed our first cohort of undergraduate placement students into a range of functions across the business, including Corporate Responsibility, Finance, Merchandising and Supply Chain.

The programme begins with a Brand Immersion Day, during which the students hear from leaders across the business about Burberry's unique history, brand values, iconic products and global operations.

"I've already learnt a lot about Burberry as a luxury fashion company and about media marketing in general. I think this placement gives an accurate representation of what working in the fashion industry is really like."

2023 Undergraduate Placement Student

Championing inclusivity

We have several Employee Resource Groups (ERGs) across Burberry to support our people and champion what matters to them. Our core ERGs are: Women Empowered, Empowered Black Network (EBN), LATINX, Sustainability, Working Parents, Asians in America, LGBTQIA+, Women in Tech, and Disability and Neurodiversity.

Founded by colleagues in our Creative, Digital and Communications teams, our Disability and Neurodiversity ERG is a network where members can feel understood and empowered. It is also an environment where colleagues can learn more about disability, the ways it impacts our workplace and how to advocate for change.

Our Women Empowered ERG focuses on opening inclusive spaces for members to connect, share experiences and learn from each other. During the year, Women Empowered joined forces with Women in Tech and participated in the #IAmRemarkable Google empowerment pilot event, which took participants on a journey to recognise their personal and professional value and shared techniques on how to be comfortable with self promotion.

This collaborative spirit not only elevates individual skills and confidence but also creates a powerful network that champions women's rise to leadership positions and excellence across Burberry. We continue to stay connected with our ERGs, providing guidance on best practice to grow their influence and impact on our global workforce.

"As a sister to someone with a visible disability, launching an ERG for Disability and Neurodiversity is crucial and of great significance to me. It plays a vital role in raising awareness, promoting understanding, and driving meaningful action toward creating a more inclusive environment for everyone at Burberry. It's not just about advocating for myself but also for my brother and others like him."

Disability and Neurodiversity ERG Co-founder

Investing in the development of our people

People are our most valuable asset. We believe that continuous growth and development equips our people to adapt to evolving demands and increases resilience in their roles. To support personal development, we offer a range of in-person and virtual resources, including our self-directed digital learning platform, B Learning, and our internal Apprenticeship Programme.

Created in collaboration with our people and delivered by external training providers, our Apprenticeship Programme offers Burberry colleagues the opportunity to enhance their skills in over 30 disciplines by undertaking further education alongside their role.

We also raise awareness by facilitating conversations between our colleagues and offering learning opportunities in an open and supportive environment. By doing so, we empower our colleagues to become meaningful allies, fostering a culture of inclusivity and ensuring that every member of the organisation understands, respects and celebrates diversity, equity and inclusion in their daily interactions and decision-making processes.

Support Inclusion

89%	90%
completion of Episode 1 Mitigating Bias	completion of Episode 2 Allyship

Empowering our Burberry leaders

We believe that great leadership guides our organisation, setting the tone for our culture and inspiring our people to reach their full potential. We have a structured framework of three global programmes, each building upon the other, designed to guide all Burberry leaders at pivotal milestones in their careers. Our Manager Development Programme (MDP), Senior Manager Development Programme (SMDP) and Executive Development Programme (EDP) have been crafted to elevate leadership capabilities and demonstrate our Leadership Standards.

Our EDP is tailored exclusively for Directors and above. This programme is designed to develop senior leaders' flexibility and agility, traits crucial for success, particularly in times of change and uncertainty. The initiative integrates our Leadership Standards and enhances leadership capabilities through a blend of internally and externally led workshops, peer discussions, networking opportunities and self-directed development. Over seven months, participants engage in 10 hours of learning, including a comprehensive six-month one-on-one coaching component in collaboration with behavioural change specialists MindGym.

In 2023, Burberry received the Gold Brandon Hall Award* for Best Advance in Coaching and Mentoring, recognising innovation for the design and implementation of our EDP.

Styling 101

In line with our strategic priorities to drive category growth and grow our elite client base, our Retail Excellence team joined forces with Condé Nast College of Fashion & Design to create the Styling 101 Programme, a one-of-a-kind, tailor-made training programme designed to elevate retail teams' styling and selling skills.

Over 90 top performing Client Advisors from our global retail network embarked on a 16-week learning journey, which included videos sharing insights from both internal and external experts, as well as challenging weekly styling tasks.

To boost engagement in the programme, we featured industry leaders from Vogue, including Global Editorial Director of Condé Nast, Dame Anna Wintour CH DBE, former Editor-in-Chief of British Vogue and European Editorial Director of Vogue, Edward Enninful OBE, and Global Network Lead and European Deputy Editor of Vogue, Sarah Harris. The learning journey concluded with a regional in-person graduation moment during which participants were awarded certificates from Condé Nast College of Fashion & Design.

* Submissions for the award were entered by organisations from around the world, ranging from large conglomerates to small businesses, government and non-profit organisations. Entries were evaluated by a panel of veteran independent senior industry experts, Brandon Hall Group analysts and executives based on the following criteria:

1. Alignment to business need and environment
2. Programme design, functionality and delivery
3. Adoption, integration, user experience, innovation and creativity
4. Overall effectiveness, impact and measurable benefits

PEOPLE IN OUR SUPPLY CHAIN

Introduction

Our commitment to supporting our people and their wellbeing extends to those across our value chain. Core to this agenda is respecting and upholding human rights, combating the risk of modern slavery, and increasing transparency throughout our supply chain. We collaborate across our sector with our partners and with external experts, to protect and nurture luxury craftsmanship and traditional techniques.

Policies

Our Responsible Business Principles are designed to ensure the wellbeing of people involved in the manufacturing of our products and safeguard all involved against human rights breaches. These Principles are incorporated into our contractual agreements with external partners during onboarding. They include our Ethical Trading Code of Conduct, which sets out standards to protect the rights of workers across our supply chain, as well as policies that aim to protect vulnerable workers, such as a Migrant Worker Policy and Child Labour and Young Worker Policy. Any violations of our Ethical Trading Code of Conduct must be remedied in line with our Partner Non-Compliance Policy.

Approach

Supply chain risk assessment

To identify our most material human rights impacts, risks and opportunities, we conduct a Human Rights Impact Assessment (HRIA) of our operations and activities and those of our extended supply chain every two years. We have implemented this process since 2014, and continue to evolve and develop our due diligence approach as well as our Ethical Trading Programme.

Our FY 2022/23 impact assessment identified four key areas where human rights violations are more likely to be identified across our finished goods vendors and raw materials suppliers. These are:

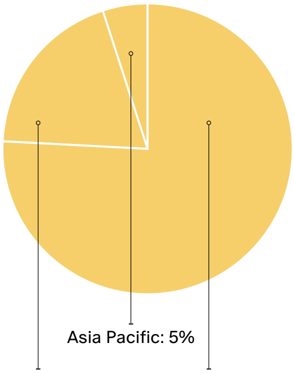
- Working and living conditions, including access to health services
- Worker voice
- Diversity, equity and inclusion
- Modern slavery

Over the last year we have implemented several mitigation actions focused on these areas. These include:

- Developing an enhanced wellbeing strategy to support our supply chain partners in improving working conditions and workers' happiness at work. We have also rolled out our Health Programme, which provides workers with vital access to health training and services, based on their needs
- Continuing to expand the reach of our Burberry-sponsored NGO-operated hotlines, which are now accessible to approximately 33,350 workers, a 22% increase from FY 2022/23
- Strengthening our collaboration with the International Organisation for Migration (IOM) to provide our supply chain partners with training and access to services regarding the ethical recruitment of migrant workers in their own supply chains. The training provides best practices to support the integration of migrant workers into the local workshop population

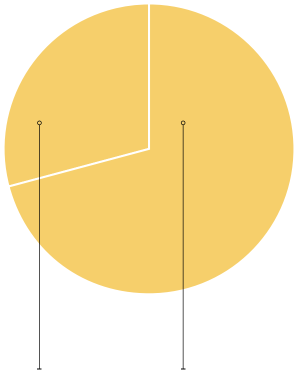
Finished goods production sites

679



Total workforce in finished goods production sites

62,230



Due diligence

During FY 2023/24, we refined our human rights strategic approach for our wider value chain. To ensure we are prepared for upcoming human rights due diligence legislation, we have undertaken a robust review of our due diligence model with the support of external experts to ensure it meets the expectations of our external stakeholders, such as international regulations, consumers, investors and governments. This included a gap assessment, allowing us to develop an enhanced due diligence approach, which has been validated by external consultants and will be implemented over the next year and beyond.

Our strategic approach, which supports our commitment to fully embed human rights into our business practices, consists of four steps: Integrate, Enhance, Transform and Engage. Full details of our approach is available in our Transparency in the Supply Chain and Modern Slavery Statement FY 2023/24 available on Burberryplc.com.

Our human rights due diligence encompasses and integrates all the activities we put in place to identify and manage social risks in our product supply chains. Human rights due diligence dictates the overarching set of activities we deem appropriate to:

- Assess the risk, in combination with the human rights impact assessment and via supply chain partner onboarding
- Mitigate the risk, via our Ethical Trading Programme
- Prevent the risk, with capacity building activities and risk-focused awareness raising sessions deployed by international entities (such as IOM) designed to prevent serious violations of human and labour rights of migrant workers across our product supply chain
- Listen to and act on workers' voice, with a specific grievance mechanism managed by international hotline service providers

Our enhanced due diligence methodology is designed to ensure a robust approach across all risk management dimensions and provide adequate abidance to upcoming key regulations particularly those relevant to enforcing human rights protection.

Advance ethical trading in our supply chain

Target: Continue to ensure our responsible sourcing standards and audit requirements are upheld by partners across our supply chain (this applies to finished goods vendors and key raw material suppliers)

Our Ethical Trading Programme aims to ensure that the identification, monitoring and mitigation of human rights risks are considered at every point along our value chain, as well as adherence to our Responsible Sourcing Standards. To achieve this, we have a programme of social compliance audits, in addition to training and activities developed in collaboration with experts on modern slavery and ethical trading risks, as well as with stakeholders in our value chain.

Audits to assess compliance with our Ethical Trading Code of Conduct (social compliance audits) are carried out across our supply chain, with external partners conducting audits in some cases. Under our current approach to due diligence, all our supply chain partners are screened and assessed at the onboarding stage to identify any human rights and modern slavery risk. We conduct a desktop social compliance assessment during onboarding before any new supply chain partner is approved. This includes our partners acknowledging and signing our Responsible Business Principles, to ensure mutual agreement that any form of modern slavery is not permitted under any circumstances. Based on the findings of the desktop risk assessment, suppliers will either be approved for production or will require a full on-site social compliance audit. All audited facilities receive a corrective action plan, with our Corporate Responsibility team collaborating to monitor and support implementation. As part of our regular monitoring activities, we aim to ensure partners' ongoing compliance and continuous improvement against agreed corrective action plans, providing support and guidance where needed. The frequency and types of audits implemented are dependent on the individual partner's previous audit grading and the associated risk.

Progress

We have a target that all our material[1] finished goods suppliers are audited against our Ethical Trading standards, and 71% of our finished goods suppliers were either audited or remained in scope of their most recent audit in FY 2023/24.

Only 1% of our finished goods supply chain partners were identified to have Critical or Business Critical findings and were managed in line with our Critical procedure in FY 2023/24. The main areas of non-conformance with our standards were related to health and safety[2] and working hours. We will continue to work with our partners to identify the root cause of these issues and implement actions to address and prevent them.

Where there is non-compliance, we require our supply chain partners to implement a corrective action plan to make progress and meet all our corporate responsibility standards.

1. Material meaning the top 80% of finished goods suppliers by volume and value or any finished goods supplier or material supplier who is deemed in need of an on-site social compliance audit (this is decided based on our Social Risk matrix).
2. For example, inadequate training around health and safety, or inadequate fire safety management.

Supply chain training

Training our supply chain partners to understand, identify, mitigate and manage modern slavery risks is a key component of our Ethical Trading Programme. Suppliers receive training during onboarding to ensure they have a strong understanding of the importance of transparency during social compliance audits and of our critical issues.

We have continued our collaboration with the IOM, broadening our global programme of training on modern slavery to cover country-specific risks facing migrant workers, fair and ethical recruitment, employer responsibilities, migrant workers' risks and integration of migrant workers. This training reached 246 supply chain partners across 15 countries and territories and impacted approximately 57,690 workers in FY 2023/24.

We ensure a continuous in-depth analysis and investigation of supply chain related issues through training sessions, which we facilitate and are delivered both by the Responsibility team and external consultants. This year, training topics were primarily regarding our new due diligence model that aligns to upcoming EU human rights legislation, and how our VOP partners can ensure their own due diligence processes are updated to meet these new requirements.

We are committed to ensuring the programme remains effective and to keep engaging new partners in the programme. During FY 2023/24, we engaged three new partners across our EMEIA supply chain. The programme is now in place at 24 suppliers reaching 20,547 workers across 310 subcontractors, covering 52% of our EMEIA product supply chain.

Social Compliance Overview FY 2023/24

Onsite social compliance audits
495^

Desktop social compliance assessments
100^

Finished goods supply chain partners that have had a social compliance audit or remained in scope from previous audit
71%

Vendor Ownership Programme FY 2023/24

24
vendors participating in the VOP

310
subcontractors

Over
20,500
workers impacted by the VOP

Covering
52%
of our EMEIA supply chain

Vendor Ownership Programme (VOP)

In order to promote social compliance audits throughout the tiers of our supply chain, we continue to extend our capacity building programme, the VOP. This programme provides our VOP partners in the EMEIA region with support to develop and run their own programme of social compliance audits within their supply chains. Regular audits focused on human rights as well as on health and safety are conducted both by our VOP partners' appointed resources and by our internal Responsibility team, against the Ethical Trading Code of Conduct. Based on the results of the audit, improvement action plans are developed, and shared with our partners' supply chain, who work on bridging the gaps identified.

Worker grievance mechanisms

We seek to ensure that employees and workers in our supply chain have access to confidential support and advice. We provide grievance mechanisms for our employees, including a global helpline which is managed by an independent company. We also sponsor confidential hotlines run by NGOs for workers in our supply chain which provide advice on workers' rights and wellbeing as well as confidential support.

Throughout the year, together with our NGO partner, we have continued to conduct awareness-raising sessions to promote the use of the confidential hotline to supply chain workers, highlighting its benefits and all services provided. Approximately 77% of all complaint calls have been addressed and responded to, with the remaining cases still being addressed by the suppliers with the support of the NGO. Grievance resolution is regularly monitored by the Corporate Responsibility team.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Worker Grievance Mechanisms FY 2023/24

473

calls made to hotlines

Approximately

33,350

workers in our supply chain covered by Burberry-sponsored confidential worker hotlines

Approximately

80%

of the finished goods production sites we source from are covered by national and/or industrial collective bargaining agreements

Our Ethical Trading Code of Conduct recognises the right for employees to join trade unions and have collective bargaining. Approximately 80% of the finished goods production sites we source from are covered by national and/or industrial collective bargaining agreements and many have established union representation, enabling workers to remain informed and involved in discussions about their rights.

Further information on human rights and ethical trading can be found on our website at Burberryplc.com. These include:

- Our Ethical Trading Code of Conduct and Human Rights Policy
- Our Transparency in the Supply Chain and Modern Slavery Statement FY 2023/24

Extend wellbeing across our supply chain

Target: Extend our Supply Chain Engagement Programme to further advance wellbeing, livelihoods, inclusivity and worker voice across our supply chain

Our commitment to wellbeing extends beyond our people to engage our supply chain partners in programmes which support the wellbeing of workers across our supply chain. Since its inception in 2018, we have continually expanded our Worker Wellbeing Programme, building on its benefits year on year.

Progress

Worker Wellbeing Programme

In FY 2023/24, nine finished goods suppliers participated in our Worker Wellbeing Programme, reaching 11,650 workers in our supply chain. The programme aims to educate suppliers about enhancing worker wellbeing in order to help improve employee satisfaction as well attract and retain talent. In addition, we engage with stakeholders to inform response actions, including surveys to measure worker wellbeing, meeting with supply chain partners to identify opportunities for improvement, and formulate site-specific action plans.

Our goal is to ensure continuous improvement of wellbeing performance across our suppliers, and this year 100% of our participating suppliers achieved Good[1] performance.

Health Programme

Additionally in FY 2023/24, we extended our Health Programme which was established in 2015. During the last financial year, over 830 supply chain workers participated in the programme and received approximately three hours training each.

To ensure the training is effective and relevant for the workers participating, we collaborate with the supply chain partner and medical practitioner conducting the training, to identify what health topics should be covered. The four broad training modules are: women's health, men's health, general health and mental health, and they include topics such as reproductive health, cancer awareness and nutrition.

Worker Wellbeing Programme FY 2023/24

9

finished goods suppliers participated in our Worker Wellbeing Programme

11,650

workers covered by the Worker Wellbeing Programme

1. Scale of ratings starting from the lowest is Unsatisfactory, Acceptable, Good and Excellent.

COMMUNITIES

Introduction

We strive to do the right thing for our customers, our communities and the world around us. We continue our founder's legacy by supporting young people, championing our communities and collaborating with organisations to make a positive impact.

We give at least 1% of profit before tax (PBT) annually to charitable causes, including amounts donated to The Burberry Foundation (UK registered charity number 1154468). Established in 2008, The Burberry Foundation is governed as a separate entity and operates independently to Burberry Group plc. As such, it follows the regulations and laws applicable to charitable organisations in the UK. The Burberry Foundation's Board of four trustees meets quarterly and is chaired by Christopher Holmes, Baron Holmes of Richmond, MBE.

Policies

Our Community Investment Policy and Procedures sets out our approach to community investment, charitable donations, humanitarian relief, employee volunteering and fundraising. Our community investment methodology aligns with the Business for Societal Impact (B4SI) framework, a global standard for measuring and managing social impact.

Approach

Our contributions are directed towards advancing our Communities strategy, ensuring meaningful impact and sustainable progress in our core focus areas.

In FY 2022/23, we refined our Communities strategy to focus on improving the lives of young people. We do this by supporting charitable initiatives which inspire young people to come together in safe environments to explore their creativity, develop life skills and broaden career horizons.

Inspire young people to create better futures

Target: Positively impact 500,000 people between FY 2022/23 and FY 2025/26, particularly young people hailing from underserved communities

Providing support to the communities we interact with is key to delivering maximum positive impact. We continue to expand our programmes to inspire young people globally, fostering creativity and building critical life skills.

Progress

This year, 219,377 people were positively impacted through community programmes supported by Burberry Group plc and The Burberry Foundation. This achievement adds to our cumulative total of 380,162 people since FY 2022/23, advancing our progress towards our target of 500,000 by FY 2025/26.

Central to our performance on this target is our flagship Burberry Inspire programme, which serves as the cornerstone of our efforts in supporting young people.

Burberry Inspire

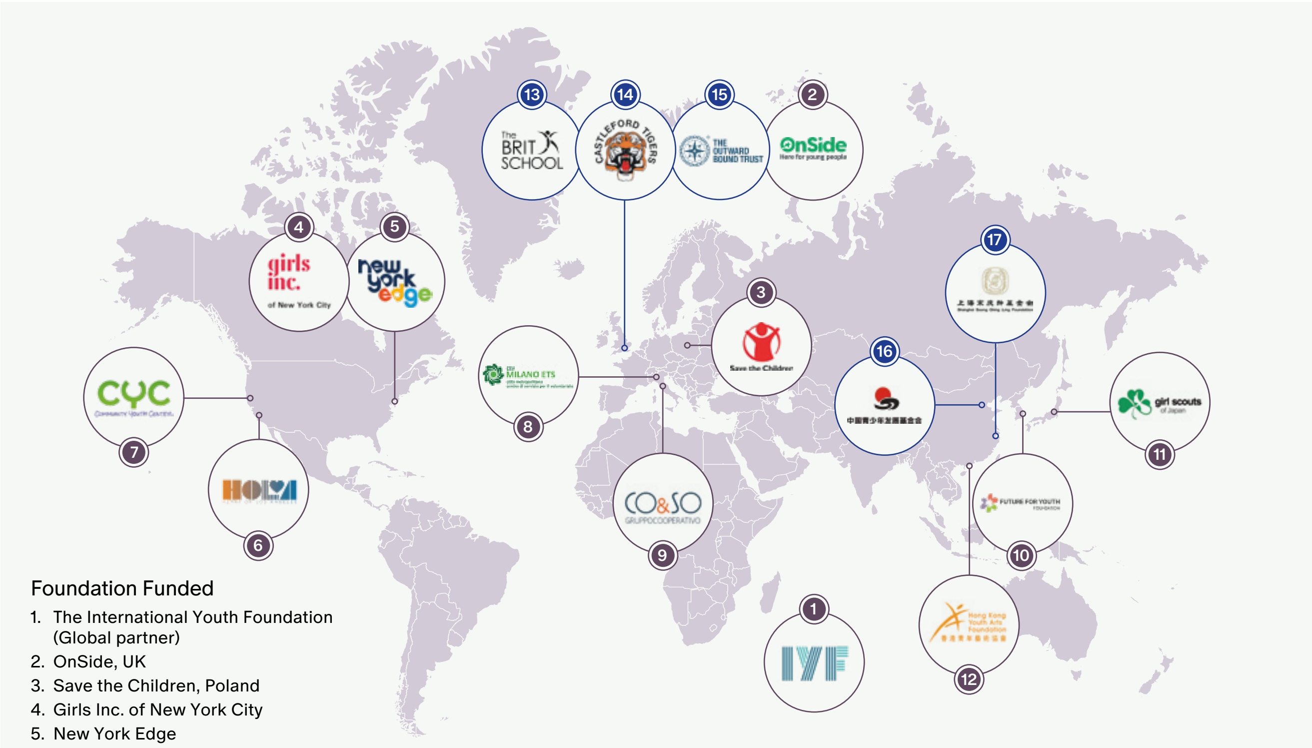
Burberry Inspire is a global programme dedicated to providing safe spaces for young people to explore their creativity, develop new skills and build a more positive future.

With a focus on young people aged 10 to 24, Burberry Inspire brings all youth-focused activities conducted by The Burberry Foundation and Burberry Group plc together under a single identity. Burberry Group plc partnerships focus on in-school programmes, and The Burberry Foundation on community-based youth organisations. Through a network of partnerships in nine regions across the world, the initiative has impact at both global and local levels.

Burberry Inspire offers skills development in a variety of fields, from creative arts and design to sports and STEM-related activities, entrepreneurship and initiatives aimed at breaking down educational barriers. The programme's ambition is to create opportunities for more than 500,000 young people between FY 2022/23 and FY 2025/26 by unlocking their creativity and driving positive change in their lives as well as in their communities.

The Burberry Inspire programme's global reach

The Burberry Inspire programme is supported by a global network of partnerships across our key operational regions of EMEIA, Americas and Asia Pacific.



Foundation Funded

1. The International Youth Foundation (Global partner)
2. OnSide, UK
3. Save the Children, Poland
4. Girls Inc. of New York City
5. New York Edge
6. Heart of Los Angeles
7. Community Youth Center of San Francisco
8. CSV Milano
9. Co&So, Florence, Italy
10. Future for Youth Foundation, South Korea
11. Girl Scouts of Japan
12. Hong Kong Youth Arts Foundation

Burberry Plc Funded

13. The BRIT School
14. The Outward Bound Trust
15. Castleford Tigers Foundation
16. Shanghai Youth Development Foundation
17. China Soong Ching Ling Foundation

Creative Youth Development framework

At the heart of Burberry Inspire is a commitment to respecting the diversity of young people's lived experiences, valuing their perspectives, elevating their authentic voices, and supporting their creative development and expression. This approach to youth development, referred to as Creative Youth Development (CYD), recognises that creativity takes different forms. For example, some young people may demonstrate their creative spark through painting, music, theatre or dance, while others may express themselves in a STEM-related field.

Drawing on insights from the CYD framework, Burberry Inspire channels the power of creativity to cultivate young people's self-confidence, mental health and wellbeing, sense of identity and belonging, and aspirations for the future. The programme's theory of change revolves around engaging and nurturing young people's creativity, providing well-designed opportunities for growth and learning, and empowering them to contribute positively to their communities.

Fostering creativity in education

We support fashion students from underrepresented groups through charitable partnerships with creative institutions around the world.

Since 2012, we have partnered with the Royal College of Art (RCA) to establish a creative arts scholarship programme, supporting the next generation of creative leaders from underrepresented communities. This programme has expanded globally to offer more equal access to creative arts programmes at some of the world's most esteemed creative institutions, including The New School's Parsons School of Design in New York City, Institut Français de la Mode in Paris, and Central Saint Martins in London.

The expansion of the creative arts scholarships, alongside our existing partnership with the RCA, is enabling over 50 students to benefit from education programmes in the arts between 2020 and 2025.

We also continue to donate fabrics, yarns and trims to charities and design schools globally. In FY 2023/24, we donated over 28,500 metres of fabric to the British Fashion Council (BFC) as part of its Student Fabric Initiative, which helps students studying at BFC Colleges Council member universities to access high quality materials. In conjunction with the yearly donation project, students were invited to submit a creative design proposal, fully realisable using deadstock fabrics and/or components. Burberry colleagues sat on the judging panel and helped select four finalists to showcase their work at the BFC Institute of Positive Fashion Forum in April 2024.

Protecting communities

We support causes that are important to our colleagues and back disaster relief.

For example, in September 2023, northern Africa was struck by two devastating natural disasters: an earthquake in Morocco and catastrophic flash flooding in Libya. In response, we contributed to British Red Cross appeals for both events. Our donations supported search-and-rescue operations and provided vital assistance to those affected. Furthermore, we matched colleague donations to these relief efforts, doubling the impact of our support to the relevant British Red Cross appeals.

Save the Children partnership

In October 2023, The Burberry Foundation, supported by donations made by Burberry Group plc and in collaboration with Save the Children, established Life Chances to support young people affected by the humanitarian crisis in Ukraine. The programme is part of a global partnership between The Burberry Foundation and Save the Children.

Life Chances focuses on supporting Ukrainian refugees and Polish young people aged 14 to 18 in Poland. The programme is implemented in partnership with FRSI, Save the Children's local partner in Poland, and aims to enhance education, career opportunities and emotional wellbeing, while empowering young people to be agents of change in their communities. Education and social activities are vital during times of crises, fostering purpose, identity and belonging for young people.

Schools in Poland are struggling to meet the educational needs of an expanding population of Ukrainian refugees.

Life Chances aims to bridge the gaps, offering holistic support to young people as they adjust to life in their host country. The programme was developed in consultation with Ukrainian refugees to prioritise their voices and needs. It was shaped by the active involvement of young displaced adolescents, parents,

caregivers, community leaders and professionals, including teachers, librarians and social workers, as well as mental health and psychosocial support specialists. Their input, blending personal and professional experiences, has significantly influenced the programme's content.

Increase volunteering opportunities for colleagues

Target: 25% of Burberry colleagues actively engaged in volunteering and fundraising activities by FY 2025/26

Facilitating volunteering and fundraising opportunities for our colleagues allows us to positively impact their wellbeing while supporting the communities where we operate. Our people can volunteer their time to causes which are particularly meaningful to them or aligned to Burberry's Communities strategy. This approach means we can positively impact both our local and global communities.

Progress

All Burberry colleagues are allotted up to three volunteering days per year which, in FY 2023/24, they used to support 139 different volunteering and fundraising projects. During the year, for the first time, Burberry colleagues were able to actively support young people participating in the Burberry Inspire programme through a variety of volunteering activities, including workshops, leadership circles and collaborative creative projects. These activities were in addition to local employee-led team building initiatives and targeted skills-based opportunities, such as career advice panels.

219,377 people positively impacted in FY 2023/24	**380,162** people positively impacted cumulatively since FY 2022/23

We also provide match funding up to a value of £3,000 for team activities involving five or more colleagues. This allows colleagues to provide even more support to the causes they care about and encourages teams to collaborate outside of their normal roles.

Spark, Burberry's volunteering and fundraising platform

Spark, launched in FY 2023/24, is our global volunteering and fundraising platform, which collaborates with over two million non-profit organisations across the globe. Acting as a central hub, the platform allows colleagues to get involved in volunteering activities or to create their own opportunities as individuals or part of a team. Colleagues can also raise funds and apply for match funding through the platform, as well as keep up to date with community activities and partnership launches.

Volunteering and Fundraising FY 2023/24

8%[1] of colleagues actively engaged in volunteering and fundraising activities	2,799 total volunteering hours
139 volunteering and fundraising projects supported by Burberry colleagues	92 charities supported through volunteering, match funding and in-kind donations

1. Figure excludes colleague headcount where there are data restrictions on the Spark volunteering and fundraising platform.

Community Champions

Our global network of Community Champions helps to organise and promote local community projects, supporting colleagues to make a positive impact in their communities. We currently have 115 Community Champions globally, with each member facilitating volunteering and fundraising activities, raising awareness of important causes, driving projects with Burberry's charity partners and initiating new local non-profit partnerships.

Acting as a Community Champion offers Burberry employees opportunities to extend their skills beyond their usual roles, as seen in a recent initiative led by Burberry's Women in Technology Group based in our Leeds office. Employees volunteered at local schools to inspire the next generation and introduce them to the diverse career paths available in technology. Activities included panel discussions and interactive sessions on business analysis. Through this initiative, over 200 young people in Yorkshire were reached via volunteering.

Through our partnership with the Outward Bound Trust education charity, Burberry Community Champions stepped out of the work environment to inspire young people as part of a programme of overnight excursions and outdoor pursuits. In FY 2023/24, Community Champions worked with students from secondary schools in London, Leeds, Castleford and

Keighley, all regions connected to Burberry. Through activities, including abseiling, hiking and canoeing, the students were encouraged to push their boundaries, awaken their curiosity and build their resilience.

PARTNERING FOR IMPACT

We work with organisations to help us drive change and advance our Burberry Beyond strategy. Our partners include:

The Fashion Pact

We are members of The Fashion Pact, a global initiative of companies in the fashion industry, which aims to forge a nature-positive, net zero future for fashion. Our CEO is a member of the steering committee. This partnership provides support to both the Product and Planet pillars of our Burberry Beyond strategy. As a member of The Fashion Pact, we collaborate with peers to support our European suppliers with the transformation of energy use at their facilities through the European Accelerator Programme. The programme focuses on improving data collection, guidance on best practice and financing decarbonisation.

Textile Exchange

We are a member of the Textile Exchange, a global not-for-profit organisation driving positive action on climate change. We participate in the Textile Exchange's annual Corporate Fibre and Materials Benchmark (CFMB) survey and in FY 2023/24, Burberry colleagues across Corporate Responsibility, Materials Innovation and Supply Chain attended the Textile Exchange Conference. We are also part of a cross-industry Life Cycle Assessment (LCA) coordinated by the Textile Exchange to better understand opportunities to improve the environmental impact of cashmere production (more details of this can be found on page 44).

Institute of Positive Fashion – Circular Fashion Innovation Network

We are part of the Circular Fashion Innovation Network, an industry-led programme spearheaded by the British Fashion Council and UK Fashion and Textile Association in partnership with UK Research and Innovation.

Corporate Water Leaders

We work closely with other brands as part of the Corporate Water Leaders group, a global network of working groups dedicated to solving industrial water challenges and furthering water stewardship. The initiative is led by Global Water Intelligence (GWI). We are members of the Textile and Leather Group, which brings major brands together to pave the way for greater operational resilience and more environmentally sustainable business practices within the industry's global supply chain.

UNFCCC Fashion Charter

Burberry is a signatory to the UN's Fashion Industry Charter for Climate Action which aims to drive change across the fashion industry, with an initial goal of reducing aggregate GHG emissions by 30% by 2030. Aligned with the goals of the Paris Agreement, the Charter defines the issues that will be addressed by signatories. These include reducing carbon impacts at production stage, selecting climate-friendly and sustainable materials, exploring circular business models, improving consumer dialogue and awareness, and working with policymakers to catalyse scalable solutions.

ZDHC Foundation

Since 2014, Burberry has been an active member of the ZDHC. Burberry colleagues have served on the Board of the ZDHC Foundation since June 2018 and, since December 2022, have chaired the ZDHC Board of Directors.

BSR Human Rights Working Group

We became members of Business for Social Responsibility (BSR) in 2022 and joined its Human Rights Working Group, which was established to help companies implement the UN Guiding Principles on Business and Human Rights (UNGPs). It supports companies in sharing best practices, challenges, and experiences implementing the UNGPs and provides insight on human rights approaches and emerging issues.

United Nations Global Compact

We are a longstanding member of the UN Global Compact and compete an annual Communication on Progress disclosure across human and labour rights.

SUSTAINABILITY BOND – USE OF PROCEEDS REPORT

Burberry is committed to using its position and influence to drive social and environmental improvements in the value chain. We see innovation as key to advancing our sustainability efforts, from the sourcing of raw materials to the manufacturing of finished products and distribution through our stores and wholesalers. We enlist the support of investors to deliver these ambitions by linking Burberry's Sustainability strategy to its funding requirements.

Burberry issued a debut five-year sterling Sustainability Bond on 21 September 2020 for £300 million at a coupon of 1.125% (the 'Sustainability Bond'). As part of the Sustainability Bond Framework[1] (the 'Framework'), a commitment was made to publish a use of proceeds report within one year of the issuance of the bond and annually thereafter.

This report constitutes Burberry's fourth use of proceeds report to investors and covers the allocation of proceeds from the Sustainability Bond by category per the Eligibility Criteria as defined in the Framework.

Eligibility Criteria and oversight

Our Eligibility Criteria categories are:

- Green buildings
- Environmentally sustainable management of living natural resources and land use
- Pollution prevention and control (including waste prevention, waste reduction and waste recycling)

Burberry's Responsibility targets are owned by senior leadership across all regions and key functions and progress is reviewed by the Sustainability Committee.

The Sustainability Committee was established in 2019 to review and oversee the Group's strategy on ESG issues related to our Sustainability agenda. The Sustainability Committee convened nine times during FY 2023/24 and is chaired by our CEO.

More information on the Sustainability Committee can be found on page 36 of our Environment and Social Responsibility section and page 107 where our full governance framework is outlined in the Corporate Governance Statement.

In addition to the Sustainability Committee, ESG matters are regularly discussed at the Ethics and Risk Committees and updates are shared with the Board and the Audit Committee.

The Sustainability Committee considered the Eligibility Criteria in the Framework and reviewed the spend on projects eligible for financing under the Sustainability Bond and allocated the proceeds accordingly.

Allocation of proceeds

The proceeds of the Sustainability Bond have been allocated across the three categories outlined in the Framework. In accordance with the Framework, these eligible projects and spend were completed within the three-year period preceding and the financial years since the issuance of the Sustainability Bond in September 2020. The allocation across categories is summarised below.

Unallocated proceeds

There are no unallocated proceeds from the bond for FY 2023/24. All proceeds have been fully allocated across the three categories in scope.

Project examples

Green buildings:

Projects include the financing or refinancing of properties with relevant certification. For existing buildings, certification must have been received within the last four years.

Certifications include:

a. LEED: Platinum or Gold level

b. BREEAM: Excellent or Outstanding level

Environmentally sustainable management of living natural resources and land use

As in FY 2022/23, organic cotton does not meet the Eligibility Criteria under the Framework document and therefore no proceeds have been allocated for this fiscal year.

Pollution prevention and control

All of our consumer paper-based packaging is widely recyclable and (FSC®)[2] certified, reflecting our commitment to support zero deforestation and sustainable forest management.

In prior years, we allocated proceeds against packaging procurement where recycled content was more than 20%. The Green Building allocation achieved the spend hurdle rate in FY 2023/24, therefore we deselected the category for assurance on the Use of Proceeds. It was, however, included in the scope 3 emissions section of the Sustainability report.

External assurance of the use of proceeds

Burberry has appointed PricewaterhouseCoopers LLP (PwC) to provide independent limited assurance over the allocation of use of proceeds. Information subject to assurance is denoted with a 'V'. PwC's Independent Limited Assurance Report and Burberry's Sustainability Bond Framework are available on Burberryplc.com.

Categories of spend	Total allocation from 21 September 2017 to 30 March 2024 £m	United Nations Sustainable Development Goals (UN SDGs)
Green buildings	145.4	9
Environmentally sustainable management of living natural resources and land use	90.2	15
Pollution prevention and control	64.4	12
Total	300.0V	

1. The Framework can be found at: https://www.burberryplc.com/en/investors/debt.html.
2. In order to calculate the percentage of FSC® certified paper-based packaging, we have relied on the accuracy of the information supplied to us by our nominated packaging suppliers regarding the value of certified paper packaging sold to Burberry.

V Burberry has appointed PricewaterhouseCoopers LLP (PwC) to provide limited assurance over the allocation of use of proceeds. Information subject to assurance is denoted with a V symbol. PwC's Independent Limited Assurance Report and Burberry's Sustainability Bond Framework are available on Burberryplc.com.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This section of the strategic report constitutes Burberry's Non-Financial and Sustainability Information Statement, produced to comply with sections 414CA and 414CB of the Companies Act 2006.

The information listed is incorporated by cross-reference.

Reporting requirement	Policies and standards which govern our approach	Information necessary to understand our business and its impact, policy due diligence and outcomes
Environmental matters	• Global Environmental Policy • Responsible Sourcing Policy • Chemical Management Standards • Code of Conduct	• Environmental and Social Responsibility section, pages 35 to 62 • Impact section on Burberryplc.com • Task Force on Climate-related Financial Disclosures (TCFD), pages 66 to 79
Employees	• Code of Conduct • Our Culture and Values • Global Health and Safety Policy • Ethical Trading Code of Conduct • Global Diversity, Equity and Inclusion Policy	• Directors' Report, pages 143 to 146 • Directors' Remuneration Report, pages 125 to 142 • Our Purpose and Values, page 14 • Stakeholder Engagement, pages 80 to 82 • Gender and Ethnicity Pay Gap Report on Burberryplc.com • Environmental and Social Responsibility section, pages 35 to 62
Respect for human rights	• Human Rights Policy • Ethical Trading Code of Conduct • Child Labour and Young Worker Policy • Migrant Worker Policy • Data Protection Policies • Information Security Policies • Model Wellbeing Policy • Global Diversity, Equity and Inclusion Policy • Partner Non-Compliance Policy	• Impact section on Burberryplc.com • Transparency in the Supply Chain and Modern Slavery Statement on Burberryplc.com
Social matters	• Ethical Trading Code of Conduct • Local Stakeholder Engagement Policy • Volunteering and Match Funding	• Impact section on Burberryplc.com
Anti-corruption and anti-bribery	• Anti-Bribery and Corruption Policy • Cash Acceptance Policy • Fraud Risk Management Policy	• Reflecting the needs of our stakeholders, People, page 80 • Reflecting the needs of our stakeholders, Customers, page 80
Additional disclosure		• Our Business Model, page 14 to 15 • Environmental and Social Measures (Non-financial KPIs), pages 30 to 33 • Risk and Viability Report, pages 83 to 90 • Our Purpose and Values, page 14

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

FCA Listing Rule 9.8.6R (8)

The Company has included in its Annual Report climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures.

TCFD recommendations and recommended disclosures		Disclosure location within Annual Report 2023/24
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities.	Task Force on Climate-related Financial Disclosures, pages 66 to 79.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Task Force on Climate-related Financial Disclosures, pages 66 to 79. Burberry Beyond Climate Positive 2040 report on Burberryplc.com.
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks. b. Describe the organisation's processes for managing climate-related risks. c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Risk and Viability Report, pages 83 to 90. Task Force on Climate-related Financial Disclosures, pages 66 to 79.
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Task Force on Climate-related Financial Disclosures, pages 66 to 79.
	b. Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks.	Planet pages 41 to 47. Task Force on Climate-related Financial Disclosures, pages 66 to 79.
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Task Force on Climate-related Financial Disclosures, pages 66 to 79.

Our approach to TCFD reporting

Burberry has a longstanding commitment to addressing the impacts of climate change and is taking significant steps to advance our decarbonisation agenda. Taking into consideration the net zero commitments of the countries we operate in, we have pledged to become Net Zero by 2040, which is ahead of the UK Government's Net Zero by 2050 target and the EU's aim to be 'climate-neutral' by 2050. Our emission reduction targets are aligned to a 1.5°C pathway and have been validated by the SBTi. To achieve this, we are committed to continued emissions reductions across our business and supply chain. See the Planet section on pages 41 to 47 for further details.

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.

We have adopted the recommendations of the TCFD and since FY 2019/20 we have reported on its four thematic areas: Governance, Strategy, Risk management, and Metrics and targets. This section builds on our previous reports and describes our approach to scenario analysis, the results of the scenario analysis and the actions taken in response to these results. Climate change and the transition to a low-carbon economy also present opportunities for efficiency, innovation and growth, all of which are built into our net zero ambition.

The Burberry TCFD Basis of Reporting outlines how we have prepared the Financial Statements and disclosures, considering relevant TCFD guidance publications and the principles for effective disclosure. We have engaged EY as independent auditors to provide a limited assurance statement in accordance with ISAE 3000 on our FY 2023/24 TCFD disclosures. The TCFD Basis of Reporting and Assurance Statement are available on Burberryplc.com.

Governance

Board oversight

The Board is responsible for ensuring our approach to sustainability is integrated into and implemented across the business. The governance framework of committees and advisory forums provide updates and key information to the Board to ensure it can make informed decisions. Our governance framework is outlined on page 107 and more detail on the roles of the Board and its Committees is set out in the Matters Reserved for Board Decision, and its Committees' terms of reference, which are available in the Corporate Governance section of Burberryplc.com. When reviewing annual budgets, the Board considers climate-related issues, including spend associated with our Burberry Beyond strategy. The Board also considers colleague bonuses aligned to our responsibility targets. The Board is also responsible for overseeing and monitoring the management of risks and opportunities, including those related to climate change.

Further information on the risk management approach is included in the Risk and Viability Report on pages 83 to 90.

Management oversight

The Company's strategy on environmental and climate-related issues is governed by the Sustainability Committee, which convened nine times in FY 2023/24 and is chaired by the CEO. The Committee plays an important decision-making role in supporting Burberry's Responsibility strategy, with membership including senior leaders from across the organisation who are responsible for the execution of this within their respective business areas. Topics discussed by the Sustainability Committee in FY 2023/24 included the net zero transition plan, ReBurberry initiatives and our nature strategy. The Company Secretary or their designate is secretary to the Committee.

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. The Board also received an update on Burberry's climate ambitions, including the revision of our scope 1 and 2 carbon reduction target, which was approved.

The Risk Committee, which is chaired by the CFO, receives annual updates on the outputs of the climate-related scenario analysis and related proposed TCFD disclosures led by the Sustainable Finance team. The Audit Committee also receives this update on an annual basis. The Board reviews our climate-related reporting as part of its overall assessment of the fair, balanced and understandable nature of the Annual Report.

Knowledge and skills

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 can be found on pages 95 to 99.

We are committed to having a suitable pool of internal sustainability experts across our business with the relevant knowledge and skills to support decision-making. 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. See Embedding Burberry Beyond on page 36 for further details.

Remuneration

The remuneration of the Executive Directors is partly linked to our progress in building a more sustainable future, including progress towards the Group's longer-term climate goals, via the annual bonus plan and a sustainability underpin in the Burberry Share Plan (BSP).

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. There will be a sustainability underpin in the 2024 BSP award for the Executive Directors.

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. This has been well received by colleagues and demonstrates the value we place on sustainability as part of our strategy.

See Embedding Burberry Beyond on page 36 for further details.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Strategy

This section describes our key climate-related risks and opportunities, their potential impact on our business and its resilience to such impacts, which has been assessed using scenario analysis as described below. Our strategy to address climate-related risks is integrated into our business strategy and decision-making in areas such as capital allocation, investment appraisal, supply chain planning and raw material sourcing.

Our Burberry Beyond 2040 report details our strategic direction and plan to reduce GHG emissions across our operations and supply chain. With the majority of our GHG emissions arising from our extended supply chain, we are focusing on five key impact areas that each have defined actions to drive progress: Raw Materials, Circularity, Product-related Waste, Supply Chain Decarbonisation and Sustainable Transportation. Further details on initiatives under each of these areas are provided in the Decarbonising our Value Chain section of the Burberry Beyond Climate Positive 2040 report, and in the Environmental and Social Responsibility section on pages 35 to 62.

Background to scenario analysis

Scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and not designed to deliver precise outcomes or forecasts. Instead, scenarios provide a way for the business to consider how the future might look if certain trends continue or certain conditions are met, and to assess Burberry's strategic resilience. Scenario analysis is led by Sustainable Finance, with input from Supply Chain, Corporate Responsibility, Commercial and Finance teams across the business.

Our approach to scenario analysis

Our scenario analysis incorporates the Company's financial forecasts, operational footprint, supply chain information and environmental data to create a digital twin representation of the business. The product portfolio is modelled based on our strategy, with the Company's value chain being modelled using historical data. This information is combined with industry reference scenarios on climate emission pathways, including assessments by the Intergovernmental Panel on Climate Change and International Energy Agency, to consider the potential impact of physical and transition risks on the business.

Our scenario analysis considers the impacts of both physical and transition risks:

	Physical Risks	Transition Risks
Definition	These are risks related to the physical impacts of climate change. They include both acute weather events, such as heatwaves, and chronic long-term climate shifts, such as rising sea levels.	These are the risks that may occur while transitioning to a lower-carbon economy, such as policy, market, reputation and liability risks. The level of risk depends on the nature and speed of the transition.
Timing of impacts	Acute physical risks are already occurring, and these are expected to happen more often and with greater severity. Chronic physical risks are more likely in the long term.	The timing of transition risks is uncertain, but they are more likely to occur in the short to medium term.

In addition, we have considered the risk that a market shock caused by transition to a low-carbon economy would impact the Company's cost of debt and how low-carbon innovations would devalue the Company's technology. We have concluded that these risks are not significant at this time due to the Company's net cash position, focus on renewable energy consumption and absence of carbon-intensive machinery. We will continue to monitor and report on these risks.

Scenarios evaluated

The impact of physical and transition risks has been considered over a range of emission trajectories and global average temperatures. This is in line with the recommendations of the TCFD to select a set of scenarios that cover a reasonable variety of future outcomes, both favourable and unfavourable. We have also included a low-emissions scenario aligned to the Paris Agreement aspiration to limit global warming to 1.5°C, as per the TCFD recommendation that organisations use a 2°C or lower scenario.

These are defined opposite, alongside a summary of the potential global impact of physical and transition risks under these scenarios.

Time horizons considered

We have defined our time horizons as short term (five years), medium term (five to 20 years) and long term (more than 20 years). The time horizon used for our detailed scenario analysis is a short-term outlook of five years, during which we can influence decisions through strategy, capital allocation, costs and revenues. 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. We have extended the period to five years using a growth assumption, which more closely aligns with our expected asset lifetimes and strategic plans.

Average global temperature rise compared to pre-industrial levels by 2100

1.5°C 2°C – 3°C > 4°C

Scenario description	Global impact of climate-related risks over time
The world takes immediate and substantial action in line with the Paris Agreement to lower emissions.	To limit global warming to 1.5°C compared to pre-industrial levels, collective global action will be needed. The nature and speed of the transition to a low-carbon economy are uncertain, but transition risks are more likely to occur in the short to medium term. By taking such collective action, the impact of physical risks occurring in the long term may be reduced.
The world partially implements policies to lower emissions with no further actions taken.	If limited global action is taken to tackle climate change and reduce GHG emissions, transition risks would reduce in the short term. However, inaction would increase the severity and frequency of physical risks in the long term.
The world takes limited or no actions to limit emissions.	Without any global action at all, transition risks would be limited and the impact of physical risks would become even greater in the long term.

Building on our detailed analysis, which covers a five-year time horizon, we have also considered the impact of climate-related risks in the short-to-medium time period of 10 years, which we will use to support our strategy in this time frame.

Summary of scenario analysis results

Our scenario analysis considers the financial impact of climate-related risks on Burberry. This entails estimating the loss of value to the Company's discounted cash flows over the next five years assuming no mitigating actions are taken.

Overall, the results of our scenario analysis indicate that the physical and transition risks associated with climate change could impact the business in the short, medium and long term. The size of the impact will depend on the nature and speed of the global transition towards a lower-carbon economy. The 1.5°C scenario would have most impact on Burberry in the short-to-medium term before considering any mitigating actions.

Beyond a five-year time horizon, the level of uncertainty increases. Transition risks are expected to be the most impactful in the short-to-medium term, continuing the trends our five-year scenario analysis have identified. Physical risks are expected to become most impactful in the long term, with the size of the impact dependent on the success of global initiatives to limit the repercussions of climate change. These long-term physical risks may disrupt our supply chain and create operational challenges. Our commitment to more sustainable, low-impact materials and our continued focus on innovation are key to limiting this impact. We will remain agile and continue to monitor this risk, informed by the latest scientific understanding of climate change. We will also continue to consider and identify how the results of our scenario analysis may be utilised to inform future strategic planning where appropriate.

Each physical and transition risk was modelled independently due to the complexity and uncertainty associated with measuring the interconnectivity of risks and how they influence each other. Planned future mitigating actions, including those to deliver our ambition to be Net Zero by 2040, have not been taken into consideration in the scenario analysis.

Summary of response to scenario analysis results

At Burberry, we believe our long-term success depends on actively addressing the potential impact of climate-related risks and adapting to potential opportunities. As such, we have adopted strategies and actions to mitigate these risks and ensure our strategy adapts to the potential opportunities. Where such actions have quantifiable investments associated with them, these are embedded within our Board-approved financial plans, which are translated into annual budgets and detailed in the Our Strategic Response section in the Risk tables on pages 70 to 74. We have also considered the impact of climate change in the preparation of our Financial Statements, which can be seen on page 165.

As the scientific understanding of climate change and availability of data evolves, we expect greater rigour and sophistication in the approach to scenario analysis. We aim to continue developing and updating our scenario analysis to support our assessment of the resilience of our business strategy to climate-related risks and ensure relevant mitigating strategies are in place.

The Risk tables on pages 70 to 74 show the detailed results of our scenario analysis and our strategic response. The financial impact represents the estimated loss of value to the Company's discounted cash flows over the next five years, assuming no mitigating actions are taken. This impact has been rated as 'High', 'Medium' or 'Low', reflecting materiality to the Company's Financial Statements.

Detailed results of our scenario analysis

Impact

Potential impact on Burberry's cumulative discounted cash flows over five years, assuming no mitigating actions are taken:

Low: (<£1m – £25m) Medium: (£25m – £125m) High: (£125m – £250m)

Physical risk

Global emissions environment

Average global temperature rise compared to pre-industrial levels by 2100

	> 4°C	2°C – 3°C	1.5°C
Impact	Medium	Medium	Medium

Timeframe for most significant impact: long term

How we modelled the risk

We quantified how extreme weather events and chronic changes in the climate might disrupt manufacturing and distribution of goods, damage assets and impact retail activities leading to changes in consumption patterns. We have also considered how chronic changes in climate may impact yields of key raw materials we use.

Potential areas of impact

An increase in the frequency and severity of acute weather events may impact raw material sourcing, disrupt operations and damage facilities. Facility disruption may result from an increased risk of tropical windstorms and floods in Asia as well as increased risk of droughts and heatwaves in Asia, Europe and the Americas.

The impact of physical risks will become more significant in the medium and longer term, particularly in the >4°C and 2°C to 3°C scenarios. The impact of chronic physical risks, such as increasing global temperatures, will be particularly impactful over this time period.

Key assumptions

- Scenario analysis is based on our current asset base and value chain. Planned changes to our asset base and sourcing locations have not been taken into consideration in quantifying the five-year earnings at risk
- We have considered the extent to which financial impacts may be passed on to consumers. This has been assessed in line with expectations of market capacity for price increases and impact on net cash

Our strategic response

- We are committed to reducing our impact on the environment, promoting more sustainable practices in our supply chain, and ensuring that we build resilience in our operations
- We continue to develop our business continuity and resilience plans to allow us to respond to the impacts of physical risks at key locations, such as our distribution centres. Our Incident Management teams were convened to respond to weather-related events in FY 2023/24
- We continue to consider how we can increase our understanding of the impact current and future extreme weather events have on our business, and we are incorporating climate-related considerations into our supply chain partner selection processes
- To mitigate water and nature-related risks, we have partnered with a major cotton supplier to source cotton produced using both organic and regenerative practices. This cotton is currently in pilot production in our UK-based internal manufacturing sites
- We require regular effluent testing and work with over 40 wet processing facilities to monitor and improve effluent management practices. We also work with suppliers to identify water-saving opportunities, such as water recycling and leak repairs
- We continue to monitor and adapt our supply chain to ensure we are able to both mitigate climate-related risks to the Group and achieve our Net Zero by 2040 ambition
- The quantifiable financial investments associated with these actions in our supply chain are included in Burberry's financial plans

See also: Planet, pages 41 to 47.

Policy risk

Global emissions environment

Average global temperature rise compared to pre-industrial levels by 2100

	> 4°C	2°C – 3°C	1.5°C
Impact	Low*	Low	Low

Timeframe for most significant impact: short to medium term

How we modelled the risk

We quantified how the implementation of carbon pricing may result in increased costs associated with production, distribution and raw materials.

Carbon prices and projected changes in these have been considered at a country level.

Potential areas of impact

An increase in costs of production, distribution and raw materials in the short to medium term, with a higher carbon price required to achieve a lower temperature scenario.

* Under a >4°C scenario there is potential for a minimal positive impact due to reversal of current carbon pricing policies.

Key assumptions

- Scenario analysis and quantification of the five-year earnings at risk does not take into consideration our actions to be Net Zero by 2040 and therefore assumes a growth in GHG emissions aligned to an average growth rate used in our product forecast
- GHG emissions are based on our assured FY 2022/23 footprint
- We have considered the extent to which financial impacts incurred may be passed on to consumers. This has been assessed in line with expectations of market capacity for price increases and impact on net cash. Global carbon prices used in the modelling are shadow prices, which are a measure of overall policy intensity and expected to increase on a straight-line basis over the period. The annual carbon price has been interpolated based on the final carbon price reached at the end of the scenario modelling period. The global average carbon prices reached by the end of our scenario modelling period are:
  - 1.5°C = USD 75 per tonne
  - 2°C – 3°C = USD 5 to USD 45 per tonne
  - > 4°C = USD 0 per tonne

Our strategic response

- In FY 2022/23, we published our Burberry Beyond Climate Positive by 2040 report, which detailed our baseline GHG emissions footprint and our commitment to its reduction
- We have reduced our absolute scope 1 and 2 GHG emissions by 93% from our FY 2016/17 base year and we will continue to identify the energy efficiency opportunities required to reach our 95% reduction target by FY 2026/27. The financial investment required within our internal manufacturing sites to meet this target is included in our financial plans
- Across our extended supply chain, we aim for a 46% reduction in scope 3 GHG emissions by FY 2029/30. In FY 2023/24, our overall scope 3 emissions decreased by 45.9%^ from our FY 2018/19 base year, against which we are measured for our validated science-based target. Our scope 3 emissions remained relatively flat compared to FY 2022/23 with a 0.4% reduction overall
- 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
- Our £300 million Revolving Credit Facility (RCF) is linked to our scope 3 GHG emissions reduction target
- The quantifiable financial investments associated with these actions are included in our financial plans. We will continue to embed our net zero transition plan and monitor this through KPIs applied across the business. We continue to monitor regulatory and market developments in carbon pricing to inform our strategy and financial plans

See also: Planet, pages 41 to 47.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Market risk

Global emissions environment

Average global temperature rise compared to pre-industrial levels by 2100

	> 4°C	2°C – 3°C	1.5°C
Impact	Low	Medium	High

Timeframe for most significant impact: short to medium term

How we modelled the risk

We quantified how shifts in consumer preferences towards more sustainable and less carbon intensive goods may impact demand for our products.

Consumer preference shifts have been considered at a country level.

Potential areas of impact

A shift away from products constructed using less sustainable raw materials, including animal-based products, towards organic, regenerative or recycled fabrics. This shift is expected to happen in the short to medium term, and more quickly in geographical regions where public attention on sustainable materials used to produce clothing is greater, such as Europe and North America. The shift will be more apparent in a lower temperature scenario, which assumes that a higher proportion of consumers will adopt more sustainable choices.

Key assumptions

- Consumer perception of Burberry products is assumed to be linked to the carbon footprint of sourcing raw materials, production and distribution
- Scenario analysis is based on Burberry's future Product strategy and revenues, aligned with its updated strategic vision and projected raw material usage
- We have considered how shifts in consumer preferences may impact operating margin and net cash. This has been assessed in line with our current cost structure

Our strategic response

- We are committed to sourcing certified and responsibly sourced materials and aim to ensure that 100% of key raw materials in our products will be certified or responsibly sourced by FY 2029/30 (as defined in our Sustainable Raw Materials Portfolio)
- We are a member of the Textile Exchange, which is a not-for-profit organisation working to increase the global market for sustainable fibres and to create certifiable sustainability standards for key raw materials
- 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). Within beauty we also launched our first refillable fragrance, Burberry Goddess, and have expanded our refillable offering with selected new Burberry products and fragrances
- We continue to invest in the exploration of materials innovation, which will play a key role in our wider decarbonisation efforts
- We continue to evolve our aftercare offer and trial new circular business models. See Opportunities table on pages 75 to 76
- In FY 2023/24, we introduced new fabric- and paper-based packaging, which allowed us to achieve our target of eliminating plastic from our consumer packaging. All hardware and zips have also been removed to facilitate recyclability. See more on packaging on page 40
- In FY 2023/24, we 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
- The quantifiable investments associated with these product-related initiatives are included in our financial plans

See also: Product, pages 37 to 40.

Reputation risk

Global emissions environment

Average global temperature rise compared to pre-industrial levels by 2100

	> 4°C	2°C – 3°C	1.5°C
Impact	Low	Low	Low

Timeframe for most significant impact: short to medium term

How we modelled the risk

We quantified how climate activism due to negative perception of our climate impact and strategy may result in reputational damage, disruption to spending patterns and loss of revenue.

Society's opinion with respect to the threat of climate change has been considered at a country level.

Potential areas of impact

Society may engage in climate activism in the short to medium term, with companies perceived as less sustainable being targeted, decreasing revenue and reducing market share. Despite minimal shifts in consumer preferences in the short term under a >4°C scenario, a section of society may engage in general activism against organisations due to their inaction in relation to climate change, resulting in disruption and lost revenue.

Key assumptions

- Scenario analysis is based on Burberry's future Product strategy, aligned with its updated strategic vision
- We have considered the extent to which financial impacts incurred may be passed on to consumers. This has been assessed in line with expectations of market capacity for price increases and impact on net cash
- Scenario analysis uses a performance percentile to benchmark Burberry against its wider industry in terms of GHG emissions

Our strategic response

- Sustainability is an increasingly important factor in consumers' purchasing decisions. Consumers, particularly younger generations, expect brands to have a clear and comprehensive agenda with respect to sustainability and social responsibility, including carbon reduction efforts; sustainable raw material sourcing and traceability; fair labour practices; diversity and inclusion; and protecting nature
- We are working to reduce our environmental footprint and meaningfully support our global communities while seeking to transform our industry
- Our Sustainability Principles provide our Marketing teams, Production teams and external partners with a mandatory and comprehensive guide to reducing the overall impact of emissions from marketing activity, events, visual merchandising and gifting
- In 2023, Burberry was ranked by CDP in the Leadership band, receiving an A- for its climate change submission
- We continue to play a role in shaping policy and regulation within our industry and are working collaboratively with partners, suppliers and other organisations to achieve our ambition. This includes the United Nations Global Compact, The Fashion Pact, The UN Fashion Charter, RE100, Race to Zero and Accounting for Sustainability which is part of the King Charles III Charitable Fund

See also: Planet, pages 41 to 47, and Product, pages 37 to 40.

Liability risk

Global emissions environment

Average global temperature rise compared to pre-industrial levels by 2100

	> 4°C	2°C – 3°C	1.5°C
Impact	Low	Low	Low

Timeframe for most significant impact: short to medium term

How we modelled the risk

We quantified how perceptions regarding involvement in climate-change-driving activities, sustainability claims, and failure to transition the business toward a low-carbon future could lead to increased operating expenses through litigation.

Potential areas of impact

Potential operating expenses may arise from fines, settlements and legal costs in the short to medium term.

Key assumptions

- Historical precedents and recent climate-related litigation trends have been utilised in modelling the potential impacts of climate change litigation on Burberry

Our strategic response

- We monitor and work to continuously improve processes to gain assurance that our licensees, suppliers, franchisees, distributors and agents comply with Burberry's contractual terms and conditions, its ethical and business policies, and relevant legislation
- Specialist teams at corporate and regional level, supported by third-party specialists where required, are responsible for ensuring the Group's compliance with applicable laws, ethical and business policies and regulations, and that employees are aware of the policies, laws and regulations relevant to their roles
- Our Global Environmental Policy is part of our Responsible Business Principles and sets out our commitment to environmental responsibility and standards for compliance. These principles are mandatory and apply to all of our operations and supply chain partners' activities, insofar as they relate to Burberry

See also: Risk and Viability Report, pages 83 to 90.

Opportunities

In addition to these climate-related risks, there are also opportunities for mitigating risks and fostering growth for the business during its transition towards a lower-carbon economy.

Burberry integrates its approach to identifying climate-related opportunities within its broader strategy aimed at effecting positive change with sustainability as a focal point. Supported by the company's overarching net zero ambition, the Sustainability Committee plays a pivotal role in identifying, prioritising, and realising climate-related opportunities. The committee receives pertinent opportunities from internal teams working on the Planet and Product pillars, which are then evaluated for feasibility and potential impact. Examples of such climate-related opportunities are summarised below.

TCFD opportunity area	Opportunity description	Actions taken to realise opportunities	Time horizon of impact
Resource efficiency	Use of more efficient production and distribution processes	We are currently working to replace gas boilers at our UK internal manufacturing sites with more efficient electric boilers.	Short/medium term
		We work closely with other brands as part of the Corporate Water Leaders group, a global network of working groups dedicated to solving industrial water challenges and furthering water stewardship.	Short/medium term
	Move to more efficient buildings	Improved building efficiency through obtaining LEED Gold certification in 32 additional stores and BREEAM Excellent certification at our flagship Bond Street store, making a total of 105 certified stores since FY 2018/19.	Short/medium term
Energy source	Use of lower-emission sources of energy	100% of the electricity we consume is matched by an equivalent amount of renewable generation, sourced from renewable tariffs or Energy Attribute Certificates, or generated through on-site renewables. Solar panels have been installed at our headquarters in London and our distribution sites in Italy and the USA. Furthermore, we have begun improvement works at our distribution site in Blyth, where we are also installing solar panels.	Short term
		We have identified several opportunities to increase energy efficiency in our own operations, including maximising lighting efficiencies through LED upgrades, improving the management of heating and cooling systems using temperature boundaries, and replacing single-glazed windows in stores to reduce heat loss.	Short term
Products and services	Development and/or expansion of low-emission goods and services	We released the Burberry Classics collection, a core commercial range where all ready-to-wear clothing in our Summer 2024 collection has a main material that is responsibly sourced (at least 70% organic or 50% recycled content).	Short/medium term
		We offer Trench, Cashmere and Leather Refresh services globally and continue to expand these initiatives. We expanded our refresh and repair services to include cashmere jumpers, reproofing for select rainwear garments using organic, biodegradable solutions, and shoe repairs during FY 2023/24.	Short/medium term
	Development of new products or services through research and development and innovation	Our Senior Material Innovation Manager leads on identifying and developing innovative materials that will help decarbonise our business, with several materials in the pipeline, such as hydroponic cotton, which is grown through soil-less farming in a vertical greenhouse, helping to conserve water and minimise land use.	Short/medium term
Resilience	Participation in renewable energy programmes and adoption of energy efficiency measures	As a member of The Fashion Pact, we are collaborating with peers to support our European suppliers with the transformation of energy use at their facilities through the European Accelerator Programme. The programme focuses on improving data collection, guidance on best practice and financing decarbonisation.	Short/medium term
	Resource substitutes/ diversification	We continue to invest in a traceability solution, which will enable us to better manage risks and opportunities associated with our raw material supply chains.	Short/medium term

TCFD opportunity area	Opportunity description	Actions taken to realise opportunities	Time horizon of impact
Markets	Access to new markets	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.	Short term
		In the UK and USA, we partnered with global luxury resale platform, Vestiaire Collective, in FY 2023/24, to make pre-loved Burberry pieces available to purchase.	Short term
		Launched in FY 2023/34, our first product upcycle service allows UK customers to have visible signs of wear and tear on their Burberry cashmere scarves repaired with custom embroidery, applique and personalisation.	Short term
		See more on our circularity initiatives in the Product section, pages 38 to 39.	Short/medium term

We recognise the potential impact of climate change, which remains a principal risk for the business. While there are challenges ahead, the business is well positioned to both address these and capitalise on the identified opportunities, which will arise in the transition towards a lower-carbon economy. Our net zero ambition will be key in ensuring Burberry's resilience to the potential impacts of climate change, supported by our wider Burberry Beyond strategy (see Responsibility section pages 35 to 62) and underpinned by ambitious targets, which are detailed in the Metrics and targets section on pages 77 to 78.

Risk management

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 on pages 68 to 76.

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.

For each principal risk we have a risk management framework detailing the controls in place and those responsible for managing the overall risk and the relevant mitigating controls. We monitor risks throughout the year to identify changes in principal risk profiles. Management of climate-related risks is distributed throughout the organisation, depending on where the risk resides. For example, climate-related risks in relation to raw materials in the supply chain are managed by our Sourcing team responsible for buying commodities.

The cross-functional TCFD working group previously defined the risk management methodology and approach for identifying and assessing climate-related risks and mitigating controls. Using scenario analysis, the working group quantified climate-related risks to Burberry and evaluated their size and scope. This supported the working group in prioritising risks and assessing the resilience of our business strategy to potential climate-change impacts.

When sustainability and climate-related risks are assessed, existing mitigating activities and controls are highlighted and, where relevant and appropriate, additional activities and controls are implemented if risks fall outside risk tolerance. Progress against these mitigating activities is assessed by the Risk Committee and is subject to independent review by Group Internal Audit as part of the annual audit plan. During the year, the Audit Committee reviewed the progress made against the four TCFD pillars, the scenario analysis undertaken and the proposed disclosure.

Climate-related risks and opportunities are continually monitored as part of our Enterprise Risk Management framework. This allows us to evaluate the relative significance of our risks based on their likelihood and impact, and to prioritise accordingly. The business has also developed a risk platform, which enables us to track our business objectives, including those which create or protect financial, social, environmental and reputational value.

We also monitor the environment for new and emerging risks and to keep abreast of evolving regulatory requirements. We will continue to develop our scenario analysis to improve our understanding of these risks and opportunities, aligning our strategy and actions accordingly.

Metrics and targets

We have several metrics and targets in place to monitor and manage the most significant risks and opportunities arising from climate change. These are outlined in the table on pages 77 to 78 and are linked to the risks modelled as part of the scenario analysis and the opportunities identified by the business.

Metrics	Targets
Physical risks	
Water	
We monitor supply chain water management practices, water intensity in absolute and relative terms, and water risk based on the geographical area. Our water risk assessment, which incorporates the WWF Water Risk Filter, considers the basin physical risk (water scarcity, water quality and flooding) of our partners' sites, the water intensity and the water management using several KPIs. Our Water Conservation Framework rates the level of water resilience of our partners' sites as hotspot, red, amber, green and excellent, and identifies hotspots, which are defined as sites in areas of high water stress with inadequate water management with respect to their water intensity. In the case of hotspots, Burberry supports the supply chain partners in developing action plans to improve their level of water resilience, and monitors progress quarterly.	• Maintain regular assessment coverage of at least 80% of our vendors and raw material suppliers • We aim to have zero hotspots by 2030 and to monitor the percentage of products delivered by supply chain partners rated as hotspot
Policy	
GHG emissions	
GHG emissions across scopes 1, 2 and 3.	GHG emissions reductions: • Burberry is committed to reducing absolute scope 1 and 2 GHG emissions by 95% by FY 2026/27 from a FY 2016/17 base year and to maintaining this year on year from FY 2026/27 to FY 2039/40. Scope 1 and 2 progress for FY 2023/24 is 93% • Across our extended supply chain, we aim for a 46% reduction in scope 3 GHG emissions by FY 2029/30 and a 90% reduction in scope 3 GHG emissions by FY 2039/40 (from FY 2018/19). In FY 2023/24, our overall scope 3 emissions decreased by 45.9%^ See our Responsibility indicator results on pages 30 to 33 and our Global GHG emissions table on page 43. Renewable electricity: • 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 See our full results on page 42. These metrics and targets also support the Resource Efficiency and Energy Source opportunity areas.
Sustainability Bond	
Our Sustainability Bond proceeds are allocated across three categories outlined in the Framework as Eligibility Criteria: • Green buildings • Environmentally sustainable management of living natural resources and land use • Pollution prevention and control (including waste prevention, waste reduction and waste recycling) This metric also supports the Resource Efficiency opportunity area.	• The proceeds of the £300 million Sustainability Bond have been fully allocated across the three categories outlined in the Framework. In accordance with the Framework, these eligible projects and spend were completed within the three-year period preceding and the financial years since the issuance of the Sustainability Bond in September 2020 See the Use of Proceeds Report on page 64 for further details.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

Metrics	Targets
Policy	
Remuneration	
• The remuneration of our Executive Directors is partly linked to our progress in building a more sustainable future. In addition, Burberry introduced sustainability metrics to the annual corporate bonus plan for the wider workforce with effect from FY 2023/24. More details of this are set out in the Directors' Remuneration Report on pages 125 to 142	• In FY 2023/24, 25% of the annual bonus for Executive Directors was linked to performance against strategic objectives linked to our strategy and brand as well as our environmental and social targets • In FY 2023/24, a proportion of our annual corporate bonus plan for the wider workforce was linked to performance against sustainability metrics, including our GHG emissions and certified or responsibly sourced material targets
Market	
Product and sustainable raw materials	
We measure the following metrics: • Percentage of traceable and certified materials • Total number of products refreshed using our aftercare services. See Product on pages 38 to 39 for further details on our ambitions around circular business models • Percentage share of low-carbon materials procured for use in Burberry products • Percentage of revenue from low-carbon products. This is based on the main material composition of our key product categories. Details are available in our CDP Climate disclosure	• 100% of key raw materials in our products to be certified or responsibly sourced by FY 2029/30 (as defined in our Sustainable Raw Materials Portfolio). Our six key raw materials; cotton, synthetics, viscose, wool, leather and feather and down represent over 90% of the total volume (in weight) of materials within our products These metrics and targets also support the Product and Services opportunity area.
Reputation	
Consumer sentiment	
• Burberry aims to monitor consumer perception metrics on the extent to which Burberry is considered a socially responsible brand • We remain committed to actively participating in benchmarks such as CDP and the Workforce Disclosure Initiative (WDI), and we continue to engage with indices like the FTSE4Good Index, MSCI, and Sustainalytics	• N/A
Liability	
Due diligence	
Burberry monitors activity across its supply chain in line with its Responsible Business Principles, which include its Global Environmental Policy. Key metrics include: • Number of supply chain audits and engagement visits conducted • Supply chain chemical management assessment results • Effluent testing results (available on Burberryplc.com)	• N/A

Setting and monitoring targets is key to driving progress towards our Burberry Beyond strategy, and we have an extensive range of KPIs focusing on our four pillars of Product, Planet, People and Communities. These KPIs are integral to ensuring we both build a better world for the future generation and safeguard the long-term success of our business. See our Responsibility Data Appendix on Burberryplc.com, which includes further details on how we monitor performance in this space and the latest KPI data.

We have also considered the cross-industry climate-related metrics and targets recommended by the TCFD, and will continue to develop metrics and targets in relation to transition risks, physical risks and opportunities where they are deemed to facilitate comparability.

Our climate-related metrics and targets cover renewable energy procurement and GHG emissions reductions across scopes 1, 2 and 3. Burberry has appointed PricewaterhouseCoopers LLP (PwC) to provide independent limited assurance over selected Responsibility indicators as part of our Burberry Beyond strategy, as well as key metrics reported in our Global GHG emissions table on page 43. Metrics assured by PwC are denoted with a ^ throughout this Annual Report.

Reporting

We align our reporting on climate-related metrics to recognised standards, including the GHG Protocol, the UK's Streamlined Energy and Carbon Reporting and the TCFD.

In line with the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, our GHG emissions are set out on page 43.

In recognition of the importance of the TCFD and Sustainability Accounting Standards Board (SASB) being key ESG reporting frameworks for our stakeholders, we continue to produce a SASB-aligned disclosures report, which is available within our Responsibility Data Appendix on Burberryplc.com.

As part of the development of our transition plan, we have baselined the Company's current position and set our net zero ambition (which can be found within our Planet section on pages 41 to 47). We have continued to monitor the developments of the UK Government's Transition Plan Taskforce to ensure we align with its requirements. A key focus for us in FY 2024/25 is the alignment of our carbon disclosures with the UK's Transition Plan Taskforce framework, which includes details of how we are aligning our business model, operations and products with a net zero economy. Alongside this, we are developing climate literacy training for Burberry colleagues to ensure our people have the skills and knowledge needed to support the successful delivery of our transition plan.

Since 2010, Burberry has been reporting to CDP, a not-for-profit charity, which, with the richest and most comprehensive dataset on corporate action on climate, is considered as a gold standard for environmental reporting. In 2023, Burberry was ranked by CDP in the Leadership band, receiving an A- for its climate change submission.

We recognise that meeting our climate-related targets is dependent on collective action. Foremost are countries implementing their Paris Agreement-aligned commitments and increasing them to more ambitious levels. Improving market conditions for clean energy supply, such as the rate of installation of renewable electricity in many countries, reducing costs and the availability of purchase power agreements will help shift the rate of decarbonisation at scale. We believe we have a role to play in helping to shape the required policies and regulations. We collaborate with partners, suppliers and other organisations to achieve our ambition. These include the United Nations Global Compact, The Fashion Pact, The UN Fashion Charter, RE100, Race to Zero and Accounting for Sustainability which is part of the King Charles III Charitable Fund.

^ This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on Burberryplc.com/impact/Resource-Hub.

STAKEHOLDER ENGAGEMENT

Burberry is committed to listening to our stakeholders and doing right by them to ensure our long-term success.

Section 172 (1) statement

In accordance with the Companies Act 2006 (the Act), the Directors provide this statement to describe how they have engaged with and had regard to the interests of our key stakeholders when performing their duty to promote the success of the Company, under section 172 of the Act.

The Board is aware of its obligations, both collectively and individually, to promote the success of the Company for the benefit of its stakeholders.

Ensuring regular, comprehensive engagement with our stakeholders across the business helps us to understand their perspectives and values mindful of the balance between competing priorities of different stakeholder groups.

This knowledge influences decision-making and planning both at management and Board level, allowing us to deliver our strategy, conscious of the potential impact of our actions.

Matters submitted to the Board for approval from various areas of the business are required to identify which stakeholder groups would be impacted and how, to enable the Board to engage in informed discussions before reaching key strategic decisions.

The Board's areas of focus during FY 2023/24 and key decisions made during the year, including how stakeholder views were taken into account and the outcome of the engagement, are set out on pages 104 to 105.

People

We want our people to thrive at Burberry and are committed to attracting and retaining the best talent for our business.

Why they matter to us

Our people are creative, highly skilled in their respective fields and have brand knowledge and insights. As Burberry's greatest asset, we are committed to their professional and personal development. Ensuring our workforce is engaged and motivated is an important driver for our business.

What matters to them

- Career development
- Operational efficiency
- Wellbeing
- Fostering a diverse, equitable and inclusive culture

Board engagement

Meaningful two-way communication between the Board and our workforce is crucial. How the Board has engaged:

- The Global Workforce Advisory Forum (see page 103 for more detail)
- Colleague surveys
- Attending and participating in global town halls covering a variety of topics
- During FY 2023/24, Board members participated in town halls in Mainland China, the USA and a Global Town Hall for the Finance and Business Services teams

Customers

We sell to and connect with our customers through directly operated stores, concessions and wholesale partners, as well as via Burberry.com.

Why they matter to us

By purchasing our products, our customers ensure Burberry's viability as a business. We aim to meet and exceed our customers' expectations with highly creative products of exceptional quality. We provide them with exemplary customer service through a seamless omnichannel experience and invite them to be part of our inclusive Burberry community.

What matters to them

- Product design, craftsmanship, innovation and newness
- Customer service and brand experience
- Sustainability and circularity
- Addressing evolving customer habits and changes in buying patterns in the context of the macroeconomic climate
- Environmental and social impact

Board engagement

Understanding our customers and what they are looking for is key to the success of our brand. How the Board has engaged:

- Customer insights provided through presentations from our CEO and senior management team
- Presentations from regional presidents and their markets
- Regular store visits, including our refurbished Bond Street store, which was toured as part of strategy meetings in October 2023, and the Harrods takeover event in February 2024
- CEO visits to Mainland China, the USA, Japan, South Korea, Southeast Asia and Australia
- Personal customer experience across all of our channels

Shareholders

Through our Group's strategy, we are creating long-term sustainable value for our shareholders.

Why they matter to us	By investing in Burberry, our shareholders ensure our Company's ability to trade and plan for the future. By being open and transparent with our shareholders about our business and its strategy, they can make informed decisions.
What matters to them	• Total shareholder return (TSR) through share price appreciation and dividend payments • Operation of the Capital Allocation Framework • Quality of governance • ESG and, in particular, climate-related strategies • Profitability and business growth potential
Board engagement	The Board benefits from the views of the investment community in its decision-making. How the Board has engaged: • Review of all shareholder communications, including trading updates, results, the Annual Report and Notice of Annual General Meeting (AGM) • AGM enables shareholders to engage directly • Investor meetings and results presentations • Updates provided to the Board on matters of interest to investors

Communities

Burberry is committed to being a responsible business and supporting our communities.

Why they matter to us	Caring for our communities is one of Burberry's core values. Through our Burberry Inspire programme and by supporting The Burberry Foundation (UK registered charity number 1154468), we are driving positive change in our communities and helping to build a more sustainable future for young people.
What matters to them	• Positively impacting the communities living and working around us • Employment within our communities • Increased focus on Environmental and Social Responsibility initiatives
Board engagement	As a global business, the Board recognises the importance of supporting our communities. How the Board has engaged: • Approval of the policy of donating at least 1% of PBT to charitable causes, including The Burberry Foundation. (For more information on the work of The Burberry Foundation see page 58) • Receiving updates on how Burberry is supporting communities through sustainability initiatives and projects • Supporting employee volunteering and fundraising programmes across the Group

1. Figure excludes colleague headcount where there are data restrictions of the Spark volunteering platform.

Partners

We collaborate with a wide range of partners, including suppliers, companies, NGOs, civil society groups and retail third parties.

Why they matter to us

Working collaboratively with our partners allows us to share knowledge and expertise while exploring opportunities for innovation. We nurture close relationships with members of our supply chain to drive social and environmental improvements for our communities.

What matters to them

- Increased focus on Environmental and Social Responsibility initiatives
- Driving collaboration and contributing to the UN SDGs

Board engagement

The Board recognises the importance of engaging with our partners to support our strategic goals. How the Board has engaged:

- The Board receives regular updates on sustainability-related matters in our supply chain, including those related to climate change and how we are working with partners and suppliers to achieve our sustainability targets
- The Board reviewed and approved the Transparency in Supply Chain and Modern Slavery Statement
- The Audit Committee receives updates on ethical audits across our supply chain
- Receiving updates on collaborations and knowledge sharing with partners, including industry experts and peers. For details of the organisations we are working with, see page 62

Governments

Governments have wide-ranging influence on matters which impact Burberry, including the long-term retail environment, employment laws, trade, environmental priorities, tax and other business matters.

Why they matter to us

Engaging with governments in the countries and territories where we operate facilitates Burberry's ability to perform as a business. We endeavour to understand their concerns and raise our own so we can seek solutions to shared environmental, social, economic and governance issues.

What matters to them

- Industry/product policies such as taxes, restrictions, trade, competition and regulations
- Increased focus on Environmental and Social Responsibility initiatives
- Employment and workplace policies
- Domestic and local investment

Board engagement

As a global organisation, the Board is mindful of the impact local governments can have on our business. How the Board has engaged:

- The Board is briefed on engagements with governments throughout the year. In FY 2023/24 this included developments in domestic and international policies and regulations, as well as tax matters such as trade compliance, cross-border tax agreements, corporate tax, and indirect taxes such as VAT
- The Board is also briefed on key matters including workplace regulations and the evolving environmental and climate change regulatory landscape to ensure readiness for implementation

RISK AND VIABILITY REPORT

Risk management at Burberry supports value creation and protects existing value.

Our approach to risk

Burberry's strategic objectives are at the centre of risk management activities. Group Risk comprises risk management, business resilience and insurance. The team assesses, prioritises and manages risks to support the effectiveness of business operations. Reporting of risk management activities is provided throughout the year to the Risk Committee, Audit Committee and the Board.

Group Risk supports the business to integrate risk into decision-making, enabling the delivery of sustainable financial, environmental, social and reputational value. By collaborating closely with teams across all areas of the business, Group Risk enhances risk identification and analysis to establish the required mitigation profile to meet our strategic objectives and manage risk to within Burberry's risk appetite.

Our business resilience approach focuses on critical risks and controls to business operations, and supports the management of continuity plans in the event of the risk occurring or a control failure. We hold test risk simulations with our business functions and our Group Incident Management team, a senior multi-disciplinary team established to manage global incidents, which is chaired by our CEO.

Our insurance strategy is informed by our risk appetite, risk tolerance and risk profile. Our Insurance team works closely with risk management and business resilience to arrange sufficient insurance cover for insurable risks.

Risk management approach

External risks
Risks that could impact Burberry's ambitions and objectives

Strategic milestones
Burberry's strategic pillars and milestones

Internal risks
Identify internal risks to key milestones

Internal controls
Identify investments required to manage risk exposure to within risk tolerance

Internal audit
Provide assurance over the previous steps

Risk appetite

The Group's risk appetite is defined by the Board and outlines the nature and extent of risk the Group is willing to take to support responsible and sustainable growth. The Board is ultimately responsible for challenging management's development and implementation of effective systems of risk identification, assessment and mitigation to within risk appetite. The Board has delegated responsibility for reviewing the effectiveness of the Group's internal controls and risk management arrangements to the Audit Committee. Ongoing review of these controls is provided through the Risk Committee, Sustainability Committee, Data Privacy Committee, Ethics Committee, Group Treasury Committee and supporting internal governance processes. Internal Audit provide independent assurance to management and the Audit Committee on the effectiveness of management actions.

The Group's risk appetite was reviewed by the Risk Committee and approved by the Board in March 2024.

Risk appetite statement

We seek to protect the long-term value and reputation of our brand, maximising commercial benefits to support responsible and sustainable growth within a defined risk tolerance.

We accept some risk in pursuit of growth through brand elevation commensurate with our position in luxury fashion.

We approve capital investment in strategic projects and accept a moderate level of risk in our dynamic pursuit of profitable growth through our creativity and innovation, balancing a reasonable return on capital with a proportionate level of commercial risk within the approved Capital Allocation Framework.

Complying with applicable laws and regulations and doing the right thing are an essential part of our culture and underpin our strategic ambition. In evaluating risks and opportunities, we prioritise the interests and safety of our customers, people, communities and the environment.

Principal risks

The Board considers principal risks to be the most significant risks faced by the Group, including those most material to our performance and those which could threaten our business model or the future long-term solvency or liquidity of Burberry. The Group considers short term to be up to two years, medium term to be two to five years and long term more than five years. The principal risks do not comprise all the risks and mitigating actions associated with our business and are not set out in priority order in the Annual Report. We conduct horizon scanning to identify additional risks not known to management, or currently deemed to be less material, which may also have an adverse effect on our business.

Our risk framework is structured using the following categories of risk: External, Strategic, Operational and Compliance. Each principal risk is linked to one of these categories and may impact one or more of our strategic priorities.

Principal risk assessment

We identify and manage risks which could prevent us creating and protecting financial, environmental, reputational and social value. At least twice per year, Group Risk conducts a full review of the Group's principal risks for endorsement by the Risk Committee and approval by the Audit Committee. The review includes an assessment of the comprehensiveness of the Group's principal risks, descriptions, movement, outlook, tolerance levels, associated risks and the effectiveness of mitigating actions. Risks are reviewed in the context of the external and internal operating environment. Where any risks are outside tolerance, we identify additional plans to mitigate the risk exposure within a reasonable time frame and monitor the implementation of these plans.

Business risks

Our approach aligns the risks reported by our specialist business functions with those identified in our principal risk analysis. By aligning our risks, we are better able to support the business by investing in appropriate Group and local controls. In addition, we have focused areas of risk capability, for example in our Legal, Brand Protection, IT, Finance and Corporate Responsibility teams.

Strategic risk

Using our principal risk framework, Group Risk supports the Group functions to conduct an annual risk assessment on the key risks which may impede our ability to achieve our strategic goals. In addition, scenario analysis and risk appetite mechanisms are used to distinguish the key mitigating actions required to manage them. Risks and mitigations are assigned owners and monitored throughout the year.

The Board reviewed the strategic risk assessment in October 2023.

Emerging risks

Emerging risks which have the potential to affect our business on a medium to longer term view, continue to be assessed alongside our principal risks as part of our risk management process. We undertake horizon scanning through insights from top-down and bottom-up risk workshops with internal stakeholders, attending industry forums, and seeking specialist professional consultation where required.

Review of principal risks

The Risk Committee endorsed the half-year and year-end risk assessment in October 2023 and April 2024, and they were approved by the Audit Committee in November 2023 and May 2024, respectively.

Within our half-year assessment, the Group split the Macroeconomic and Geopolitical uncertainty principal risk, incorporating Macroeconomic risk within Global consumer demand and creating the separate classification and monitoring of Geopolitical Uncertainty. No other changes to the Group's principal risks were made during the year.

At the year-end assessment of the Group's principal risks, Geopolitical Uncertainty was assessed to have increased in comparison with the prior financial year. The increase in geopolitical activity has increased uncertainty in terms of future trading opportunities with certain countries, however, we continue to closely monitor the global developments to implement appropriate responses.

Strategic pillars

1. Harness the power of our brand
2. Bring all product categories to full potential
3. Strengthen distribution
4. Operations

Risk movement

- ⊖ Risk has remained stable since the prior financial year
- ↑ Risk has increased since the prior financial year
- ↓ Risk has decreased since the prior financial year

Risk tolerance

Low	We adopt a focused risk-based approach, seeking to allocate resources to mitigate related key risks wherever possible
Moderate	We adopt a risk-based approach that allocates resources in line with strategic priorities
High	We have a greater willingness to tolerate risk and prioritise resources in pursuit of other strategic objectives

Principal risk summary

Principal risk	Movement	Tolerance	Link to strategy	Category
1. Foreign exchange	↔	High	4	External
2. Geopolitical uncertainty	↑	Moderate	3 4	
3. Climate change	↔	Low	1 2 3 4	Strategic
4. Global consumer demand	↔	Moderate	1 2 3 4	
5. Image and reputation	↔	Low	1 2 3 4	
6. Business interruption	↔	Low	3 4	Operational
7. Cyberattack/loss of data	↔	Low	1 2 3 4	
8. Supply chain	↔	Low	3 4	
9. IT operations	↔	Moderate	1 2 3 4	
10. People	↔	Low	4	
11. Intellectual property (IP) and brand protection	↔	Low	1 4	Compliance
12. Regulatory risk and ethical/environmental standards	↔	Low	1 2 3 4	

External risks

1. Foreign exchange

Volatility in foreign exchange rates could have a significant impact on the Group's reported results. Burberry is exposed to uncertainty through foreign exchange movements. Major events in the macroeconomic and geopolitical environment could impact foreign exchange rates, which in turn would have ramifications for the Group's reported results.

Risk movement	Risk tolerance	Link to strategy
↔	High	4

Examples of risks

- Changes in exchange rates between sterling and the regions of Burberry's operations may impact Burberry's reported revenues, margins, profits and cash flows

Mitigating actions

- Burberry hedges some external purchases of goods and some intra-group balances using financial instruments
- Burberry monitors the overall impact of unhedged exchange movements and provides guidance to shareholders if exchange rates move on a quarterly basis
- Treasury and Group Finance teams, overseen by the Treasury Committee, monitor Burberry's foreign currency exposure. Further details on Burberry's approach to managing foreign exchange risk are given in notes 18 and 27 to the Financial Statements, pages 190 and 197

2. Geopolitical uncertainty

The Group operates in a wide range of markets and is exposed to changing political developments and relationships between governments which may impact consumer demand and affect our people, reputation, supply chain, trade and ability to operate within markets.

Risk movement	Risk tolerance	Link to strategy
↑	Moderate	3 4

Examples of risks

- Civil unrest or uprising may impact the wellbeing of customers, employees and third-party partners and disrupt normal operations within the region or market affected
- Political instability in the markets in which we operate could lead to the loss of a key market or changes in customer sentiment towards Burberry
- Changes in governmental trade policy or international commerce disputes (via increased customs/excise tariffs, quotas) may restrict our ability or increase cost to move product between countries
- Conflict between or within nations could result in sanctions, restricting or preventing our ability to source, operate and trade in key markets
- Instability in the geopolitical landscape could disrupt global supply chains which may impact delivery times, as well as impact the cost and/or availability of raw materials, energy and products

2. Geopolitical uncertainty continued

Mitigating actions

- Our strategy leverages its global reach across multiple customer segments and regions to mitigate reliance on a particular customer group or nationality
- We engage external partners to support our specialist teams with horizon scanning and monitoring of emerging and current geopolitical developments relevant to our operations
- In the event of a geopolitical incident, our Incident Management Framework would be invoked to assess the severity of the incident and take appropriate remedial action
- Updates on geopolitical developments, scenario analysis and deep dives are reported to the Risk Committee, Audit Committee and Board as appropriate
- Assessment of geopolitical risk is included within approval processes for new growth opportunities, including expanding our store network and prospective franchise and wholesale partners
- Our supply chain strategy involves assessment and management of geopolitical risk exposures, with a defined risk framework for the selection and onboarding of new vendors and suppliers

Strategic risks

3. Climate change

We recognise the importance of addressing long-term environmental sustainability challenges and the impacts of climate change on our business in reputational, operational compliance and financial terms. Failure to implement appropriate cross-functional action plans and strategies, such as incorporating the recommendations of TCFD and our Net Zero by 2040 ambition, could hinder mitigation of long-term climate risks, increase the risk of regulatory non-compliance, and cause disruption to our operations, supply chain, reputation and workforce, impacting Group profits.

Risk movement	Risk tolerance	Link to strategy
⇔	Low	1 2 3 4

Examples of risks

Physical climate risks:

- Acute physical risks: increased severity of extreme weather events, from floods to droughts, could cause disruption to our operations and supply chain; impact our business model; and affect the sourcing of raw materials, as well as the distribution of our products. Acute physical risks are already occurring and are expected to happen more often and with greater severity
- Chronic physical risks: longer-term shifts in climate patterns and loss of biodiversity caused by changes in precipitation patterns, rising mean temperatures and rising sea levels could cause social, economic and operational challenges

Transitional climate risks:

- Reputation: failure of Burberry to meet expectations around sustainability could lead to climate activism and threaten relationships with employees, investors, regulators and interest groups, which may result in a loss of Group revenues
- Market: perception of the sustainability of luxury fashion products, their materials and associated GHG may have an impact on consumer behaviours and purchasing decisions. Failure to meet consumer demand for more sustainable products and services could threaten our relationship with consumers and may result in a loss of Group revenues
- Policy: increased environmental standards and policies, such as national or international carbon pricing mechanisms, could affect operational and production costs and the flexibility of operations
- Liability: litigation against activities which drive climate change, resulting in potential operating expenses arising from fines, settlements and legal costs
- More detail on each of the examples of climate change risks are provided within the TCFD section from page 66

Mitigating actions

- Our response to managing physical, reputational, market, policy and liability climate-related risks is detailed within our TCFD section from page 66

4. Global consumer demand

Global consumer demand for Burberry's products is subject to several factors, including changes in the macroeconomic environment, which may impact consumer disposable income for spending in the luxury market and/or affect the cost of our supply chain operations, and therefore our profitability. Burberry's product design, quality, product range, channels, marketing and customer experience could also impact consumer demand.

Risk movement	Risk tolerance	Link to strategy
⇔	Moderate	1 2 3 4

Examples of risks

- Changes in economic growth and/or inflation impacts luxury industry consumption globally or in a key region, channel, customer group or product line
- Product, marketing quality, design or our range of offerings does not meet consumer expectations or respond to local cultural sensitivities in a key market
- Global inventory planning and allocation differs from consumer demand

Mitigating actions

- Our growth strategy aims to balance regional concentration exposures with growth opportunities
- We consult with industry specialists to discuss emerging risks and consumer preferences in the luxury industry, market outlook and opportunities for growth
- We have expanded our product offering and services to widen our target consumer base
- Regional teams provide input to Central Merchandising and Design teams on international product preferences and customer feedback to guide product design and category offerings which are balanced with global consistency

- Cross-functional collaboration across Burberry's customer-facing teams enables us to align investment, major focus areas and messaging across channels and regions
- We continually invest in our global refurbishment programme
- Our product range plan is informed by current market growth and commercial investment
- Our global strategy provides flexibility to reallocate inventory to another region following regional disruption or reduced demand

5. Image and reputation

We invest in building trust in our brand and protecting our image and reputation globally. Unfavourable incidents, unethical behaviour or negative media coverage relating to the Group's people, practices, products or third-party suppliers could damage the Group's image and reputation, potentially lead to a slowdown in sales as well as a loss of customers, and negatively impact the value of our brand.

Risk movement	Risk tolerance	Link to strategy
	Low	1 2 3 4

Examples of risks

- Regulatory non-compliance and/or unethical behaviour on the part of individuals or entities associated with the Group, including failure to comply with the Group's Code of Conduct or Responsible Business Principles
- Culturally, socio-politically or regionally insensitive product or marketing content
- Unfavourable or erroneous media coverage or negative discussions on social networks about the Group's products, content or practice

Mitigating actions

- Governance of reputational risks, issues and mitigations is provided through reporting and oversight to the Ethics, Sustainability, Risk and Audit Committees
- Due diligence processes are followed ahead of engagements with collaborators, influencers and/or celebrities
- We follow approval processes and editorial controls to ensure all product and content is reviewed and signed off prior to external release
- We perform risk assessments and document risk registers ahead of all campaigns, runways and events
- We provide support and guidance on sustainability and ethical practices throughout the organisation via team partnerships
- We provide annual training and monitor adherence to the requirements of our Code of Conduct for our employees and associated third parties. Our supply chain ethical due diligence programme includes supplier audits and supplier training programmes
- We maintain product quality control processes to ensure our products meet Burberry's quality requirements and comply with all applicable regulatory, chemical and safety standards
- We maintain our Incident Management Framework, which includes monitoring of social networks and response procedures
- Continued development of our global Diversity, Equity and Inclusion strategy

Operational risks

6. Business interruption

Global, regional or country level changes in the geopolitical landscape, natural catastrophes, health emergencies or changes in regulations may cause significant disruption to our operations, as could events at a local level such as fire, security threats, industrial action or quality control failures.

Risk movement	Risk tolerance	Link to strategy
	Low	3 4

Examples of risks

- An incident at a key Burberry location, for example: fire, flooding, extreme weather, social unrest, industrial strikes, terrorism, which may disrupt or interrupt our operations
- Trade restrictions, sanctions or geopolitical conflict may significantly prevent the flow of goods to and from key locations or regions
- A major incident impacting a key third-party service provider, supplier or vendor, which in turn causes disruption to Burberry's ability to operate normally

Mitigating actions

- Management has policies and procedures in place designed to prevent, mitigate and manage business interruption risks, for example our Business Resilience Policy and business continuity plans. We have developed our Minimum Viable Company (MVC) assessment, which captures our most time-critical processes and is the keystone of our business continuity and resilience strategy
- A Group incident management framework is in place to ensure that incidents are reported, escalated and managed effectively at the appropriate level, prioritising the safety and wellbeing of our people, customers, environment and other stakeholders
- We have a comprehensive insurance programme supported by natural catastrophe modelling and insurance optimisation studies in place to offset the financial consequences of insured events, including fire, flood, natural catastrophes and product liabilities
- We have robust security arrangements in place across our store network and all Burberry premises, to protect our people, visitors, assets and products

7. Cyberattack/loss of data

A cyberattack may result in a system outage, impacting core operations and/or resulting in a major data loss leading to reputational damage and/or financial loss.

Risk movement	Risk tolerance	Link to strategy
⇔	Low	1 2 3 4

Examples of risks

- Cyberattack leading to unauthorised system access, leading to operational disruption, data breach and/or the potential theft of funds
- Attack on a service provider, supplier or wholesale customer leading to data loss and/or disruption
- A social engineering attack attempting to exploit human behaviour to gain access to the Group's systems, resulting in compromise of Burberry or customer data
- Ransomware attack causing business disruption and/or major data loss
- Credential compromise of customer or employee accounts leading to business disruption and/or major data loss
- Compromise or misconfiguration of externally facing assets causing business disruption and/or major data loss
- Personal and/or sensitive data loss or disclosure leading to regulatory fines and/or reputational damage
- Non-compliance with related international and/or regional regulatory requirements, for example, EU General Data Protection Regulation (GDPR)

Mitigating actions

- We implement continuous improvement of 24/7/365 global security monitoring and analytics capability supported by security incident response processes
- We implement solutions to help detect personal and sensitive data loss with improved control over user access management
- We have second line assurance checks reporting on control effectiveness to Executive and IT management
- Governance is provided through a cross-functional Cybersecurity Steering Group and separate Data Privacy Steering Group with Executive membership and sponsorship, with specialist steering groups for emerging data regulations
- We have enhanced the robustness and evaluation of cybersecurity incident response plans via improved system backups, continuity strategies and simulation exercises
- We have a culture of security that encourages and positively reinforces secure employee behaviours, and is supported by mandatory security training and awareness activities, including phishing tests
- We maintain business financial controls to support fraud detection/prevention
- We have enhanced our third-party due diligence and risk reporting capabilities
- We have established processes to support embedding of security requirements and objectives in new projects and initiatives

8. Supply chain

Inability to source raw materials, or to manufacture, procure and distribute finished products from suppliers on a timely basis at the required quality, quantity and cost in accordance with Burberry's ethical and environmental standards may impact our operational, financial and reputational performance.

Risk movement	Risk tolerance	Link to strategy
⇔	Low	3 4

Examples of risks

- Geopolitical or socio-political tensions could delay transportation of product between countries, increase transportation costs and/or impact the availability of the workforce. Sanctions, countersanctions and trade compliance challenges may also impact the effectiveness and efficiency of our supply chain
- Failure by Burberry or its partners and suppliers to meet the requirements of the dynamic ESG regulatory landscape could result in operational restrictions (including prevention of product delivery to intended destination), financial penalties and/or brand reputational damage
- Loss of, or disruption in, the operations of one of Burberry's key suppliers, vendors and/or sub-contractors which supply high-quality raw materials or support product manufacturing, could impact the delivery (quality and/or timeliness) of our product lines
- An incident (including, for example, social unrest, extreme weather or fire) at a Burberry site or at those of our supply chain partners, could put our people, reputation and the timely delivery of finished goods at risk
- Fluctuations or disruptions to the availability and cost of our operational inputs (including, for example, raw materials, sustainable fabrics, energy, etc.) could impact end product margins and/or timely delivery

Mitigating actions

- Governance of geopolitical risk and ethical practices in the context of the supply chain with reporting to the Ethics Committee, Risk Committee, Audit Committee and Board as appropriate
- We have a defined risk framework for the selection and onboarding of new vendors and suppliers
- The Group's Responsible Business Principles and Responsible Sourcing Policy are included within our Code of Conduct, which forms part of our contractual agreements with our suppliers and vendors
- We are investing in a comprehensive programme to implement traceability through the supply chain to support the Group's raw material traceability targets and compliance with emerging ESG regulations. Assurance for the programme is provided by Internal Audit
- We continue to evolve our supply chain organisational design to develop our manufacturing base and reduce dependence on key sites, suppliers and vendors
- We have business continuity plans and insurance for Burberry's major distribution and manufacturing sites
- Our product suppliers and vendors are subject to a quality control programme, which includes regular site inspections and independent product testing
- We perform quality and quantity checks upon receipt and dispatch of finished goods at our distribution centres and retail stores

9. IT operations

Failure to adequately provide, support or recover IT systems or services underpinning critical processes across the Group, including Retail, Digital, Supply Chain, HR and Finance, could significantly impact the Group's ability to operate.

Risk movement	Risk tolerance	Link to strategy
	Moderate	1 2 3 4

Examples of risks

- Failure to provide stable and resilient technology platforms that meet business demands across retail and corporate environments could result in failure to deliver the strategy and negatively impact business operations due to poor system performance and/or system outages
- Failure to provide technology platforms that meet customer demands and support innovation could result in failure to deliver the strategy and loss of revenue
- Extended technology refresh cycles leading to unsupported hardware systems

Mitigating actions

- We have an established IT operating model, aligned with the business strategy and functions
- Our mature governance framework is embedded with Executive representation to support IT investment decisions, key risk management and operating budgets
- We continuously implement controls to improve operation of the Group's IT systems, for example, preventative maintenance, landscape health and third-party management
- We leverage technology partners to support service delivery and continuous improvement
- We build resilience through Business Continuity and IT Disaster Recovery plans and exercises
- We have a tested Group Incident Management framework in place to report, escalate and appropriately respond to incidents

10. People

Changes and challenges in the external environment may impact our ability to attract, motivate, develop and retain employees and to maintain a workforce that encompasses diverse backgrounds with the right capabilities to drive performance and meet our strategic objectives.

Risk movement	Risk tolerance	Link to strategy
	Low	4

Examples of risks

- Ability to retain talent and meet the needs of the future workforce (for example, providing support during more challenging macroeconomic economic conditions and meeting the demands of a hybrid workforce), while remaining competitive in the market in which we operate
- Sustained periods of attrition affecting business continuity, organisational resilience and customer experience
- Loss of critical talent or business knowledge leading to potential talent gaps in core business functions
- Ability to retain talent that is reflective of our diversity, equity and inclusion ambition and the global markets we operate in
- Sustaining employee engagement, wellbeing and inclusion in a more challenging environment and through ongoing business change
- Potential adverse impact on our culture

Mitigating actions

- Management regularly reviews talent capabilities to ensure alignment with evolving business needs, prioritising inclusive hiring practices and internal talent pool to identify talent, opportunities to upskill employees and to develop high potential employees for critical roles
- Our reward philosophy provides colleagues across the Group with a competitive total reward package, including fixed pay, variable pay linked to performance, and a suite of benefits that are market-aligned. Regular pay analysis is conducted to ensure our reward offering is competitive
- We have robust learning and development programmes to enhance both technical skills and leadership capabilities aligned to our Leadership Standards (for example, Manager, Senior Manager and Executive Development Programmes and comprehensive digital learning resources)
- We have Diversity, Equity and Inclusion policies and practices with regular review/external benchmarking with industry best practice to attract external talent and to design and deliver initiatives and policies that are most important to our colleagues at global and regional levels
- We offer various colleague engagement moments and channels (for example, employee forums and colleague surveys) to listen, gather feedback and take action
- We are committed to our ESG ambition and engage our colleagues through various initiatives and partnerships

Compliance risks

11. Intellectual property and brand protection

Sustained breaches of Burberry's IP rights or allegations of infringement by Burberry pose a risk to our brand. Counterfeiting, copyright, trademark and design infringement in the marketplace could reduce demand for genuine Burberry merchandise and impact the luxury positioning of the brand. Failure to implement appropriate brand protection controls in connection with our commitment not to destroy unsaleable finished products could negatively impact the integrity and the sustained luxury positioning of the brand.

Risk movement	Risk tolerance	Link to strategy
⇔	Low	1 4

Examples of risks

- Counterfeiting and unauthorised use of trademarks and other IP in the marketplace can reduce the demand for genuine Burberry merchandise, impact revenues and damage Burberry's brand image
- External procedural delays can slow protection for new branding and signifiers, and are subject to the varying degrees of protection and enforcement opportunities depending on the relevant national laws
- Increased challenges against Burberry's IP rights by third parties in response to claims of infringement as well as an increase in bad faith filings
- Allegations from third parties of IP infringement by Burberry could negatively impact Burberry's reputation and result in claims and financial loss through infringing products or content
- Distribution outside our authorised network and parallel trade could negatively impact demand for Burberry products and harm our luxury reputation
- Unauthorised trade in non-fungible tokens (NFTs) and virtual items incorporating Burberry's IP could damage Burberry's brand and impact our initiatives in the metaverse

Mitigating actions

- We conduct brand protection enforcement globally. Where infringements are identified, these are addressed through appropriate action, including criminal, civil and administrative legal action and negotiated settlements
- We partner with enforcement agencies and digital and social media platforms to disrupt the flow of counterfeit products by enforcing at source level
- We continuously explore new and emerging threats and ways to combat threats. Existing branding and new brand signifiers are protected globally by trademarks, copyrights and designs registered across all appropriate categories, extending into new fields of activity, including the metaverse, and by unregistered rights
- The Brand Protection team partners with the Design and Creative Content teams to ensure that our products and content do not infringe the rights of third parties, and to establish adequate protections
- Brand protection controls have been implemented to safeguard the brand in connection with our commitment to stop destroying unsaleable finished products
- Our onboarding processes for new vendors involve a brand protection risk assessment, and we work with vendors to ensure they respect our IP

12. Regulatory risk and ethical/environmental standards

The Group is subject to a broad spectrum of laws and regulations in the various jurisdictions in which it operates. These include laws and regulations relating to product safety, anti-bribery and corruption, competition, data, corporate governance, employment, environment, tax, trade compliance, sanctions, human rights, and employee and customer health and safety. Changes to laws and regulations, potential non-compliance or a major compliance breach, could have a material impact on the business and our financial performance.

Risk movement	Risk tolerance	Link to strategy
⇔	Low	1 2 3 4

Examples of risks

- Regulatory non-compliance (including, for example, failure to comply with applicable data protection legislation, anti-money laundering regulations, ESG regulations or applicable sanctions legislation) by the Group or associated third parties working on its behalf may result in financial costs and/or penalties, supply chain disruption, legal proceedings and/or reputational damage to our business
- Failure by the Group or associated third parties to act in an ethical manner consistent with our Code of Conduct, Responsible Business Principles, or our Responsibility agenda could result in reputational damage to the Group
- Tax is a complex area where laws and their interpretations change frequently, including the requirement for increased transparency. Differing interpretations globally or non-compliance by Burberry and its associated third parties could result in increased levels of tax authority challenge, financial loss and/or reputational damage
- Additional customs duty, trade or non-tariff trade barriers, and quotas may impact the cost of operations and efficiency of our global supply chain

Mitigating actions

- Specialist teams at corporate and regional levels, supported by third-party specialists where required, are responsible for ensuring the Group's compliance with applicable laws, tax requirements, ethical and business policies and regulations, and that colleagues are aware of the policies, laws and regulations relevant to their roles. Teams report to specialist committees (for example, Sustainability Committee, Ethics Committee, Data Privacy Committee, Audit Committee) and Board as appropriate
- Our Code of Conduct sets out policies and guidance to ensure that our colleagues and third parties act lawfully and in accordance with Burberry's values, including our Responsible Business Principles. Training on the Code of Conduct for colleagues is conducted annually. For our supply chain partners and other key partners, the Code of Conduct forms part of our contractual agreements
- International tax developments are a key focus of attention, with Burberry's global Tax strategy reported to the Audit Committee on an annual basis
- Our appropriately qualified Legal and Tax teams seek external advice on legislative changes
- Our Authorised Economic Operator (AEO) and trade compliance programme is in place to ensure we keep up to date with all relevant regulations. We work closely with our third-party specialists to ensure compliance

VIABILITY STATEMENT

Corporate planning process

Burberry's annual corporate planning process consists of preparing a long-term strategic plan, forecasting the current year business performance and preparing a detailed budget for the following year. These plans form the basis for assessing the longer-term prospects of the Group. Our strategic planning process includes detailed reviews of the budget, forecasts and long-term plans by our CEO and CFO in conjunction with our Regional and Functional Management teams, followed by a presentation and discussion of the long-term strategic plan by the Board. Delivery against the plan is monitored through monthly reporting on actual performance, the annual budget process and subsequent forecast updates.

The key assumptions considered in our strategic plan are future sales performance by product, channel and geography; the cost to procure and produce our products; other expenditure plans; cash generation and that there is no material long-term impairment to the Burberry brand. We also consider the Group's projected liquidity, balance sheet strength and the potential impact of the plan on shareholder returns. Where appropriate, we have adjusted our planning process to include scenarios relating to key assumptions as a result of the uncertain macroeconomic and geopolitical environment.

Assessment of prospects

We remain confident in our ability to consolidate our position in luxury fashion and are committed to our strategic vision for Burberry. The Group's strategy is set out on pages 18 to 21.

Strategic progress made in the current year includes our refocused storytelling around Modern British Luxury, is helping to clarify what we stand for, and how we are perceived, in the minds of luxury consumers. This has helped drive double-digit growth in elite customer numbers and spend. We have also strengthened our distribution network with more than 50% of stores now new or refurbished.

The Group's key priorities for FY 2024/25 are to continue to refine brand expression, incorporating more timeless, classic attributes in communications. We will increase product focus in storytelling with dedicated moments to key categories and prioritise marketing investment in Mainland China and the USA to strengthen brand visibility and consumer engagement as well as strengthen customer recruitment and engagement through locally relevant campaigns and activations.

In product, we have a strong foundation in heritage rainwear and will build out our core offer in FY 2024/25, ensuring balance between seasonal and core collections. We will build on outerwear category strengths and develop full product offer in ready-to-wear.

We have a well-established network of stores in high-visibility locations, which we have continued to strengthen. We will continue to deliver our store refurbishment programme and strengthen visual merchandising in store. We will maximise commercial opportunity for Burberry.com and expand omnichannel capabilities and further rationalise our wholesale channel with focus on EMEIA.

Our drive to deliver Operational excellence is directed towards unlocking speed and continuing to elevate customer experience, further embedding cost discipline and efficiencies and delivering process and technology improvements.

We will continue to focus on our advanced environmental and social responsibility agenda and deliver against Burberry Beyond targets.

Balance sheet and liquidity: our objective is to manage the business efficiently and flexibly, maintaining control and preserving the long-term value of the Burberry brand while ensuring we secure the financial headroom required to fuel growth as market opportunities arise. The business is expected to remain cash generative, creating further optionality for investment.

Considering the continuing uncertain global consumer demand and geopolitical environment, we have prepared several planning scenarios based on a range of assumptions and potential outcomes. In assessing the viability of the Group, the Board has carried out a robust assessment of the principal risks of the Group, as set out in the Risk report on page 83, and the principal risks and uncertainties as set out on page 84.

The Directors have considered the potential impact of the risks on the viability of the Group.

Basis of assessment

The assessment of viability has been made with reference to the Group's current position and expected performance over a three-year period to March 2027. This is considered appropriate for use by the Directors because:

- It aligns with the Group's approach to long-range planning
- It is sufficient to almost cover all currently approved capital expenditure projects
- As the Group has little contracted income, and as most current business development projects will be completed in the three-year period, projections beyond this period will contain long-term growth assumptions

Scenarios

We have developed a range of scenarios, which were informed by a comprehensive review of macroeconomic scenarios using third-party projections of macroeconomic data for the luxury fashion industry and financial outcomes of risks materialising across the industry over the last 10 years. In developing these scenarios, the Directors have assumed there is no material long-term impairment to the Burberry brand.

The Group central planning scenario reflects a balanced projection aligned to the group's strategy, a balanced assumption for economic uncertainty and capital expenditure and dividends in line with the Group's capital Allocation Framework. It reflects FY 2024/25 and the subsequent two-year period to March 2027.

As a sensitivity, this central planning scenario has been flexed by a 13% downgrade to revenues in FY 2024/25 and a 10% reduction in revenues across the full three-year period, as well as the associated consequences for EBITDA and cash. Management considers this represents a severe but plausible downside scenario appropriate for assessing going concern and viability. This was designed to test an even more challenging trading environment as a result of macroeconomic uncertainty together with the potential impacts of the Group's other principal risks, as described on pages 85 to 90.

For the purposes of the reverse stress test, we have considered the plausibility of a scenario that erodes the remaining cash headroom by reference to the lowest cash level in the annual business cycle. This test identified that the amount of revenue decline required on top of the severe but plausible scenario before the Group requires additional fundraising over the three-year period to March 2027 was, in the Group's opinion, implausible.

The severe but plausible downside modelled the following risks occurring simultaneously:

- A severe impact arising from a more severe and prolonged reduction in the GDP growth assumptions across the markets in which we operate, combined with a reduction to our global consumer demand arising from a change in consumer preference compared to our central planning scenario
- An increase in geopolitical tension which reduces GDP growth assumptions compared to the central planning model
- A significant reputational incident, such as negative sentiment propagated through social media
- The impact of a business interruption event, resulting in a two week interruption arising from the supply chain impact, and interruption to one of our channels following a technology vulnerability
- A significant reputational incident such as negative sentiment propagated through social media
- The occurrence of a one-time physical risk relating to climate change in FY 2024/25 and the materialisation of a severe but plausible ongoing market risk relating to climate change in line with a scenario reflecting a 2°C global temperature increase compared to pre-industrial levels
- The payment of a settlement arising from a regulatory or compliance-related matter
- A short-term impact of a 10% weakening in a key non-sterling currency for the Group before it is recovered through price adjustment
- The repayment of the Sustainability Bond without raising new finance

This approach provides the Board reasonable comfort that the Group's going concern and viability positions have been assessed to a severity level, which more than accommodates the impact of one or more of the Group's principal risks.

Funding

In assessing the viability of the Group, the Directors have also considered the Group's current liquidity and available facilities (set out in note 27 of the Financial Statements), financial risk management objectives and hedging activities (set out in note 27 of the Financial Statements). In our central planning and severe but plausible downside scenarios, the Group maintained the necessary liquidity levels.

The Group has a five-year £300 million 1.125% unsecured sterling Sustainability Bond which is due for repayment in September 2025, within the going concern and viability period. The viability modelling undertaken includes the capacity for this to be repaid in September 2025 during the period under review. The Group has access to a £300 million Revolving Credit Facility (RCF), currently undrawn and assumed to be available during the going concern and viability assessment. The Group has considered renewal of the RCF ahead of maturity in July 2026 and are confident that this will be available.

Conclusion

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities over the period to March 2027.

The Strategic Report up to and including page 92 was approved for issue by the Board on 14 May 2024 and signed on its behalf by:

Gemma Parsons
Company Secretary

CORPORATE GOVERNANCE STATEMENT

CHAIR'S INTRODUCTION

"The Board continues to take opportunities to hear the view of Burberry employees through a variety of activities"

Dear Shareholder,

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 30 March 2024. This report describes Burberry's corporate governance framework and procedures and summarises the work of the Board and its Committees to illustrate how we have discharged our responsibilities this year.

Areas of focus

It has been a busy year for your Board which has met more frequently than usual and formally on eight occasions. I am grateful to my fellow Board members for their engagement and commitment during the year. Our Board meetings, which included an extended strategy session in October 2023, have provided the Directors with a number of opportunities to engage with executive management from across the business and get to know newer members of the Executive Committee.

As we have reported elsewhere in this Annual Report, FY 2023/24 has brought some challenges and it has been more important than ever that the Board has operated effectively and focused on the key issues. Areas of focus for the Board during the year are set out on page 104. The overriding theme for the Board has been to oversee the execution of Burberry's strategy, whilst supporting management in a challenging trading environment.

Board changes during FY 2023/24

Matthew Key retired as a Non-Executive Director following the Annual General Meeting (AGM) on 12 July 2023, having served over nine years on the Board. Following Matthew's retirement, Alan Stewart was appointed Chair of the Audit Committee.

On 17 July 2023, we welcomed Kate Ferry to the Board as Chief Financial Officer (CFO) and, on 1 September, Alessandra Cozzani joined Burberry as a Non-Executive Director and member of the Audit and Nomination committees. More information on the induction programmes for Kate and Alessandra can be found in the Nomination Committee Report on page 116. We have also made some changes to our Board committees, with Danuta Gray being appointed as a member of the Audit Committee and Alan Stewart being appointed as a member of the Remuneration Committee on 12 July 2023.

As announced on 12 April 2024, Debra Lee will retire as a Non-Executive Director following the AGM in July 2024, having served on the Board since 1 October 2019. I would like to thank Debra for her wise counsel and service to the Board during the last five years.

Board effectiveness

The Board conducted an externally facilitated evaluation of its effectiveness during the year. This in-depth review covered the performance of the Board as a whole as well as the effectiveness of our Board Committees. I am pleased to report that the outcome of the review was that the Board operates effectively. There are nevertheless, a number of areas identified which would enhance effectiveness and the Board will focus on these during FY 2024/25. Details of the process, conclusions and recommendations are set out on page 111. We also report on the actions taken during FY 2023/24 following last year's internal evaluation on page 112.

One of my duties as Chair of the Board is to review the performance of my fellow Directors, a process which I carry out each year, with the aim of ensuring that each Board member is able to contribute to the best of their ability. Inducting new Directors thoroughly is critical to the continuing effectiveness of the Board. The Nomination Committee has performed the annual review of Directors' time commitments and independence on behalf of the Board and further information on its considerations are contained within the Nomination Committee Report on pages 113 to 117.

Employee voice

The Board continues to take opportunities to hear the view of Burberry employees through a variety of activities, including meetings of the Global Workforce Advisory Forum. Forum meetings provide my fellow Non-Executive Directors and me with the opportunity to shine a light on Burberry's culture, find out whether our values are embedded and hear first-hand what is top of mind for our colleagues around the world. It is very valuable feedback and I am grateful to our Forum members for participating and for their frank and constructive comments and advice.

Compliance with the UK Corporate Governance Code

Burberry complied with the requirements of the UK Corporate Governance Code during the financial year. In January 2024, the Financial Reporting Council published its revised 2024 UK Corporate Governance Code (the 'new Code') and we will be reviewing our governance framework and practices in light of these reforms to understand the impact and ensure readiness to report against the new Code for FY 2025/26.

I am pleased with the way our governance processes have operated during the year and served to support Burberry for the long term.

Gerry Murphy
Chair

BOARD OF DIRECTORS

Burberry's Board is responsible for the long-term success of our Company and is accountable to its shareholders.

Committee key

- Chair
- A Audit Committee
- N Nomination Committee
- R Remuneration Committee

Skills key

- Operational excellence
- Luxury brands
- Digital and media
- Environment/sustainability
- Retail, sales and marketing
- Financial expertise

Dr Gerry Murphy (68)

Chair

N

- Appointed as Chair: 12 July 2018
- Appointed: 17 May 2018
- Nationality: Irish
- Board skills

Key skills and experience

Gerry brings substantial international and senior management experience to the Board, in addition to in-depth knowledge of managing business transformations. His understanding of UK corporate governance requirements and extensive experience in the retail sector provides the Board with highly relevant and valuable leadership as Burberry continues to focus on delivering long-term sustainable value for all our stakeholders.

Current appointments

- Chair, Tesco plc
- Trustee, The Burberry Foundation
- Senior Advisor, Perella Weinberg
- Mentor, J&A Mentoring

Previous appointments

- Chair: Tate & Lyle plc and The Blackstone Group International (and partner in the firm's private equity investment unit)
- Non-Executive Director: British American Tobacco plc, Merlin Entertainments plc, Reckitt Benckiser plc, Abbey National plc and Novar plc
- CEO: Kingfisher plc, Carlton Communications plc (now ITV), Exel plc and Greencore Group plc

Jonathan Akeroyd (57)

Chief Executive Officer

- Appointed: 15 March 2022
- Nationality: British
- Board skills

Key skills and experience

Jonathan is an experienced leader with a strong track record of building luxury brands and driving profitable growth. He has extensive experience across the fashion and luxury goods sector, with a focus on brand and product elevation and strategic development, as well as digital and global expansion. He shares Burberry's values and appreciation of craftsmanship, creativity and quality. Jonathan's expertise and leadership skills have been pivotal in advancing the next phase of Burberry's evolution.

Previous appointments

- CEO of Gianni Versace SpA
- President and CEO of Alexander McQueen
- Harrods: various senior retail roles, including Executive Merchandise Director and Director of Menswear, Sports and Childrenswear

Kate Ferry (51)

Chief Financial Officer

- Appointed: 17 July 2023
- Nationality: British
- Board skills

Key skills and experience

Kate is a highly experienced Chief Financial Officer, having held roles in both public and private companies. In addition to her financial acumen, Kate has extensive experience driving business transformation and strategic development, and a deep understanding of public markets. She has particular expertise in the retail sector, as well as an excellent understanding of the luxury industry. In her early career, Kate was involved in numerous IPOs, including Burberry's in 2002. Kate is a Chartered Accountant.

Current appointments

- Non-Executive Director and Chair of the Audit Committee, Greggs plc
- Trustee and Chair of the Audit Committee, British Olympic Foundation

Previous appointments

- Chief Financial Officer of McLaren Group Limited
- Group Chief Financial Officer of Talk Talk Telecom Group PLC
- Corporate Affairs Director of Carphone Warehouse PLC
- Director within the retail sector equity research team at Merrill Lynch

Orna NíChionna (68)

Senior Independent Director

N R

- Appointed: 3 January 2018
- Nationality: Irish
- Board skills

Key skills and experience

Orna has strong UK plc and international business experience, especially in the consumer and retail markets. She also brings to the Board significant strategic, financial and governance experience. Orna is a committed environmentalist and was Chair of the Soil Association (which campaigns for more environmentally friendly food and farming) for six years. Her passion for the environment is an asset to Burberry as we continue to drive positive change and build a more sustainable future through our ongoing Environmental and Social Responsibility agenda.

Current appointments

- Trustee, Institute for Fiscal Studies
- Trustee and Chair, The Eden Trust

Previous appointments

- Senior Independent Director: Saga plc Bupa, HMV, Northern Foods and Royal Mail
- Non-Executive Director: Bank of Ireland UK
- Interim Chair, The National Trust
- Chair, Founders Intelligence
- Partner, McKinsey & Company and co-lead of its European Retail Practice

Fabiola Arredondo (57)

Independent Non-Executive Director

N R

- Appointed: 10 March 2015
- Nationality: American
- Board skills

Key skills and experience

Fabiola built and led a major division of Yahoo! Inc. and brings relevant international, strategic and operational experience in the internet and media sectors to the Board. Through her deep engagement with the World Wildlife Fund, Fabiola's background also includes overseeing sustainability initiatives. Her digital and consumer background, coupled with her extensive international non-executive directorship experience, make Fabiola an important member of the Board.

Current appointments

- Non-Executive Director: Campbell Soup Company and Fair Isaac Corporation
- National Council Member, World Wildlife Fund for Nature
- Member, Council on Foreign Relations
- Board Member, FINRA Board of Governors
- Managing Partner, Siempre Holdings

Previous appointments

- Non-Executive Director: Experian plc, BOC Group plc (now Linde Group), Saks Incorporated (now Hudson's Bay Company), Bankinter S.A., National Public Radio, Rodale Inc., Intelsat Inc., Sesame Workshop and the World Wildlife Fund UK and USA
- Senior executive roles at Yahoo! Inc., the BBC and Bertelsmann AG

Alessandra Cozzani (61)
Independent Non-Executive Director

A N

- Appointed: 1 September 2023
- Nationality: Italian
- Board skills

Key skills and experience
Alessandra brings to Burberry both financial expertise and a profound understanding of the luxury market, having spent over 20 years at Prada Group. A highly experienced Chief Financial Officer, Alessandra's career spans a variety of finance roles, including financial management and control, accounting, tax, treasury and insurance, as well as investor relations. She started her career as an auditor at Coopers & Lybrand.

Current appointments
- Executive Director, Esselunga SpA (Italian grocer)

Previous appointments
- Group Chief Financial Officer and Executive Director of Prada SpA (listed in Hong Kong S.A.R., China), previously Group Investor Relations Director and other financial management roles within Prada Group

Sam Fischer (56)
Independent Non-Executive Director

N R

- Appointed: 1 November 2019
- Nationality: Australian
- Board skills

Key skills and experience
Sam has a wealth of global leadership experience, including leading premium heritage brands from across the lifestyle and consumer sectors. He has a track record in driving business growth and a deep understanding of key Asian markets, which is an asset to Burberry as we continue to engage our communities in the region with innovative products and culturally relevant experiences.

Current appointments
- CEO, Lion Group

Previous appointments
- Senior executive roles at Diageo plc, including President, Asia Pacific and Global Travel, Executive Committee member, Managing Director for Greater China and Managing Director for South East Asia
- Various commercial and general management roles at Colgate-Palmolive, including Managing Director for Central Europe

Ron Frasch (75)
Independent Non-Executive Director

A N R

- Appointed: 1 September 2017
- Nationality: American
- Board skills

Key skills and experience
Ron has spent over 30 years working in the retail industry. He has clear strategic acumen, strong leadership skills and wide-ranging experience of working with luxury fashion brands. While at Saks, he was instrumental in developing the company's private-label collections. Ron's merchandising skills and experience within the fashion industry will continue to play a pivotal role as Burberry continues to grow and we strengthen our performance in the luxury fashion market.

Current appointments
- CEO, Ron Frasch Associates LLC
- Non-Executive Director, Crocs Inc.

Previous appointments
- Non-Executive Director: MacKenzie Childs and Aztech Mountain
- President and Vice Chairman, Saks Fifth Avenue Inc.
- President and CEO, Bergdorf Goodman
- President of the Americas for an Italian licensing company of luxury fashion brands

Danuta Gray (65)
Independent Non-Executive Director

R A N

- Appointed: 1 December 2021
- Nationality: British
- Board skills

Key skills and experience
Danuta is a highly experienced Non-Executive Director and Chair with a strong understanding of consumers, technology, sales and marketing within the UK and international business markets gained through her executive career. Her extensive UK plc board experience and understanding of UK governance requirements make her a strong asset to our Board.

Current appointments
- Chair: Direct Line Insurance Group plc and Croda International plc
- Board member, Employ Autism Development
- Trustee, The Resolution Foundation

Previous appointments
- Chair, St Modwen Property plc
- Senior Independent Director, Aldermore Bank plc
- Non-Executive Director and Remuneration Committee Chair: Old Mutual plc and Page Group plc
- Non-Executive Director: Paddy Power plc, Aer Lingus plc and UK Ministry of Defence
- CEO: Telefónica O2 and Executive Director, Telefónica Europe plc

Debra Lee (69)
Independent Non-Executive Director

A N

- Appointed: 1 October 2019
- Nationality: American
- Board skills

Key skills and experience
Debra is one of the most influential female voices in the entertainment industry and has a deep understanding of the American consumer and culture. She is the former Chairman and CEO of Black Entertainment Television, which under her leadership became the largest global provider of entertainment for the African-American audience and consumers of black culture. Debra is a passionate advocate for women and people from ethnically diverse backgrounds.

Current appointments
- CEO and founder, Leading Women Defined, Inc.
- Non-Executive Director: Warner Bros. Discovery, Inc., Marriott International, Inc. and The Proctor & Gamble Company

Previous appointments
- Chairman and Chief Executive Officer, Black Entertainment Television LLC
- Non-Executive Director: Twitter, Inc. and AT&T Inc.
- Attorney, Steptoe & Johnson

Antoine de Saint-Affrique (58)
Independent Non-Executive Director

A N

- Appointed: 1 January 2021
- Nationality: French
- Board skills

Key skills and experience
Antoine has a wealth of experience in the consumer sector, having led a number of global brands throughout his career. As CEO of Danone, Antoine has put sustainability at the heart of the company's strategy, setting priorities which align purpose and performance. While CEO of Barry Callebaut, Antoine addressed the most pertinent challenges in the chocolate supply chain. His understanding of sustainability and the consumer market makes him a valued asset to our Board as we continue to focus on positively impacting the environment and our communities.

Current appointments
- CEO and Director, Danone
- Non-Executive Director, Barry Callebaut

Previous appointments
- CEO, Barry Callebaut
- President, Unilever Foods and member of the Group Executive Committee at Unilever plc
- Non-Executive Director, Essilor International

Alan Stewart (64)

Independent Non-Executive Director

A N R

- Appointed: 1 September 2022
- Nationality: British
- Board skills

Key skills and experience

Alan has extensive corporate finance and accounting experience gained from a variety of industries, including retail and leisure. He has considerable executive leadership experience, including various Chief Financial Officer positions within top FTSE organisations. Alan is currently a member of Chapter Zero, a community of non-executive directors committed to achieving net zero targets, and was a founding member of the Accounting For Sustainability CFO network. His keen interest in sustainability is important to the Board in driving Burberry's climate change strategy. Alan qualified as a chartered accountant with Deloitte.

Current appointments

- Non-Executive Director and Chair of Audit Committee, Diageo plc

Previous appointments

- Non-Executive Director and Chair of Remuneration Committee, Reckitt Benckiser Group plc
- Non-Executive Director and Audit Committee Chair, Games Workshop Group
- Chief Financial Officer, Tesco PLC
- Chief Financial Officer, Marks & Spencer PLC

Gemma Parsons

Company Secretary

- Appointed: 1 October 2018
- Nationality: British

Current appointments

- Fellow of the Chartered Governance Institute and has more than 26 years' company secretarial experience
- Member of the Chartered Governance Institute's Company Secretaries' Forum and of the Association of General Counsel and Company Secretaries of the FTSE 100 (GC100)

Previous appointments

- Company Secretary of The Berkeley Group Holdings plc
- Deputy Company Secretary of Smith & Nephew plc
- Deputy Company Secretary of TSB Banking Group plc

Directors whose tenure ceased during FY 2023/24:

- Matthew Key stepped down as Non-Executive Director and Chair of the Audit Committee on 12 July 2023.

EXECUTIVE COMMITTEE

Jonathan Akeroyd
Chief Executive Officer

Kate Ferry
Chief Financial Officer

Giorgio Belloli
Chief Digital, Customer and Innovation Officer

Klaus Bierbrauer
Chief Supply Chain and Industrial Officer

Gianluca Flore
Chief Commercial Officer

Rod Manley
Chief Marketing Officer

Alexandra McCauley
Chief People Officer

Mark McClennon
Chief Information Officer

Nick Pope
Chief of Staff, Strategy and Growth Projects

Edward Rash
General Counsel

Delphine Sonder
Chief Merchandising Officer

Changes to the Executive Committee since FY 2022/23

- Kate Ferry joined the Committee on 17 July 2023
- Nick Pope joined the Committee on 18 September 2023
- Alexandra McCauley joined the Committee on 15 November 2023
- Ian Brimicombe was a member of the Committee until 17 July 2023
- Leonie Brantberg was a member of the Committee until 18 October 2023
- Melissa Johnston was a member of the Committee until 20 February 2024

CORPORATE GOVERNANCE REPORT

UK Corporate Governance Code compliance

The 2018 UK Corporate Governance Code (the Code) sets out the framework of governance for premium listed companies within the UK. As a premium listed company, Burberry is subject to the Principles and Provisions of the Code, which is published by the Financial Reporting Council (FRC) and can be found on its website: frc.org.uk. During FY 2023/24, Burberry complied in full with the provisions of the Code.

In January 2024, the FRC published a new version of the UK Corporate Governance Code, which will apply to Burberry from FY 2025/26, save for provision 29, which will apply from FY 2026/27. During the interim period, we will be assessing the impact of the new Code on our current governance framework and any changes we may want to consider to ensure alignment.

This Corporate Governance Report provides an overview of the Board's approach to governance and the work it has undertaken during FY 2023/24. Details on how we have complied with the Code's provisions and applied the Code's principles can be found throughout the Annual Report. Key highlights of the Company's compliance along with cross references to other sections of the Annual Report are detailed below.

How we apply the principles of the Code

Governance structure and division of responsibilities

The Board (supported by its Committees) is collectively responsible for how Burberry is directed and controlled. Its responsibilities include:

- Promoting Burberry's long-term success
- Setting its strategic aims and values
- Supporting leadership in delivering strategy
- Supervising and constructively challenging leadership on the operational running of the business
- Ensuring a framework of prudent and effective controls
- Reporting to shareholders on the Board's stewardship

More information on the Company's governance structure can be found on page 107.

Environmental, Social and Governance

Sustainability is an essential element of Burberry's strategy for which the Board is responsible. Accordingly, the Board is also responsible for ensuring its approach to sustainability is integrated into and implemented across the business, reflecting the increasing importance of these topics to the Group and society as a whole. The governance framework of committees and advisory forums (as shown in the diagram on page 107) provides regular updates and key information to the Board to ensure that it is able to make informed decisions. Sustainability is embedded into the remit of the committees where appropriate.

For more information on the Group's Environmental and Social priorities see pages 30 to 62.

Stakeholder engagement

As highlighted by the Code, the Board recognises the importance of identifying its key stakeholders and understanding their perspectives and values. Through regular dialogue and communication, the Board is mindful of all of Burberry's stakeholders when planning or making decisions of strategic significance.

The Board has chosen to engage with the workforce through the formally constituted Global Workforce Advisory Forum, which is one of the methods set out in Code Provision 5. The Board uses additional ways to understand employee views including the Employee Engagement Survey and site visits. During the year, the Board visited a number of stores and operations globally and had opportunities to speak to colleagues.

Our Investor Relations team met with over 420 investors during the financial year. Our Chair, Independent Non-Executive Directors, Executive Committee and other members of senior management met with 56 investors. This engagement included presentations to investors and analysts following the release of the Group's quarterly, half- and full-year results (available on the Group's website, Burberryplc.com) and meetings with the majority of the Group's 20 largest investors. Topics discussed in investor meetings included strategy, performance of product designed by Daniel Lee, regional performance, management changes and our sustainability agenda. The team also arranged specific ESG engagements with investors and analysts.

At the 2023 AGM, all resolutions were passed, although the Company received more than 20% of votes against the re-appointment of Antoine de Saint-Affrique as a Non-Executive Director of the Company. The Board acknowledges the outcome of the vote and has actively engaged with significant shareholders to understand their concerns. Further details can be found on page 115.

Our Investor Relations and Company Secretariat departments act as the centre for ongoing communication with shareholders, investors and analysts. The Board receives regular updates about the views of the Group's major shareholders and stakeholders from these departments as well as via direct contact.

Further information on how the Board has engaged with its key stakeholder groups can be found on pages 80 to 82.

MONITORING OUR CORPORATE CULTURE

Burberry's purpose, Creativity Opens Spaces, and the values that underpin it, form the framework for how we operate and the expectations we have of our colleagues. During FY 2023/24, we continued to embed Burberry's Leadership Standards throughout the organisation. The Board leads by example and promotes the desired culture.

How the Board monitors culture

The Board uses a variety of mechanisms to listen to and understand colleagues' views. The Board has continued its programme of interactions with Burberry colleagues, through global site and store visits. Our Global Workforce Advisory Forum (the Forum) continues to provide opportunities for insightful and meaningful discussions with colleague representatives. The Forum brings together colleague representatives to meet with members of the Board to discuss key topics. In FY 2023/24, the Forum met three times and discussed reward and benefits, sustainability, colleagues' views and sentiment on whether they feel able and comfortable to voice their thoughts and the key things they feel inhibit Burberry delivering on operational excellence. The Forum is chaired by our Chief People Officer with each meeting attended by our Chair and one other Non-Executive Director. The Forum has proportionate representation from all areas of our business and the countries and territories in which we operate. It provides a mechanism for the Board to understand whether the culture is embedded and aligns with Burberry's purpose and values.

The Board measures the progress on Burberry's culture by tracking against six key cultural indicators using insights gathered through listening sessions, colleague surveys, customer service surveys and people data on turnover, learning and wellbeing. With the aim of supporting an inclusive culture where colleagues can thrive, the Burberry values have been connected to how colleagues are rewarded and recognised for 'what they do' and 'how they do it'. Recognising that people leaders play a pivotal role in our colleagues' experience the Leadership Standards are woven throughout the development programmes with a focus on elevating leadership capabilities.

The Employee Engagement Survey, and data points referenced for the culture indicators, tell us what our colleagues feel it is like to work at Burberry. The overall sentiment from the FY 2023/24 survey and culture indicators provided a positive response from colleagues, with good engagement, and an increasing belief in our brand and prospects, indicating that colleagues believe in Burberry's purpose, are proud of the product and services and are excited by Burberry's future.

Fostering a thriving culture is an ongoing process and, for FY 2024/25, the Board will continue to oversee and support efforts that drive behaviours and actions that shape a positive culture at Burberry.

Our cultural indicators

Measure	Description
Purpose	Creativity Opens Spaces and guides our interactions with each other, our customers and communities.
Collaboration	We listen, work well together and support each other to get things done.
Learning	We incorporate learning on critical topics into our work to remain safe and secure.
Humanity	We create safe environments for colleagues at work and care about their health and wellbeing.
Execution	We move quickly and reliably and create great experiences for our customers.
Integrity	We are fair and objective when dealing with colleague behaviour and create psychological safety for colleagues to speak up.

PRINCIPAL AREAS OF FOCUS FOR THE BOARD DURING FY 2023/24

Area of focus	Outcome
Strategy and Operations	
• Review of regional updates • Receive progress report on Value Chain Excellence programme • Review of strategic progress and prioritisation of areas of focus within the long-term strategic plan. • Consider market trends and the implication on areas of strategic focus including operational priorities, product evolution and marketing.	• Support for operational priorities • Approval of marketing plan • Questioning, challenging and providing feedback to the management team and supporting the programmes undertaken
Finance	
• Approving the FY 2023/24 budget • Review and scrutinise full and half year financial results and trading announcements • Review capital allocation framework • Consider capital expenditure for flagship store offering • Review FY 2024/25 budget scenarios and three year plan • Review operational expenditure	• Approval of the FY 2023/24 budget and 'in principle' support for the FY 2024/25 budget and three year budget forecasts • Approval of financial statements • Approval of £400m share buyback • Approval of the recommendation to shareholders to pay a final dividend of 44.5p per share • Approval of two flagship stores
Culture and Colleagues	
• Assess and monitor culture through the organisation culture • Review progress against the Diversity, Equity and Inclusion strategy • Considering the People Priorities for FY 2024/25	• Approval of senior management ethnicity target • Support for the initiatives presented by management
Corporate Responsibility	
• Discussion of the community and investment strategy for FY 2024/25 • Review environmental targets • Review of the Company's Modern Slavery Statement • Review of proposed environmental priorities further to updates from the Sustainability Committee	• Approval of donation of FY 2023/24 adjusted profit before tax to social and community causes worldwide • Approval of the Company's Modern Slavery Statement • Approval of environmental targets
Risk	
• Consider cybersecurity risk • Review of emerging and principal risks • Consider the Company's risk appetite	• Approval of tolerance levels of principal risks • Approval of the Group's Risk Appetite
Governance	
• Review of Board evaluation planning and process • Review of investor sentiment • Receive feedback from the Global Workforce Advisory Forum • Annual review of governance related policies	• Approval of key areas of focus following board evaluation process • Approval of annual governance related policies • Board insight and awareness of colleague sentiment through Global Workforce Advisory Forum feedback • Actions identified to improve the Board's overall effectiveness

KEY DECISIONS DURING FY 2023/24

As explained on page 80, the Board took the views of key stakeholders into account when making decisions and conducting Board business. Three of the key decisions taken by the Board during FY 2023/24 are set out below, with an explanation of the stakeholder engagement methods used and how the information gathered from stakeholders informed the Board's decisions.

Return of capital to shareholders within the Capital Allocation Framework

In May 2023, the Directors approved a further return of capital to shareholders by way of a £400m buyback of shares in order to maintain leverage within the target leverage range.

In making the decision to approve a further share buyback programme, following the completion of a separate £400m share buyback during FY 2022/23, the Directors took account of the views of shareholders which were communicated to the Board by way of feedback following executive management's meetings with institutional investors, feedback following results presentations, investor roadshows and by advisors. When taking the decision to approve the buyback, the Board considered the impact on cash flow, distributable reserves and longer-term financial stability of the business. The Board was mindful of the commitment to deliver value to shareholders whilst balancing the return with shareholders' investment for long-term growth.

Sustainability strategy

Implementation of the sustainability strategy continues to be a key focus of the Board and developments during FY 2023/24 are set out in the sections on environmental and social progress commencing on page 30. Customers are becoming more aware of the sustainability of our products, including source of materials and circularity, which is part of the story of a luxury product. Shareholders expect Burberry to have sound sustainability credentials and are looking for clarity and transparency to support long-term viability. Our colleagues identify with our sustainability goals and want to be part of implementation. The importance of this to colleagues has been highlighted by feedback presented at the Global Workforce Advisory Forum where colleagues shared that they want to see the sustainability strategy in action and share our journey with customers. Burberry engages effectively with suppliers to establish effective relationships. Communities benefit from reduced environmental impact.

Value chain excellence programme

The Directors provided oversight of a programme which commenced in FY 2022/23 focused on optimising the value chain, including improving the consistency of the assortment of product across stores, management and sourcing of raw material including reduction of waste, replenishment of product in stores and focus on the critical path. In overseeing the programme, the Board took into account customer satisfaction gained both from trading performance but also feedback from customers indicating their desire to make purchases from the new collection and for on-time delivery. Improvements in operational excellence accord with shareholder expectations for seamless execution across the supply chain to support the new creative direction and implementation of strategy.

Key stakeholders

Customers	Communities
Shareholders	Government
People	Partners

Board Meetings and Attendance

The Board held eight formal meetings during the financial year, including an in-depth strategy session in London. If any Director is unable to attend a meeting, they are given the opportunity to provide feedback on the accompanying material in advance of the meeting. Details of attendance at Board and Committee meetings can be found below.

During the year, the Board and Committee agendas were shaped to ensure that discussion was focused on our key strategies and responsibilities, as well as reviews of significant issues arising during the year, such as changing macroeconomic and geopolitical conditions. The Group's ongoing performance against strategic priorities is reviewed at all scheduled meetings.

The Chair and Non-Executive Directors held a closed session without management present at each Board meeting. Throughout the year, Directors spent time meeting investors and interviewing candidates for both executive and non-executive roles. In addition, Directors undertook store and site visits and attended our fashion shows, town halls, brand events and meetings of the Global Workforce Advisory Forum.

Directors' attendance at Board and Committee meetings during FY 2023/24

This is expressed as the number of meetings attended out of the number that each Director was eligible to attend.

	Board	Audit	Nomination	Remuneration
Gerry Murphy	8/8	–	2/2	–
Jonathan Akeroyd	8/8	–	–	–
Kate Ferry[1]	6/6	–	–	–
Orna NíChionna	8/8	–	2/2	4/4
Fabiola Arredondo	8/8	–	2/2	4/4
Alessandra Cozzani[2]	6/6	3/3	1/1	–
Sam Fischer	8/8	–	2/2	4/4
Ron Frasch	8/8	4/4	2/2	4/4
Danuta Gray[3]	8/8	3/3	2/2	4/4
Debra Lee[4]	7/8	3/4	2/2	–
Antoine de Saint-Affrique	8/8	4/4	2/2	–
Alan Stewart[5 6]	7/8	4/4	2/2	3/3
Matthew Key[7]	2/2	1/1	1/1	1/1

1. Kate Ferry joined the Board on 17 July 2023.
2. Alessandra Cozzani joined the Board on 1 September 2023.
3. Danuta Gray joined the Audit Committee on 12 July 2023.
4. Debra Lee was unable to attend one Board meeting and one Audit Committee meeting due to prior business commitments.
5. Alan Stewart was unable to attend one Board meeting called at short notice as he was travelling.
6. Alan Stewart joined the Remuneration Committee on 12 July 2023.
7. Matthew Key resigned from the Board on 12 July 2023.

Productivity

The Company continues to demonstrate and develop improving levels of productivity, owing to strong human capital, training and development programmes, and focus on elevating the customer experience throughout our distribution and retail networks. Further information about these aspects of the business is provided on pages 19 to 21 and 48 to 57.

Other governance disclosures

The Group is committed to acting with integrity and transparency on all tax matters and complying fully with applicable tax laws, having regard to international standards and guidance on tax practice and tax reporting. The Group will only engage in responsible tax planning aligned with genuine commercial economic activities. We will not use tax structures or undertake artificial transactions, the sole purpose of which is to create a contrived tax result. For example, we do not participate in transactions with parties based in tax haven jurisdictions when the transactions are not in the ordinary course of Group trading business or which could be perceived as artificially transferring value to low tax jurisdictions.

We are also committed to engaging in open and constructive relationships with tax authorities in the territories in which we operate. The Group Tax strategy directs our tax planning, reporting and compliance activities and is aligned with the Group's strategic objectives. Further information regarding the Group Tax strategy is provided on Burberryplc.com.

Tax governance framework

The CFO is responsible for the Group Tax Strategy, the effectiveness of tax risk management, tax processes and transparency of disclosures. The Strategy is implemented by the global tax and trade compliance teams with the assistance of the finance leadership team. Compliance with the Group Tax Strategy is reviewed on an ongoing basis as part of the regular financial planning cycle. The Audit Committee is responsible for reviewing the Group Tax Strategy at least once a year and significant tax matters as they arise.

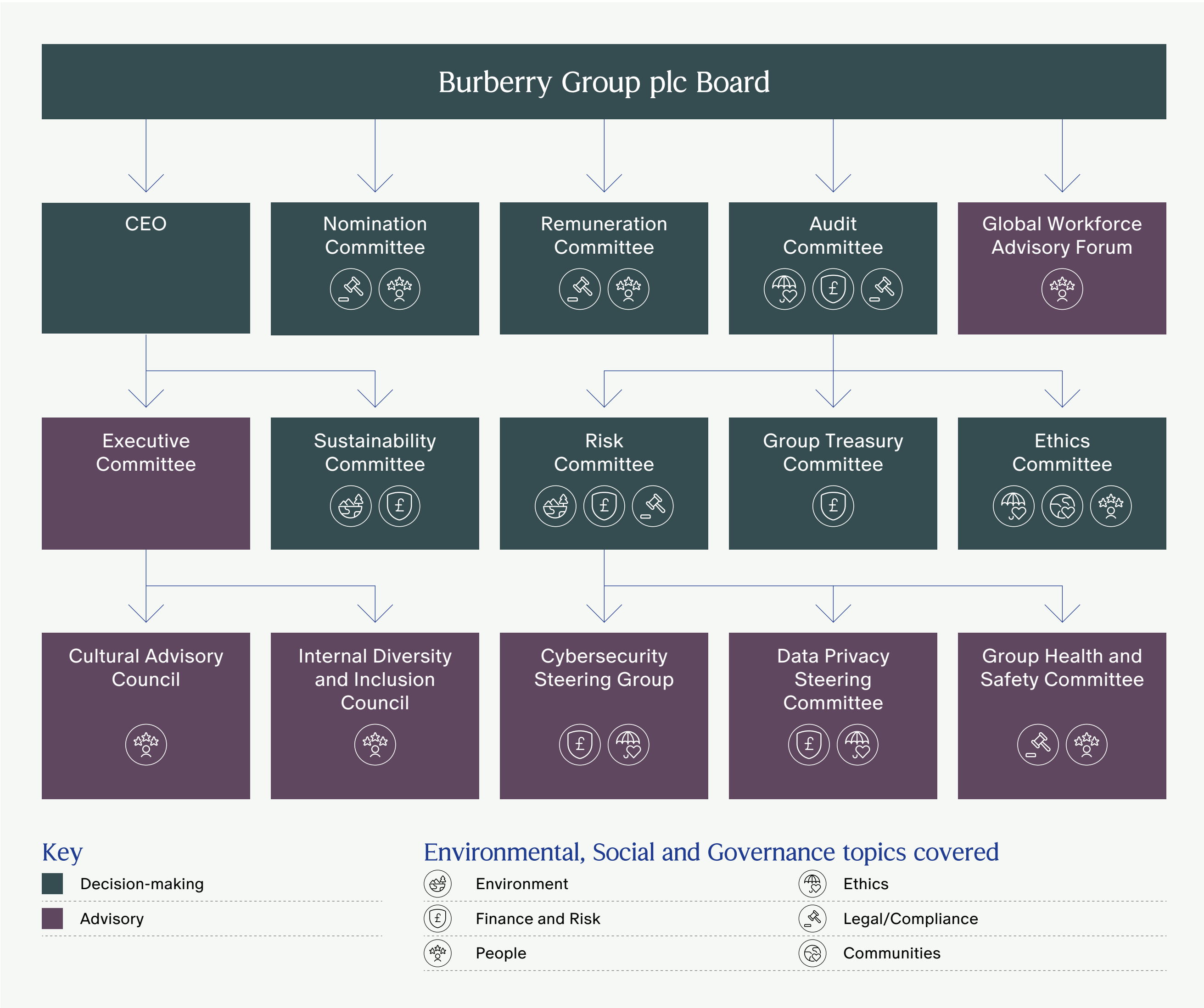
Share capital

Further information about the Company's share capital, including substantial shareholdings, can be found in the Directors' Report on page 143.

GOVERNANCE STRUCTURE AND DIVISION OF RESPONSIBILITIES

Governance structure at Burberry

The diagram below illustrates Burberry's governance structure, flowing from the Board, which comprises committees and advisory forums. Each has a defined scope, covering one or more of our key Environmental, Social and Governance topics, and has a formalised reporting line. This structure ensures important matters are monitored by the right people and establishes an information flow to the Board, enabling it to make informed decisions and deliver its strategy. Further information on the role of the Board and its principal Committees is on page 108.



Roles and responsibilities

The Board

The Board is responsible for promoting Burberry's long-term sustainable success. This is achieved through the establishment of an effective governance framework, which the Board oversees, and keeping the interests of stakeholders at the fore in decision-making. Information flows up and down the governance framework to ensure that all decision-making is well-informed, transparent and balanced.

The Board establishes the Group's purpose and values and sets the Group's strategy, including sustainability and climate goals, ensuring alignment with our culture, and overseeing its implementation by management. The Board is also responsible for oversight of the Group's internal control and risk management, including the Group's risk appetite.

Specific matters have been reserved for approval by the Board. Details of the key areas of focus of the Board during FY 2023/24 can be found on page 104, and a full schedule of matters reserved for the Board's decision is available in the Corporate Governance section of Burberryplc.com. Biographies of the members of the Board can be read on pages 95 to 99, and the individual roles of directors and the division of responsibilities between them can be read on page 109.

The Board has established Committees to assist with exercising its authority.

Audit Committee
Chaired by Alan Stewart

Monitors the integrity of Financial Statements, including disclosures associated with the TCFD recommendations, and provides assurance to the Board that the Group's internal financial controls and risk management systems are appropriate and regularly reviewed. Reviews the Internal Audit programme, and oversees the work of the external auditor, approving their remuneration and recommending their appointment.

The Audit Committee is supported by the Ethics Committee, the Risk Committee and the Group Treasury Committee.

The Audit Committee Report can be read on pages 118 to 124.

Remuneration Committee
Chaired by Danuta Gray

Determines the policy for Executive Director remuneration, aligning with Burberry's long-term strategic goals, and having regard to the views of shareholders or stakeholders. Sets the remuneration for the Chair, Executive Directors and senior management.

Oversees the wider employee reward policies.

The Directors' Remuneration Report can be read on pages 125 to 142.

Nomination Committee
Chaired by Gerry Murphy

Reviews the composition of the Board to ensure it remains appropriate, so the Board is best placed to fulfil its role. Ensures plans are in place for the orderly succession of both Board and senior leadership positions. Oversees the formal, rigorous and transparent procedure for the appointment of new Directors, keeping in mind the importance of diversity in all its forms and balancing skills and experience.

The Nomination Committee Report can be read on pages 113 to 117.

The Committees may engage third-party consultants and independent professional advisors. They may also call upon other Group resources to assist them in discharging their respective responsibilities. In addition to the Committee members and the Company Secretary, external advisors and, on occasion, other Directors and members of our senior management team attend Committee meetings at the invitation of the Chair of the relevant Committee.

The terms of reference for the Audit Committee, Remuneration Committee and Nomination Committee can be viewed in the Corporate Governance section of Burberryplc.com.

CEO

The Board delegates the day-to-day responsibility for running the Group to the CEO, who is responsible for all commercial, operational, risk and financial elements of the business. The CEO is also responsible for management and development of the strategic direction of the Group, for consideration and approval by the Board.

Executive Committee

The Executive Committee assists the CEO in implementing the strategy as approved by the Board. Executive Committee members are invited, as appropriate, to Board, Board Committee and strategy meetings to inform and update the Board on their areas of responsibility.

Board roles and the division of responsibilities

Our Board currently comprises 12 members: the Chair, the CEO, the CFO and nine independent Non-Executive Directors who are experienced and influential individuals, drawn from a wide range of industries and backgrounds with the skills to promote the long-term sustainable success of the Group. The Board has determined that all Non-Executive Directors are independent and the Chair was also considered to be independent on appointment.

Directors' biographies, tenures, key skills and experience and external appointments are set out on pages 95 to 99.

All Directors are appointed to the Board for an initial fixed three-year term, subject to annual re-election by shareholders at the Company's AGM. In accordance with the Code, all Directors, with the exception of Debra Lee, will retire and offer themselves for re-election at the 2024 AGM. Kate Ferry and Alessandra Cozzani, who joined the Board on 17 July 2023 and 1 September 2023 respectively, will offer themselves for election having joined the Board since the last AGM. Debra Lee will cease to be a Non-Executive Director following the 2024 AGM.

To ensure the Board performs effectively, there is a clear division of responsibilities between the leadership of the Board and the executive leadership. The roles of the Chair, CEO and Senior Independent Director are agreed by the Board and are available to view in the Corporate Governance section of Burberryplc.com.

Our Chair

- Responsible for the Board's overall effectiveness in directing Burberry
- Chairing Board meetings, Nomination Committee meetings and the AGM, setting the Board agenda, and ensuring Directors receive accurate, timely and clear information
- Ensuring there is effective communication between the Board, management, shareholders and the Group's wider stakeholders
- Promoting a culture of openness and constructive debate, and facilitating effective contribution of all Non-Executive Directors
- Overseeing the annual Board performance review and addressing any subsequent actions
- Promoting the highest standards of corporate governance
- Ensuring the views of stakeholders are taken into account when making decisions

Our Senior Independent Director

- Acting as a sounding board for the Chair
- Acting as an intermediary for the other Directors, where necessary
- Chairing meetings in the absence of the Chair
- Being available to shareholders and stakeholders if they have any concerns which they have been unable to resolve through normal channels
- Together with the Non-Executive Directors, assessing the performance of the Chair on an annual basis
- Leading the search and appointment process and recommendation to the Board of a new Chair, if necessary

Our Non-Executive Directors

- Providing effective and constructive challenge to the Board and scrutinising the performance of management against agreed performance objectives
- Leading the appointment process for Executive Directors
- Assisting in the development and approval of the Group's strategy
- Reviewing Group financial information and ensuring there are effective systems of governance, risk management and internal controls in place
- Ensuring there is regular, open and constructive dialogue with shareholders
- Offering specialist knowledge to the Board

Our CEO

- Day-to-day management of the Group and leading the Executive Committee
- Responsible for all commercial, operational, risk and financial elements of the Group
- Developing the Group's strategic direction and implementing the agreed strategy, as approved by the Board
- Ensuring effective communication and information flows to the Board and the Chair
- Representing the Group to external stakeholders
- Responsible for the oversight of the following key functions: Design, Marketing, Digital, Merchandising, Supply Chain, Corporate Affairs, Human Resources, Strategy, Global Commercial, Corporate Responsibility, Corporate Communications and IT
- Responsible for oversight of Burberry's sustainability agenda and climate goals

Our CFO

- Supporting the CEO in developing the Group's strategy and its implementation
- Overseeing the global Finance and Business Services functions and developing the Group's Capital Allocation Framework
- Responsible for establishing financial planning and maintaining adequate internal controls over financial reporting
- Representing the Group to external stakeholders
- Responsible for the oversight of the following key functions: Investor Relations, Internal Audit and Risk Management, Business Continuity, Burberry Business Services, Finance, Insurance, Tax, Treasury and Trade Compliance

Our Company Secretary

- Providing advice and support to the Chair and all Directors
- Ensuring the Board receives high-quality information and resources in a timely manner so that the Board can operate effectively at meetings and carry out its duties
- Assisting the Chair and Committee Chairs in setting the agenda for Board and Committee meetings
- Advising and keeping the Board up to date with all matters of corporate governance through regular papers and updates at meetings
- Facilitating the induction programme for new Directors and, together with the Chair, assessing ongoing training needs for all Directors

Time allocation

Executive Directors

Our Board's Executive Directors are permitted to hold one external non-executive directorship. Jonathan Akeroyd does not hold any other external directorships. Kate Ferry is an independent non-executive director of Greggs plc.

Non-Executive Directors

Each of our Non-Executive Directors has a letter of appointment which sets out the terms and conditions of their directorship. The Non-Executive Directors are expected to devote the time necessary to perform their duties properly. This is expected to be approximately 20 days each year for basic duties. The Chair and Senior Independent Director are expected to spend additional time over and above this to carry out the extra responsibilities their roles entail. A summary of these roles can be found on page 109 and full descriptions can be found in the Corporate Governance section of the Group's website, Burberryplc.com.

The Board has noted changes to Non-Executive Directors' external appointments during the year and confirms that they were not perceived to impact their responsibilities to the Company. In particular, the Board reviewed and approved in advance Gerry Murphy's appointment as a Non-Executive Director and Chair of Tesco plc. In making this decision, the Board was satisfied that Gerry would be able to continue to devote the necessary time for the proper performance of his duties as Chair of Burberry. The Board also noted that Gerry would step down as Chair of Tate & Lyle plc, as he has since done.

The Board also considered Danuta Gray's appointment as a Non-Executive Director and Chair of Croda International plc and was content that she would continue to have sufficient time to undertake her role at Burberry.

The Board considers that the Chair and all Non-Executive Directors have fulfilled their required time commitment during FY 2023/24. In making this assessment the Board considered the views of certain shareholders regarding Antoine de Saint-Affrique's time commitments, further details of which can be found in the Nomination Committee Report on page 115.

Independence of Non-Executive Directors

Each year, in accordance with its terms of reference, the Nomination Committee reviews the independence of the Non-Executive Directors (excluding the Chair), taking into account a range of factors, including those set out in Provision 10 of the UK Corporate Governance Code.

As part of their deliberations for FY 2023/24, the Nomination Committee gave particular regard to Fabiola Arredondo who was appointed to the Board in March 2015 and has therefore served on the Board for just over nine years. Following the review, the Nomination Committee concluded that Fabiola's independence was not compromised and that all Non-Executive Directors continue to be independent.

Please see page 115 for further information on the independence assessment performed by the Nomination Committee.

Induction and training

The Company Secretary assists the Chair in designing and facilitating a formal induction programme for new Directors and their ongoing training. Each newly appointed Director receives a formal and tailored induction programme to enable them to function effectively as quickly as possible, while building a deep understanding of the business. Each induction typically consists of meetings with both Executive and Non-Executive Directors and briefings from senior managers across our key business areas and operations. In addition, Non-Executive Directors are provided with opportunities to visit key stores, markets and facilities. This includes visits to our various operating facilities in the UK and in their country or territory of residence.

Following the initial induction for Non-Executive Directors, an understanding of the business is developed through ongoing meetings and engagements as appropriate. Details of the induction programmes implemented for Kate Ferry and Alessandra Cozzani are set out in the Nomination Committee Report on page 116.

The Chair considers the training needs of individual Directors on an ongoing basis, and the Board has direct access to the advice and services of the Company Secretary. To carry out their duties, Directors may also obtain independent professional advice, if necessary, at the Group's expense. To further support the Board's ongoing training, at the March 2024 Board meeting, the Company's external legal advisors delivered a legal and governance update focusing on the Corporate Governance and Listing regime reforms and the Economic Crime and Corporate Transparency Act 2023.

Managing conflicts of interest

All Directors have a duty under the Companies Act 2006 to avoid a situation in which they have, or could have, a direct or indirect conflict of interest or possible conflict of interest with the Company and/or the Group.

Under the Company's Articles of Association, the Board has the authority to approve situational conflicts of interest. It has adopted procedures to manage and, where appropriate, approve such conflicts.

Authorisations granted by the Board are recorded by the Company Secretary in a register and are noted by the Board at its next meeting. A review of situational conflicts that have been authorised is undertaken by the Board annually.

Following the last review, the Board concluded that the potential conflicts had been appropriately authorised, that no circumstances existed which would necessitate that any prior authorisation be revoked or amended and that the authorisation process continued to operate effectively.

COMPOSITION, SUCCESSION AND EVALUATION

Board evaluation

Evaluating our performance

The Board undertakes a formal annual review of its effectiveness, which is designed to help identify opportunities to improve and enhance its own performance and that of the Group. The evaluation process is led by the Chair and includes a review of the effectiveness of the Board as a whole, the Board's committees and each individual Director. Every three years the review is facilitated externally.

For FY 2023/24, the Board decided to conduct an externally facilitated effectiveness review undertaken by Milena Djurdjevic of CalibroConsult. CalibroConsult is an independent Board consultant and does not provide any other services to the Group. During the course of her review, Ms Djurdjevic interviewed the Chair, committee chairs, Executive and Non-Executive Directors, the Company Secretary, members of the Executive Committee and the external advisor to the Remuneration Committee and the Company's Auditor. The process also included attending a number of Board and Committee meetings, both in person and virtually, in order to observe meeting dynamics and reviewing the papers prepared for the Board's consideration.

Milena Djurdjevic sought views on a range of topics including the effectiveness of Board composition and culture, the relationships between the Board and executive team, implementation and oversight of the strategic objectives and progress against the agreed areas of focus following the FY 2022/23 effectiveness review. The results were evaluated and discussed at the March Board meeting, following which the Board confirmed its view that the Board continues to operate effectively within an inclusive and transparent environment.

A number of strengths were identified through the review process, including:

- The Board is well run and highly effective, meetings are inclusive and debate is open and free-flowing
- Non-Executive Directors are highly engaged and supportive of management.
- Board composition is considered to be diverse and well-suited to helping management achieve its strategic and broader stakeholder objectives
- There is strong leadership of the Board and Board committees enabling the Board to successfully maintain its effectiveness despite there being a number of Board level changes during the year
- The Board appreciates the CEO's transparency which enables the Board to better contribute to discussions

The review also identified certain areas for development and action which have been agreed by the Board and are set out below. Progress against these areas of focus will be monitored during the year.

The evaluation process also concluded that the Audit, Nomination and Remuneration committees continue to operate well and to provide effective support to the Board in carrying out its duties. Further information about the effectiveness evaluations of each of the Committees and of individual Directors conducted during the year can be found on pages 115, 118, and 127.

Separate to the formal Board effectiveness review process, the Senior Independent Director held a meeting of the Non-Executive Directors, without the Chair being present, to review his performance during the year. The unanimous view is that Gerry Murphy continues to be highly effective and has continued to provide strong leadership throughout FY 2023/24.

Areas of focus for FY 2024/25

Based on the feedback received during the assessment process, the Board agreed on the following areas of focus, which will be monitored during the year.

Area for development	Action
Strategy and operations	The Board and management team will work together to refine the key strategic priorities and determine a definitive plan and timetable for their implementation. Clear operational milestones and KPIs will be agreed in order to measure progress and enable effective oversight of strategy implementation. Develop a clear action plan to deliver growth in Burberry's e-commerce business together with key metrics which enable progress to be measured.
People and resources	Ensure the organisation structure, roles, responsibility and accountability are clear and configured to support strategy execution. Ongoing focus on the talent agenda including leadership team succession and development. The Board will also welcome opportunities for Non-Executive Directors to engage with management on a more informal basis.
Board ways of working	Revisit Board agendas and papers to ensure sufficient focus on key strategic pillars and areas where Board input will help drive the business forward.

Progress update on focus areas identified following FY 2022/23 Board effectiveness review

Area for development	Action
Strategy, purpose and values	
• Ongoing development of Board agendas to ensure sufficient focus on big trends including sustainability, e-commerce and globalisation	The Board receives regular scheduled updates on Sustainability and e-commerce performance has been discussed in the CEO report for each meeting in FY 2023/24 to date. In addition, the agenda for annual strategy meetings in October 2023 included updates on raw material innovation and e-commerce strategy. The Board also had the opportunity to discuss consumer and technology trends with a panel of industry experts. Topics included market dynamics in the luxury industry, changing consumer expectations and the implications for Burberry.
• Consider ways to develop the Board's understanding of the opportunities and risks presented by emerging technology in the luxury industry	In October 2023, the Board received an update on the latest developments for GenAI and its applications for the fashion industry.
People and culture	
• Continued focus on developing the long-term approach to executive succession planning including increased opportunities for Board members to engage with colleagues informally	As part of the succession planning process, a programme has been developed to bring Board members close to high potential and key talent across the business. As part of this, individual Board members were connected with colleagues with whom there was a natural fit in terms of skills and expertise. Board members are also encouraged to meet those colleagues identified as key talent when travelling around the business.
• Enhance the Board's oversight of culture and values, including how well they are embedded across the business	See page 103 for information on the Board's oversight of culture. The Board attended a Purpose workshop to discuss bringing together Burberry's strategy, culture and sustainability ambitions. In November 2023, the Board received an update following the annual Employee Engagement Survey covering insights and areas of company-wide focus in response to the feedback received.
Board composition	
• Review the size and composition of the Board including the potential use of advisory support to supplement core skills of Board members where necessary	In September 2023, the Board appointed Alessandra Cozzani to enhance the luxury and finance expertise on the Board. A full review of Board composition and succession planning was undertaken as part of the external Board performance review for FY 2023/24. Further information is on page 113.

REPORT OF THE NOMINATION COMMITTEE

"The Committee operates effectively and has taken a rigorous approach to Board succession and recruitment throughout the year"

Gerry Murphy
Chair, Nomination Committee

Areas of focus for FY 2023/24

- Board composition
- Recruitment of new Non-Executive Director
- Talent and executive succession planning
- Annual review of corporate governance requirements

Dear Shareholder,

On behalf of the Nomination Committee, I am pleased to present this report which describes how we carried out our responsibilities during the year.

Board succession planning and composition continues to be an important area of focus for the Committee. During FY 2023/24, the Committee recommended the appointment of Alessandra Cozzani as an additional independent Non-Executive Director. Matthew Key retired from the Board in July 2023 and, having announced Kate Ferry's appointment in March 2023, the Board also welcomed Kate Ferry who joined the Board as Chief Financial Officer in July. In our consideration of Board composition, we concentrated on identifying candidates who would add to the Board's collective skills, experience and diversity. Our aim is to ensure the Board is capable of supporting and challenging management in the execution of Burberry's strategy and to promote Burberry's long-term growth.

During the financial year, we reviewed the talent pipeline for the Executive Committee and other senior management roles. We also completed our annual governance processes.

As announced on 12 April 2024, Debra Lee, Independent Non-Executive Director, will retire from the Board with effect from the conclusion of the Company's Annual General Meeting on 16 July 2024.

Board and Committee composition

The Committee is responsible for keeping the structure, size and composition of the Board and its Committees under review. During FY 2023/24, the Committee oversaw the search and appointment of Alessandra Cozzani as a Non-Executive Director and member of the Audit and Nomination Committees on 1 September 2023. Alessandra is a highly experienced Chief Financial Officer with a profound understanding of luxury fashion and we are delighted that she has joined the Burberry Board. More information on the appointment and search process can be found on page 186.

In July 2023, the Committee recommended the appointment of Danuta Gray as a member of the Audit Committee and Alan Stewart was appointed as a member of the Remuneration Committee on the same day.

The Nomination Committee has performed its annual review of Directors' time commitments and independence on behalf of the Board. Further information is included within this report on pages 114 to 115 including the steps we have taken to understand the views of shareholders who voted against the re-election of Antoine de Saint-Affrique at the 2023 AGM, the introduction of a new policy on Directors' time commitments and the rigorous assessment of Fabiola Arredondo's independence in light of the fact that she has now served on the Board for just over nine years.

Committee Effectiveness

The Committee's annual performance and effectiveness review was undertaken as part of the externally facilitated Board effectiveness review. The review confirmed that the Committee operates effectively and has taken a rigorous approach to board succession and recruitment throughout the year. Further information on the review process is set out on page 111.

Gerry Murphy
Chair, Nomination Committee

Nomination Committee membership and meeting attendance during the year

Committee member	Member since	Meeting attendance
Gerry Murphy (Chair)	17 May 2018	2/2
Fabiola Arredondo	10 March 2015	2/2
Alessandra Cozzani[1]	1 September 2023	1/1
Sam Fischer	1 November 2019	2/2
Ron Frasch	1 September 2017	2/2
Danuta Gray	1 December 2021	2/2
Matthew Key[2]	26 September 2013	1/1
Debra Lee	1 October 2019	2/2
Orna NíChionna	3 January 2018	2/2
Antoine de Saint-Affrique	1 January 2021	2/2
Alan Stewart	1 September 2022	2/2

1. Alessandra Cozzani joined the Committee on 1 September 2023 on her appointment as a Non-Executive Director.
2. Matthew Key resigned from the Committee on 12 July 2023 on his resignation from the Board.

Principal role and responsibilities

As set out in the terms of reference, which are available on the Company's website, Burberryplc.com, the Nomination Committee is responsible for a number of areas across three main categories as listed below. The Committee reviews its terms of reference annually to ensure they remain fit for purpose.

Board composition

- Reviewing the structure, size and composition of the Board and its Committees to maintain the relevant balance of skills, knowledge, experience, diversity and independence
- Identifying and making recommendations to the Board on suitable candidates to fill Board vacancies

Board and executive succession planning

- Developing succession plans to ensure Board membership is refreshed to meet the needs of the Company
- Overseeing the development of a diverse succession pipeline for the Executive Committee and other key senior management roles, in line with the talent management framework

Corporate governance

- Considering the independence and time commitments of Non-Executive Directors
- Making recommendations to the Board on election and re-election of Directors at the AGM
- Reviewing the Board Composition and Diversity Principles to ensure they remain fit for purpose

Our proactive approach to succession planning ensures that the Board maintains the right mix of skills, experience, knowledge and tenure to effectively support and challenge. We believe that diverse boards with appropriate competencies and values are better boards. In line with the Board Composition and Diversity Principles, all new Board appointments will continue to be made on merit and objective criteria. Our approach includes:

- Ensuring the search pool includes candidates from diverse backgrounds with experience and insights relevant to the Group's strategic priorities.
- Taking into account Burberry's purpose, culture and values, as well as changing business needs, while also having regard to wider stakeholder requirements and environmental factors
- Promoting diversity, inclusion and equal opportunity. Our aim is to ensure that at least 40% of the Board is female

Following appointments made during FY 2023/24, there is a good balance between recently appointed Directors and those who have served for longer periods on Burberry's Board.

Directors' time commitments

The Nomination Committee conducts an annual review of the time required by Non-Executive Directors to fulfil their duties. It also assesses through performance evaluation if the time they spend executing their roles is adequate.

Policy on Directors' time commitments

During the year, the Committee introduced a policy on Directors' time commitments. It stipulates that Non-Executive Directors will be expected to hold no more than four non-executive directorships in public companies, including Burberry, at any one time. Executive Directors should not undertake more than one non-executive directorship of a FTSE 100 company or any other significant appointment. The Board may exceptionally approve non-compliance with this policy where compelling and exceptional circumstances exist and the Board agrees this is merited in order for the Board to benefit from the individual Director's continuing appointment.

Directors are required to seek prior approval before taking on any significant additional appointments and the Chair undertakes this pre-approval on behalf of the Board. Specific appointments may be brought to the full Board if the Chair considers it necessary to do so. See page 110 for further information on additional appointments during FY 2023/24.

The terms of appointment of the Non-Executive Directors require that they should allocate sufficient time to meet the expectations of their role. The Committee considered the expected time commitment of the Chair and the Non-Executive Directors, taking into account attendance at Board and Committee meetings, as well as engagements outside of formally scheduled Board and Committee meetings, and considered whether the

Non-Executive Directors had met the requirement. The Committee also considered the external appointments of the Non-Executive Directors and reviewed the register of Directors' conflicts.

The Board is satisfied that all Directors continue to make effective and valuable contributions to the Board and continue to devote sufficient time to discharging their responsibilities as directors of Burberry.

Update on Antoine de Saint-Affrique's time commitment

At Burberry's AGM in 2023, as in the prior year, some shareholders expressed concerns about the number of Antoine de Saint-Affrique's other listed directorships and the potential impact on his time commitment to Burberry. We have contacted major shareholders who voted against Antoine's re-election to understand their views. The Chair of the Board has had discussions with certain shareholders and explained that Antoine has brought, and continues to bring, considerable business and management experience and exceptional knowledge of sustainability and global consumer markets to Board discussions. The Chair reviews each Non-Executive Director's effectiveness each year and, when considering Antoine's performance, specifically considered his ability to carry out his duties as a Director given his other directorships. As reported on page 111, an externally facilitated review of the Board's performance took place in FY 2023/24 and no concerns regarding Antoine's ability to devote time to his role at Burberry were raised.

Antoine's attendance record has been exemplary: in FY 2022/23 and FY 2023/24, he attended 100% of the Board and Committee meetings. He also attended the AGM and additional Board calls and meetings during the year when required. In addition, Antoine has participated in a number of additional opportunities to meet colleagues and engage with other stakeholders throughout the year. The Board considers that Antoine's attendance record further demonstrates his capacity to fulfil his obligations in each of his roles, even during exceptionally demanding periods.

Antoine has spent his working life in large international companies with globally renowned consumer brands. He is a world-class Director and his wealth of knowledge and experience would be hard to replace. Burberry's experience of Antoine as a committed and engaged Director has been very positive, not least in the areas of executive and global brand management, sustainability and deep operational experience in our key markets in Asia, Europe and North America.

In summary, the Board continues to believe that Antoine has the capacity to devote sufficient time to effectively discharge his duties. He is a committed and engaged Director whose skills and experience enable him to bring a particularly valuable perspective to Board matters and he has consistently demonstrated his ability to fulfil his obligations as a Director, including during exceptionally demanding periods. As an executive of the highest calibre, we feel it would not be in the best interests of the Company to deprive Burberry of Antoine's services. The Board will continue to monitor this position closely and, should circumstances change, the Chair would take appropriate action.

The Board, through the Nomination Committee, has therefore determined that Antoine has sufficient time to meet his Board responsibilities as required by Principle H of the UK Corporate Governance Code and has decided to make an exception to the number of roles which can be held by Non-Executive Directors set out in the policy on Directors' Time Commitments. This position will be kept under review and will be assessed and confirmed each year.

Directors' independence

The Committee conducts an annual review of the independence of the Non-Executive Directors on behalf of the Board. The UK Corporate Governance Code requires the Board to state its reasons for concluding that a Director is independent notwithstanding the existence of certain circumstances which are likely to impair or appear to impair that Director's independence. Provision 10 of the Code provides a non-exhaustive list of such circumstances which should be considered, including length of service.

As part of its annual review of the independence of the Non-Executive Directors, the Committee paid particular regard to the independence of Fabiola Arredondo who was appointed to the Board on 15 March 2015 and has therefore served as a Director for just over nine years. When evaluating Fabiola's independence, the Committee assessed the degree of objective judgement and challenge she demonstrated during meetings. It concluded that she continues to make high-quality contributions to the Board and in Committee meetings, providing effective and constructive challenge to management, and demonstrating objective and independent judgement. On the basis of its rigorous assessment, the Committee determined that Fabiola remains independent. The Committee also considered the skills and experience that Fabiola brings to the Board and determined that her continued presence on the Board is in the best interests of the Company at this time.

All Directors, with the exception of Debra Lee, will seek election or re-election at the 2024 AGM.

Board and Committee effectiveness

As part of the annual Board evaluation, all members of the Nomination Committee participated in an evaluation of the Committee's performance. The evaluation concluded that the Committee operates well and continues to provide effective support to the Board. Further details of the evaluation can be found on pages 179 to 181.

Senior management talent and succession planning

The Committee monitored changes to the talent landscape during the year and reviewed the talent pipelines for the Executive Committee and other key leadership roles. When considering the succession plans, the Committee reviewed progress in increasing diversity of gender and ethnicity, considered the core capabilities required to deliver the Group's strategic priorities and agreed plans to provide opportunities for Board members to meet key senior executives in order to deepen relationships and support engagement.

During FY 2023/24, the CEO provided regular updates to the Board and Board Committees to keep them informed of changes to senior leadership and the composition of the Executive Committee. The Committee supports the CEO in hiring the right talent to strengthen brand capabilities and drive business growth.

Board changes

The composition of the Board and its Committees continued to be a key area of focus for the Committee during FY 2023/24. Through the appointment of Alessandra Cozzani as a Non-Executive Director in September 2023, the Board has added deep insight into luxury fashion as well as strengthening its knowledge and experience of operational finance.

Non-Executive Director appointment

To assist with the recruitment of a new Non-Executive Director, the Committee appointed search firm Egon Zehnder which has no connection to the Company or individual Directors. A candidate profile was developed in line with the Board Composition and Diversity Principles, which would complement the needs of the business and the Board as a whole. Egon Zehnder was engaged by the Company during FY 2023/24 to provide some additional HR services.

Having considered the shortlist, Committee members interviewed the preferred candidates and recommended the appointment of Alessandra Cozzani to the Board for approval. The Committee further recommended that, on appointment to the Board, she be appointed as a member of the Audit and Nomination Committees.

The appointment involved a formal, rigorous and transparent selection process based on merit and objective criteria, with due consideration being given to a broad range of factors, such as diversity of gender, social and ethnic backgrounds, cognitive and personal strengths and the Group's future strategic direction. The majority of Board members met Alessandra during the selection process.

A review of Kate Ferry's induction

Following the appointment of Kate Ferry in July 2023, a detailed induction plan was created for Kate focused on building her understanding of our purpose and values and providing opportunities for product immersion, meeting colleagues and travelling to Burberry stores and manufacturing sites around the world to meet and connect with the wider workforce.

The induction sessions gave Kate the opportunity to get to know the business and build an understanding of the key areas of focus for the Board and the Group. The induction programme was complemented by meetings with key external stakeholders, enabling Kate to further deepen her business insights. Her induction programme included:

- Product immersion
- Visiting key stores and manufacturing sites
- Meeting with the Executive Committee, Regional leads, Vice Presidents and the leadership team to establish connections, raise visibility and deepen business insights, with a view to identifying priorities in relation to financing the business and financial performance
- Meeting with external stakeholders to further deepen business insights
- Meeting with the external auditor and intense familiarisation with Burberry finance processes, internal controls and auditing and accounting policies and procedures

Alessandra Cozzani's induction

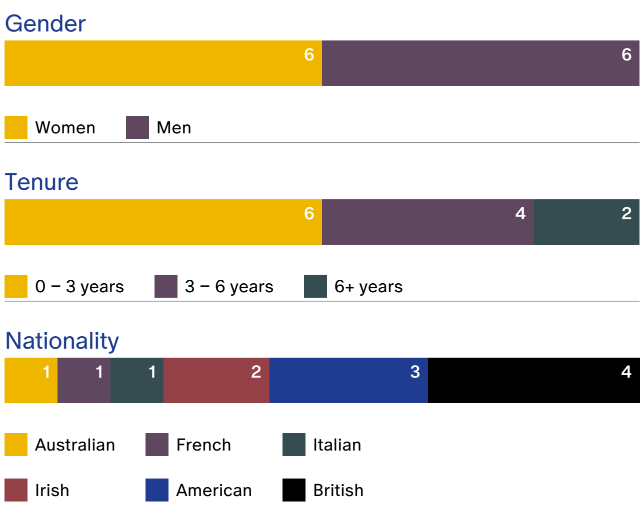
Following her appointment in September 2023, Alessandra undertook induction sessions to provide her with an understanding of Burberry's business with special focus on purpose and values, strategy and wider business objectives. The Company Secretary assisted the Chair with the preparation and delivery of a tailored and comprehensive induction programme, designed to give Alessandra the opportunity to familiarise herself with the business and build an understanding of key areas of focus for the Board and the Group. Alessandra had meetings with individual Board members, including the Senior Independent Director and the Chair of the Audit Committee and meetings with Company advisors. The induction programme was also complemented by the Board's extended strategy sessions, which took place shortly after Alessandra's appointment and included in-depth presentations on aspects of the business.

Board diversity

Burberry holds diversity, equity and inclusion at the core of our people strategy and our culture. The Committee considers the importance of diversity when recommending candidates for appointment to the Board. In accordance with the Board Composition and Diversity Principles, we are committed to ensuring women make up at least 40% of our Board and that at least one Board member is from an ethnic minority background, while continuing to ensure candidates are selected based on their merit and wide-ranging experience, background, knowledge, insights and skills. With the current Board composition, these objectives have been exceeded.

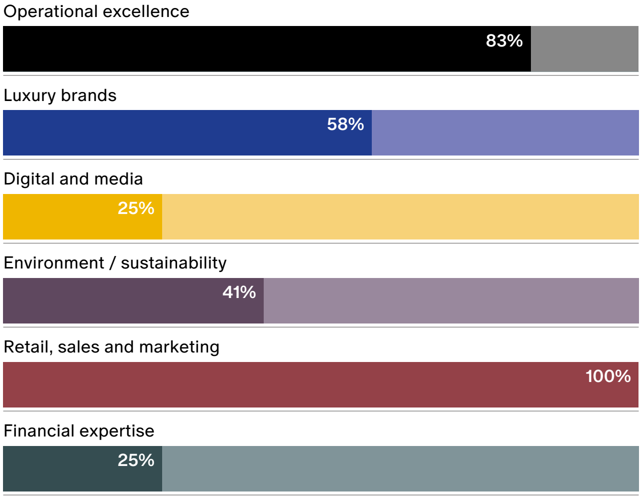
As required by the Listing Rules, Burberry has reported on the diversity targets introduced by the Financial Conduct Authority in 2022 (see the table on page 117). We first reported these targets in our Annual Report 2022/23. We are delighted to have been recognised as being a top performer in the FTSE Women Leaders report, having again exceeded its recommendations. At the date of their report, women accounted for 50% of Board members and 55% of Executive Committee members and their direct reports. We are also pleased to have exceeded the Parker Review Committee's target for all FTSE 100 boards to have at least one director from an ethnic minority background. During the year, the Board approved a new target to have 15% of senior management in the UK to come from ethnic minority backgrounds by December 2027.

Diversified Board



Board skills

We recognise that having the right individuals in the boardroom is critical. Directors need to have skills and experience that align with the Company's long-term strategy. Diverse and fresh perspectives are also important, which is why the Committee makes refreshment and succession planning a priority. A Board skills matrix is used to identify current and expected skill gaps. In addition, the identification of skills gaps on the Board was informed by the output from the externally facilitated Board effectiveness review reported in more detail on page 111.



Disclosures required under Listing Rule 9.8.6 as at 30 March 2024

The Financial Conduct Authority introduced a new Listing Rule on diversity and inclusion disclosures applying to financial periods commencing on or after 1 April 2022. As at 30 March 2024 (being the reference date selected by the Board for the purposes of this disclosure), the Company complied with the regulatory targets set out in Listing Rule 9.8.6 R (9), as women made up 50.0% of the Board, both the Senior Independent Director and the CFO were women, and the Board had two Directors from an ethnic minority background.

We have provided this information in the reporting tables for the Board and Executive Committee below.

Reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	50.0	2	8	72.7
Women	6	50.0	2	3	27.3
Not specified/prefer not to say	–	–	–	–	–

Reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	10	83.4	3	9	81.8
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	8.3	1	1	9.1
Black/African/Caribbean/Black British	1	8.3	–	–	–
Other ethnic group, including Arab	–	–	–	1	9.1
Not specified/prefer not to say	–	–	–	–	–

The data was collected by asking each member of the Board and Executive Committee to indicate their gender and ethnicity according to the categories presented in the table.

REPORT OF THE AUDIT COMMITTEE

"The Committee fulfils its purpose, is well informed and challenges where appropriate."

Alan Stewart
Chair, Audit Committee

Areas of focus for FY 2023/24

- Cybersecurity
- Financial reporting estimates and judgements
- Process controls and regulatory changes

Dear Shareholder,

I am pleased to present the FY 2023/24 report of the Audit Committee. The purpose of this report is to describe how the Committee carried out its responsibilities during the year.

Composition

There have been a number of changes to Committee membership during the year. Matthew Key stepped down as Chair of the Committee following his retirement from the Board on 12 July 2023. I succeeded Matthew Key as Chair of the Committee on the same day. Matthew chaired the Committee for three years and I would like to take this opportunity to thank him for his leadership of the Committee during this time. Danuta Gray was appointed as a member of the Committee on 12 July 2023, and Alessandra Cozzani joined the Committee on her appointment to the Board on 1 September 2023. All of the Committee members have the appropriate knowledge, skills and experience to fulfil the duties delegated to the Committee.

Areas of focus for FY 2023/24

The primary role of the Audit Committee is to monitor and review the integrity of financial information and to provide assurance to the Board that the Group's internal controls and risk management processes are appropriate and regularly reviewed. We also oversee the work of the external auditor, approve its remuneration and recommend its appointment. Details of how the Audit Committee has monitored EY's audit are available on page 122. In addition to the disclosure requirements relating to audit committees under the Code, this report sets out areas of particular focus for the Committee.

This year, we have focused on reviewing accounting judgements relating to inventory provisioning and store impairments and management's assessment of uncertain tax positions.

The Committee reviewed and challenged management's approach, analysis and recommendations, taking into account input from the external auditor, in order to assess the appropriateness of the treatment in the Financial Statements. All matters reviewed were concluded to the satisfaction of the Committee.

Further information on how the Audit Committee addressed significant matters during the year is set out in the table on pages 120 and 121.

In relation to the Group's risk management, we carried out a detailed review of management's assessment of principal risks, tolerance levels and mitigations, and concluded these were appropriate. We reviewed management's preparations for the new CSRD regulations, and concluded the approach was appropriate. We also considered the risks associated with cybersecurity, including ransomware, and reviewed the revised supply chain risk profile.

The Committee confirms that during FY 2023/24, the Group complied with the mandatory audit processes and Audit Committee responsibility provisions of the Competition and Markets Authority Statutory Audit Services Order 2014. This report describes the work of the Committee in discharging its responsibilities.

Committee Effectiveness

The Committee's annual effectiveness review was undertaken as part of the externally facilitated Board effectiveness review, and I am pleased to note that the review confirmed that the Committee fulfils its purpose well, is well informed, and challenges where appropriate. Further information on the process is set out on page 111.

The Committee has an open and constructive relationship with management. I thank the management team on behalf of the Committee for its assistance during the year. I am confident that the Committee has carried out its duties effectively and to a high standard during the year.

Alan Stewart
Chair, Audit Committee

Audit Committee membership and meeting attendance during the year

Committee member	Member since	Meeting attendance
Alan Stewart (Chair)	1 September 2022	4/4
Alessandra Cozzani	1 September 2023	3/3
Ron Frasch	7 November 2018	4/4
Danuta Gray	12 July 2023	3/3
Matthew Key[1]	26 September 2013	1/1
Debra Lee[2]	1 October 2019	3/4
Antoine de Saint-Affrique	1 January 2021	4/4

1. Matthew Key retired from the Board on 12 July 2023, and stepped down as Chair of the Audit Committee on that date.
2. Debra Lee was unable to attend one Audit Committee meeting due to a prior business commitment.

The role and main responsibilities of the Committee

The main role and responsibilities of the Committee are set out in written terms of reference, which are available on the Company's website, Burberryplc.com. As part of the Committee's annual review of its terms of reference, the Committee took into consideration the requirements of the FRC's 'Audit Committees and the External Audit: Minimum Standard' (the Minimum Standard) and determined that the key requirements of the Minimum Standard are already being met. We will continue to keep the requirements of the Minimum Standard under review.

In light of its key responsibilities, the Committee considered the following items of business during the financial year:

- Financial reports: the integrity of the Group's Financial Statements and formal announcements of the Group's performance
- Accounting policies: the Committee reviewed and approved management's identification and determination of key accounting judgements
- Risk and internal controls: the Group's internal financial, operational and compliance controls and risk identification and management processes. Review of Group policies for identifying and assessing risks and arrangements for employees to raise concerns (in confidence) about possible improprieties
- Cyber security: the Committee received an update on cyber security strategy and the outcomes of a cyber attack simulation exercise undertaken by management
- Viability: consideration of management's assumptions and disclosures relating to the Group's Viability Statement as set out on pages 91 to 92
- Internal Audit: review of the annual Internal Audit programme and the consideration of findings of any internal investigations and management's response
- Process controls and efficiency: the Committee received reports from management on design and product development transition risks and controls. The Committee also received updates from management on emerging regulatory developments, including the key changes to the Board's responsibilities for systems of risk management and internal control under the 2024 Corporate Governance Code
- Treasury matters: including reviewing proposed amendments to the Treasury Policy, including the core cash policy
- External auditor: recommending the appointment of the external auditor, approving their remuneration and overseeing their work. Reviewing reports received from the external auditor. Reviewing the effectiveness and independence of the external auditor
- Ethics update: the Committee received and considered reports from management on the considerations of the Ethics Committee, including the Group's whistle blowing arrangements and health and safety
- Legal and Brand Protection update: the Committee received and considered reports from management on current and emerging risks in the fields of Legal, Brand Protection and Asset Profit and Protection, and the actions being taken, or proposed, to mitigate such risks
- Sustainability Reporting: the Committee reviewed the requirements of the TCFD and the progress made in relation to the climate-related risk scenario analysis undertaken in FY 2023/24 to assess the impact of climate-related risks on Burberry. The Committee also received an update on preparations for new CSRD regulations
- Group Tax Strategy: the Committee reviewed the Tax strategy in the context of an evolving regulatory environment and the Group's uncertain tax positions. The tax governance framework can be found on page 106

Meetings and attendance

The Committee met formally four times during the year (see the table above). Where members were unable to attend, they provided feedback to the Chair on the matters to be discussed in advance of the meetings.

The Chair of the Committee met separately with representatives of the external auditor, senior members of the Finance function and the Senior Vice President, Internal Audit and Risk on a regular basis, including prior to each Committee meeting. In addition, he met with members of the Group Internal Audit team and other members of management on an ad hoc basis as required to fulfil his duties.

Regular attendees at Committee meetings included: the Chair of the Board; CEO; CFO; Company Secretary; Senior Vice President, Internal Audit and Risk; Senior Vice President, Group and Corporate Finance; Vice President, Group Financial Controller; General Counsel; and representatives of the external auditor. At the end of each meeting, the Committee held closed meetings with the external auditor and with the Senior Vice President, Internal Audit and Risk, without management being present.

The Board is satisfied that Alan Stewart and Alessandra Cozzani have recent and relevant financial experience, and that all other Committee members have past employment experience in either finance or accounting roles, or broad consumer experience and knowledge of financial reporting and/or international businesses. As a whole, the Board is satisfied that the Audit Committee has competence relevant to the business sector. The biographies set out on pages 95 to 99 provide details of each member's background and experience.

Significant matters for the year ended 30 March 2024	How the Audit Committee addressed these matters
Impairment assessment of right of use assets and property, plant and equipment held in retail cash generating units	In November, March and May, the Committee considered management's assessment of the recoverability of the carrying value of assets held in retail cash generating units, including property, plant and equipment and right-of-use assets relating to store leases. The Committee considered the approach applied by management to review for potential indicators of impairment of retail cash generating units and how current performance has impacted this. The Committee reviewed and challenged the sensitivities applied to the estimates of future store performance and reviewed management's proposed disclosures relating to these uncertainties. The Committee concluded that the carrying value of assets held in retail cash generating units and disclosures contained in the Financial Statements for the period were appropriate. The results of the impairment assessment of assets held in retail cash generating units, together with related sensitivities, are set out in note 13 of the Financial Statements.
The appropriateness of the valuation of the recoverability of the cost of inventory and the resulting estimation of provision required	In November, March and May, the Committee considered management's assessment of the recoverability of the cost of inventory and the resulting amount of provisioning required. The Committee reviewed the Group's current provisioning policy, the expected loss rates on inventory held at the balance sheet date and the nature and condition of current inventory. The review included analysis of actual inventory, noting the age and expected exit routes for the remaining surplus inventory held at the balance sheet date and the actual loss rates experienced. The Committee considered the sensitivity to the assumptions of loss rate and exit route and how this aligned to the current performance of the business to understand how management quantified the range of potential outcomes and level of estimation applied. The Committee concluded that the inventory assets recognised and disclosures contained in the Financial Statements for the period were appropriate. Movements in inventory provisioning and the related sensitivities are set out in note 17 of the Financial Statements.
Uncertain tax positions and the Group's more significant tax exposures and the appropriateness of any related provisions and financial statement disclosures	The Committee received regular updates of developments relating to discussions with tax authorities and the status of any ongoing tax audits. The Committee reviewed and challenged the appropriateness of assumptions and estimates applied to estimate the amount of assets and liabilities to be recognised in relation to uncertain income tax and deferred tax positions and the disclosure of any significant estimates applied to tax balances. The Committee also discussed matters with external advisors, where significant estimation was required. The Committee concluded that the assets and liabilities recognised and disclosures contained in the Financial Statements for the period were appropriate. Details of movements in tax balances are set out in notes 9 and 15 of the Financial Statements and further disclosure of tax contingent liabilities is given in note 32.
Going Concern and Viability	The Committee considered the going concern and viability analysis carried out by management. The Committee considered the risks that could threaten the Group's business model, future performance, solvency, liquidity and reputation and how these were included in the severe but plausible downside scenario which included an aggregation of several severe impacts of these principal risks and the reverse stress test scenario alongside the current cash position, facilities available to the Group and mitigating actions that could be taken. The Committee concluded that a robust assessment had been carried out and, in all the scenarios considered, the Group was able to maintain sufficient liquidity to continue trading.
The impact of climate risk on the Group's financial reporting and financial statements (TCFD)	The Committee considered the impact of climate risk on the financial statements and the TCFD reporting on behalf of the Board. The Committee considered the approach taken by management to further develop the digital twin model that had been updated with the latest Group performance and locations. The Committee noted the ongoing areas of market and consumer preference risk and physical risks as being the most significant risks identified by the modelling. The Committee also noted the ongoing increase in visibility of climate risk in the wider organisation and reviewed the preparation for CSRD reporting that management have progressed in the year. The Committee reviewed the disclosures in the Annual Report on behalf of the Board to ensure that they were in compliance with the TCFD recommendations, and the assurance provided by the Group's auditors.

Significant matters for the year ended 30 March 2024	How the Audit Committee addressed these matters
Whether the Annual Report is fair, balanced and understandable	The Committee considered the Annual Report and Interim Report, on behalf of the Board, to ensure that they were fair, balanced and understandable, in accordance with the requirements of the UK Corporate Governance Code. The Committee reviewed the report from the Strategic Report drafting team, comments arising from the review of the Financial Statements by senior management and comments raised by the Group's auditors. The Committee also considered the use of alternative performance measures by the Group and concluded that there is an appropriate balance between statutory and alternative performance measures ensuring equal prominence. The Committee concluded that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Group's performance, business model and strategy.
Other matters	During the year, the Committee also considered management's papers on other subjects, including the carrying value of goodwill and associated disclosures and significant judgements relating to lease term where a judgement is taken on the likelihood of exercising options within leases and impairment of receivables.

External auditor

EY commenced their first year of audit in FY 2020/21 following a competitive tender process. The current audit partner is Michael Rudberg who has held the role since EY were appointed as external auditor. The external audit contract will be put out to tender at least every ten years as required by regulation. The next tender will be in respect of FY 2030/31 at the latest, and the process will be led by the Committee.

The Audit Committee oversees and assesses the work undertaken by EY, and in FY 2023/24 the Committee monitored and reviewed activities including:

- The audit plan, including strategy, scope and materiality
- The approach to risk assessment, including in relation to climate-related risks
- The approach to auditing controls, the use of data analytics and how the auditor demonstrated robust professional scepticism
- The limited assurance work carried out on the TCFD disclosures, which is a separate non-audit service provided by EY
- Reports at the half year and full year

During the year, the Committee met with the auditor without members of management being present.

Independence and effectiveness

One of the Committee's primary responsibilities is to make a recommendation on the appointment, reappointment and removal of the external auditor. Each year, the Committee assesses the qualifications, expertise, resources and independence of the external auditor and the effectiveness of the previous audit process. Over the course of the year, the Committee reviewed the audit process and the quality and experience of the audit partners engaged in the audit to satisfy itself that it received the highest quality audit possible. To support this assessment, a survey was sent to the Audit Committee Chair, key members of the Finance team and other members of the senior management team as part of the year-end process. The Committee considered the results of the survey and concluded that the external audit process was effective.

The Committee's recommendation on the appointment and reappointment of the external auditor is free from influence by a third party and there are no contractual obligations, which restrict the Committee's ability to make such a recommendation.

The Committee also reviewed the proposed audit fee and terms of engagement for FY 2023/24. Details of the fees paid to the external auditor during FY 2023/24 can be found in note 7 to the Financial Statements.

Non-audit services

The Committee recognises that the independence of the external auditor is an essential part of the audit framework and the assurance that it provides. The Committee has adopted a policy which sets out a framework for determining whether it is appropriate to engage the Group's auditor for non-audit services and pre-approving non-audit fees. This policy was updated during FY 2023/24 to reflect the Revised Ethical Standard issued by the FRC in January 2024 which takes into account recent revisions made to the International Ethics Standards Board for Accountants' Code of Ethics which helps ensure high standards of independence and ethical behaviour are applied consistently by UK audit firms and their networks.

The overall objective of the policy is to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity. This includes, but is not limited to, assessing:

- Any threats to independence and objectivity resulting from the provision of such services; any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the auditor's independence and objectivity; the nature of the non-audit services; and whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit service
- The value of non-audit services that can be billed by the external auditor is restricted by a cap, which is set at 70% of the average audit fees for the preceding three years as defined by the FRC

During FY 2023/24 the non-audit services provided by Burberry's external auditor did not exceed this cap.

Proposed fees above £100,000 are approved by the Chair of the Audit Committee. Non-audit services with a value below £100,000 and which are in line with the Group's policy have been pre-approved by the Audit Committee. Compliance with the policy of engaging the Group's auditor for non-audit services and pre-approving non-audit fees is reviewed and monitored by the Senior Vice President, Internal Audit and Risk. These fees must be activity based and not success related. At the half-year and year-end, the Audit Committee reviews all non-audit services provided by the auditor during the period, and the fees relating to these services.

During the year, the Group spent £0.3 million on non-audit services provided by EY (9.7% of the average of Group audit fees incurred over the last three years).

The rationale for using the external auditor to perform these services was that EY was best able to provide the services we require at a reasonable fee and within the terms of our policy. No advisory services were provided by EY during FY 2023/24. Where EY was selected to provide non-audit related services, EY's existing knowledge and experience of the Group were taken into account. Significant non-audit work performed by EY during FY 2023/24 included:

- Review of the half-year financial statements; and
- Limited assurance over TCFD reporting.

Further details can be found in note 7 to the Financial Statements.

Evaluation of internal controls

The Board is responsible for the Group's internal controls and risk management procedures. Details of the Group's risk management processes and the management and mitigation of each principal risk, together with the Group's Viability Statement, can be found in our Risk and Viability Report on pages 83 to 92.

The Committee discharges its duties in respect of risk management by:

- Determining the nature and extent of the principal and emerging risks it is willing to accept to achieve the Group's strategic objectives (the Board's risk appetite)
- Challenging management's implementation of effective processes of risk identification, assessment and mitigation

The Audit Committee is responsible for reviewing the effectiveness of the Group's internal controls. Ongoing review of these controls is provided through internal governance processes and the work of the Group is overseen by management, particularly the work of the Group Internal Audit team and the Risk Committee. Regular reports on these activities are provided to the Audit Committee as reflected in the standing items on the Audit Committee agenda.

The Board, through the Audit Committee, has conducted a robust assessment of the principal and emerging risks and internal control framework. It has considered the effectiveness of the internal controls in operation across the Group for the year covered by the Annual Report and Accounts and up to the date of its approval by the Board. This review covered the material controls, including financial, operational and compliance, as well as risk management processes. No significant control weaknesses were identified. The internal controls are designed to manage rather than eliminate the risk of not achieving business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The process followed by the Board, through the Audit Committee, in regularly reviewing the system of internal controls and risk management processes complies with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC. It also accords with the provisions of the Code.

Control environment

Our business model is based primarily on centralised design, product development, supply chain and distribution operations to supply products to global markets via retail, including digital and wholesale channels. This is reflected in our internal control framework, which includes centralised direction, resource allocation, oversight and risk management of the key activities of marketing, inventory management, as well as brand and technology development. We have also established procedures for the delegation of authorities to ensure that approval for matters that are considered significant is provided at an appropriate level. In addition, we have policies and procedures in place that are designed to support risk management across the Group. These include policies relating to treasury and the conduct of employees and third parties with whom we do business, including prohibiting bribery and corruption. These authorities, policies and procedures are kept under regular review.

The Group operates a "three lines of defence" model which helps to achieve effective risk management and internal control across the organisation.

- First line of defence: management owns and manages risk and is also responsible for implementing corrective actions to address process and control deficiencies
- Second line of defence: to help ensure the first line is properly designed, established and operating effectively, management has also established various risk management and compliance functions to help build and/or monitor the first line of defence. These include, but are not limited to, functions such as Group Risk Management, Legal, Brand Protection, Company Secretariat, Group Finance Compliance, Health and Safety, Data Protection, Asset and Profit Protection, and Business Continuity
- Third line of defence: Group Internal Audit provides the Audit Committee and management with independent and objective assurance on the effectiveness of governance, risk management and internal controls. This includes the way in which the first and second lines of defence achieve risk management and control objectives

Internal Audit

The Group Internal Audit function is managed by the Senior Vice President, Internal Audit and Risk, who reports to the CFO but has an independent reporting line to the Chair of the Audit Committee.

The scope of Internal Audit work is considered for each operating company and Group function. This takes account of risk assessments, input from senior management and the Audit Committee, and previous audit findings. For example, in FY 2023/24, there was continued emphasis on assurance over controls to manage cybersecurity risk (particularly ransomware and data exfiltration), and the maturity of controls over IT projects and operations (including critical third parties). There was also a continued focus on assessing the maturity of controls over core processes in inventory management, Finance, Supply Chain, Digital, Legal and HR. Changes to the Group's risk profile are considered on an ongoing basis and amendments are made to the internal audit plan as necessary during the year. Any proposed changes to the plan are discussed with the CFO and reported to the Audit Committee.

The effectiveness of Group Internal Audit is assessed every five years, with the latest review having been reported in FY 2019/20.

Ongoing visibility of the internal control environment is provided through Internal Audit reports to management and the Audit Committee. These reports are graded to reflect an overall assessment of the control environment under review, and the significance of any control weaknesses, including fraud risk, identified.

Remedial actions to address findings are identified and agreed with management. The Audit Committee places emphasis on actions being taken as a result of internal audits, and regular reports are provided to the Audit Committee on the status of any overdue actions.

Financial reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external reporting purposes.

We have comprehensive planning, budgeting, forecasting and monthly reporting and management review processes in place. A summary of financial results, supported by commentary and performance measures, is provided to the Board each month.

In relation to the preparation of Group Financial Statements, the controls in place include:

- A centre of expertise responsible for reviewing new developments in reporting requirements and standards to ensure that these are reflected in Group accounting policies, Financial Statements and disclosures
- A global finance function and governance structure consisting of colleagues with the appropriate expertise to ensure that Group policies and procedures are correctly applied. Effective management and control of the Finance function is achieved through our finance leadership team, consisting of key finance colleagues from the regions, Burberry Business Services and our London headquarters

Our financial reporting process is supported by transactional and consolidation finance systems. Reviews of financial controls are carried out by senior members of the Finance function. The results of these reviews are considered by the Audit Committee as part of its monitoring of the performance of controls governing financial reporting.

The Audit Committee reviews the application of financial reporting standards and any significant accounting judgements made by management. These matters are also discussed with the external auditor.

Fair, balanced and understandable

As a whole, the Annual Report and Accounts are required to be fair, balanced and understandable, and to provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. On behalf of the Board, the Audit Committee considered whether the fair, balanced and understandable statement could properly be given on behalf of the Directors. The processes followed to provide the Committee with assurance were considered and the Committee provided a recommendation to the Board that the fair, balanced and understandable statement could be given on behalf of the Directors.

Based on this recommendation, the Board is satisfied that it has met this obligation. A summary of the Directors' responsibilities in relation to the Financial Statements is set out on page 148. The Independent Auditor's Report on pages 149 to 159 includes a statement concerning the auditor's reporting responsibilities.

DIRECTORS' REMUNERATION REPORT

"We remain confident in our ability to deliver our strategy and believe our Remuneration Policy supports the business to achieve this."

Danuta Gray
Chair, Remuneration Committee

Areas of focus for FY 2023/24

- Executive reward
- Broader employee reward
- External environment and shareholder engagement
- External reporting

Details of agenda items discussed at each Committee meeting are set out on page 141.

Dear Shareholder,

I am pleased to present to you the Directors' Remuneration Report for the year ended 30 March 2024 which has been approved by both the Remuneration Committee (the Committee) and the Board.

Directors' Remuneration Policy review

Last year our renewed Directors' Remuneration Policy was approved by 91% of shareholders at the AGM in July 2023 and I would once again like to thank shareholders for their engagement and support. I am confident that this Policy continues to support the delivery of our strategic priorities and provides alignment with our culture and purpose.

Business context

FY 2023/24 has been a challenging year for Burberry which has been reflected in our reward outcomes. Our financial results underperformed our original expectations as we executed our strategy against a backdrop of slowing luxury demand. Revenue was £2.97 billion (flat growth at CER*) and adjusted operating profit was £418 million (down 25% at CER*). During the year we have made good progress, refocusing our brand image, evolving our product, strengthening distribution and delivering operational improvements while continuing to adapt as we learn from our experience. We remain confident in our ability to successfully navigate this period and deliver our strategy to realise Burberry's potential as the Modern British Luxury brand and we continue to believe our Directors' Remuneration Policy supports the business to achieve this.

Remuneration outcomes for FY 2023/24

Annual bonus for FY 2023/24

The annual bonus for the CEO and the CFO for FY 2023/24 was based 75% on adjusted operating profit and 25% on performance against strategic objectives linked to our strategy and brand as well as our environmental and social targets. In addition, the CFO had strategic objectives in relation to cost strategy.

Our adjusted operating profit of £418 million (£478 million at CER*) was below the threshold target. As a result, there was no payout for the profit element.

While we made progress on executing our strategy, delivering a creative transition during a global slowdown in luxury demand has been challenging. Revenue performance for all regions and digital was behind target. However, progress was made in enhancing our brand focus and elevation and we had positive reactions to key brand events during the year. We also made good progress during FY 2023/24 against our environmental and social targets, including phasing out the use of virgin cashmere in certain categories and progressing on our responsibly sourced and certified key raw materials. There was good progress on the CFO's specific objectives in relation to cost strategy, including disciplined cost control throughout the business.

The Committee judged that progress was made on refining our brand image, evolving our product and strengthening distribution, resulting in some of the strategic objectives being partially met. However, in light of the business performance and broader shareholder experience, the Committee and Jonathan Akeroyd agreed that it would not be appropriate for him to receive an annual bonus for FY 2023/24. The Committee determined that Kate Ferry would receive an annual bonus for FY 2023/24 of £121,500, representing 9% of her maximum bonus. The Committee considered that this level of bonus payout would be appropriate, taking into account the performance against strategic objectives (in particular her specific objectives in relation to cost strategy), as well as the excellent broader contribution Kate has made since joining Burberry last July. Kate will apply 50% of her net bonus to acquire Burberry shares.

2021 Burberry Share Plan award

The Burberry Share Plan (BSP) awards granted in 2021 will vest in July 2024. This is the second annual vesting since the BSP was established in 2020. As the current Executive Directors were not employed by Burberry when the 2021 BSP awards were granted, no awards are due to vest to them in 2024. Details of the BSP awards granted to the Executive Directors are set out on pages 132 to 134. BSP awards granted to other participants in 2021 will vest in July 2024, further aligning our management population with shareholder interests.

* This measure removes the effect of changes in exchange rates compared to the prior period.

Remuneration Committee membership and meeting attendance during the year

Committee member	Member since	Meeting attendance
Danuta Gray (Chair)	1 December 2021	4/4
Fabiola Arredondo	10 March 2015	4/4
Sam Fischer	1 November 2019	4/4
Ron Frasch	1 September 2017	4/4
Matthew Key[1]	26 September 2013	1/1
Orna NíChionna	3 January 2018	4/4
Alan Stewart[2]	12 July 2023	3/3

1. Matthew Key stepped down from the Committee with effect from 12 July 2023.
2. Alan Stewart was appointed to the Committee with effect from 12 July 2023.

Approach to remuneration for FY 2024/25

Salary and Board fees

After full consideration of the broader context and the approach for the wider workforce, the Committee agreed that neither Executive Director would receive a salary increase for FY 2024/25. Similarly, it was agreed by the Committee and the Board respectively that there would be no increase to the Chair's fee or the Non-Executive Directors' fees for FY 2024/25.

Annual bonus

The annual bonus structure will follow a similar framework to that in FY 2023/24. Executive Directors will be eligible for a maximum bonus of 200% of salary. The annual bonus will be based 75% on adjusted operating profit and 25% on performance against strategic objectives for the CEO and the CFO linked to our strategy and brand as well as our environmental and social targets. Further details are provided on page 132.

BSP awards

In FY 2024/25, the CEO will be granted a BSP award of 162.5% of salary and the CFO will be granted a BSP award of 150% of salary. The Committee carefully considered the impact of share price on the number of shares granted under the BSP and shareholder guidance in relation to this. In light of the broader challenges in the luxury market and likely management action that will be required to deliver the strategy and drive the future share price, the Committee considered that it would be better able to judge whether a windfall gain had occurred at vesting rather than at award. The Committee therefore determined not to scale back awards at grant. However, the Committee will carefully consider whether it would be appropriate to scale back awards at the point of vesting and a framework has been developed to assist the Committee in identifying whether Executive Directors have benefited from windfall gains at that time. The Committee will continue to monitor the share price up to the time the BSP awards are granted in July.

BSP awards for FY 2024/25 will be granted on the same basis as the awards in FY 2023/24. Reflecting the simplified vesting schedule that was approved by shareholders at the AGM in July 2023, awards will vest after three years and will then be subject to a two-year post-vesting holding period. Awards will continue to be subject to the same performance underpins: (i) revenue, (ii) ROIC and (iii) brand and sustainability. The Committee considers that these underpins continue to represent a well-rounded and balanced approach to safeguarding the financial stability of the business, delivering our strategy and elevating the brand. Further details are provided on page 133.

Broader employee reward

During the year, the Committee took time to listen to feedback from colleagues about reward at Burberry and to deepen its knowledge of the broader employee reward context. Although inflation is now decreasing globally, the Committee recognises that there are ongoing cost-of-living challenges and high interest rates and that these continue to have a disproportionate impact on our more junior colleagues.

Burberry is committed to being a fair and responsible employer and we are proud to be a Principal Partner of the Living Wage Foundation and an accredited UK Living Wage employer. In April 2024, we implemented a pay increase of 12% for approximately 1,000 colleagues in the UK. This increase was above the recommended 10% real Living Wage increase. All other eligible colleagues will receive salary increases at the usual time in July 2024. Alongside our performance-based approach, we will also use the 2024 merit review to provide greater increases to our more junior colleagues. More details of this approach are set out on page 129.

Burberry introduced sustainability metrics to the annual corporate bonus plan for the wider workforce for FY 2023/24. The corporate bonus payout for eligible colleagues was therefore based on adjusted operating profit, sustainability metrics and individual performance. The introduction of sustainability metrics has been well received and demonstrates the value we place on sustainability as part of our strategy and has supported the business in driving performance against our key sustainability priorities. In FY 2024/25 sustainability metrics will continue to form part of the annual corporate bonus plan.

In December 2023, we granted our annual award of free shares to all colleagues globally. We also offered ShareSave in 17 countries and territories, including to our new colleagues in Italy following the acquisition of a product development business from our longstanding partner, Pattern SpA. For our management population, July 2023 saw the vesting of the 2020 BSP awards, the first annual vesting under the BSP since its approval by shareholders in 2020.

Recognising the significance of meaningful communication with our workforce, in March we once again held a dedicated session with our Global Workforce Advisory Forum on remuneration at Burberry. This meeting allowed Forum members to provide feedback on how we engage and communicate with our colleagues on pay and benefits. Suggestions were shared around how to further improve the colleague experience in accessing systems and supporting information relating to pay and benefits. Forum members also offered insights on those benefits that are highly valued by the wider workforce, including both financial benefits and non-financial benefits such as training and development. The Committee highly values the contributions by Forum members. I also ensure that the perspectives of our workforce are considered in Committee meetings.

Additional details on the broader workforce's reward structure, along with its alignment with the Executive Directors' remuneration, can be found on page 129.

Committee effectiveness

The Committee's annual performance and effectiveness review was undertaken as part of the externally facilitated Board effectiveness review and I am pleased to note that the review confirmed that the Committee operates well and provides effective support to the Board. Further information on the process is set out on page 111.

2024 AGM

I look forward to receiving your support for the Directors' Remuneration Report at the AGM on 16 July 2024.

Danuta Gray
Chair, Remuneration Committee

AT A GLANCE

The Directors' Remuneration Policy was approved by shareholders at the AGM on 12 July 2023 and is set out in full in the Directors' Remuneration Report FY 2022/23, which can be found in the FY 2022/23 Annual Report at Burberryplc.com.

Element	Approach for FY 2023/24	Approach for FY 2024/25
Salary	Salaries from 1 July 2023: • Jonathan Akeroyd (CEO) – £1,138,500 • Kate Ferry (CFO) – £675,000 (with effect from the commencement of her employment)	After full consideration of the broader context and the approach for the wider workforce, no salary increases were awarded for the Executive Directors for FY 2024/25.
Pension	Pensions for FY 2023/24 were in line with the maximum employer pension contribution available to the majority of the UK workforce (currently 10% of salary).	No change for FY 2024/25.
Benefits	The cash benefits allowances for FY 2023/24 were: • Jonathan Akeroyd (CEO) – £50,000 • Kate Ferry (CFO) – £20,000 (with effect from the commencement of her employment) Non-cash benefits principally include private medical, long-term disability insurance and life assurance.	No change for FY 2024/25.
Annual bonus	Maximum annual bonus of 200% of salary. Performance measures: • 75% adjusted operating profit • 25% strategic objectives for the CEO and the CFO Executives are required to invest 50% of any net bonus into Burberry shares until the shareholding guidelines are met. Malus and clawback provisions apply.	No change for FY 2024/25.
Burberry Share Plan	Maximum annual award levels: • Jonathan Akeroyd (CEO) – 162.5% of salary • Kate Ferry (CFO) – 150% of salary Awards vest in full after three years subject to achievement of performance underpins and are subject to a holding period to the fifth anniversary of grant of award. Details of the performance underpins for the 2023 awards are set out on page 132. Malus and clawback provisions apply.	No change for FY 2024/25. Details of the performance underpins for the 2024 awards are set out on page 133.
Shareholding guidelines	300% of salary Post-employment shareholding guideline of 300% of salary (or actual shareholding if lower) for two years after stepping down as an Executive Director.	No change for FY 2024/25.

Details of the principles the Committee took into account when developing the Directors' Remuneration Policy, including Provision 40 of the UK Corporate Governance Code, are set out on page 212 of the FY 2022/23 Annual Report.

The Committee considers that the Directors' Remuneration Policy operated as intended during FY 2023/24.

BROADER EMPLOYEE REWARD AT BURBERRY

At Burberry, our reward philosophy is to provide our colleagues across the Group with fair, equitable and competitive total reward. Our remuneration framework is designed to support our purpose and values, and to inspire our colleagues to deliver outstanding results. Our framework is cascaded across the Group and consists of the following key components:

Element	How we reward and support our colleagues
Base salary All colleagues receive a fair and equitable market-driven salary	We have: • Reviewed salaries on an annual basis through our merit review process • Implemented a pay increase in April 2024 of 12% for approximately 1,000 colleagues in the UK. This was above the recommended 10% real Living Wage increase in recognition of ongoing cost-of-living challenges our UK colleagues are facing • Introduced a scaled approach for the 2024 merit review where we have differentiated proportionately higher increases to our more junior colleagues. As in prior years, final merit increases reflect individual performance. For example, in the UK, the salary budget was 4%, with individual increases ranging from 0% to 8% depending upon individual performance and organisational level **Executive Director alignment:** There will be no increase to the base salaries of Executive Directors with effect from 1 July 2024.
Benefits All colleagues are eligible to participate in a range of market-driven benefits, including those promoting wellbeing and supporting saving for retirement	Our global benefits offer includes: • Parental Leave Policy providing all eligible new parents with 18 weeks' paid leave • Wellbeing days (in addition to annual leave entitlement) providing paid time off during the year • Volunteering Policy providing colleagues with three paid volunteering days per year • Employee discount and product sales • Long service awards at each five-year milestone • Pension schemes available in line with local market practice • Access to Employee Assistance Programme **Executive Director alignment:** Executive Directors receive a pension allowance in line with the rate available to the majority of the UK workforce. They are eligible for a range of market-typical non-cash benefits.
Bonus All colleagues are eligible for short-term performance-related pay to recognise and reward their contribution	We have: • Introduced sustainability metrics to the corporate annual bonus plan, alongside the Group adjusted operating profit target and individual performance • Implemented further changes to our Retail Variable Pay Plan so that colleagues in retail who participate in our retail bonus and commission plans are effectively incentivised and rewarded for their performance through the delivery of store sales targets and specific retail KPIs **Executive Director alignment:** Group adjusted operating profit, sustainability and individual performance targets apply to the bonuses for the Executive Directors and participants in the corporate annual bonus plan.
Share plans All colleagues are eligible to participate in Burberry share plans to recognise and reward their contribution and to enable them to share in our future success	We offer the following share plans at Burberry: • FreeShare Plan: gives all colleagues the opportunity to participate in our future success through an annual award of free shares with a value of approximately £500 • ShareSave: provides the opportunity for colleagues to save monthly from their pay up to a maximum of £500 per month and buy shares at a 20% discount to the market price at grant • Burberry Share Plan (BSP): rewards approximately 700 of our senior colleagues for delivering on our strategy which we believe will drive greater longer-term returns for our stakeholders. Awards are granted annually and vest after three years. In July 2023, our 2020 BSP awards vested, the first annual vesting under the BSP since it was approved by shareholders in 2020. BSP awards will now continue to vest annually, subject to continued employment, with the next annual vesting in July 2024 **Executive Director alignment:** Executive Directors are eligible to participate in our share plans.

ANNUAL REPORT ON REMUNERATION

FY 2023/24 total single figure remuneration for Executive Directors (audited)

The table below sets out the single figure of total remuneration received or receivable by the Executive Directors in respect of FY 2023/24 (and the prior financial year). The subsequent sections detail additional information for each element of remuneration.

	Salary £'000	Allowances and benefits £'000	Pension £'000	Bonus £'000	Burberry Share Plan (BSP) £'000	All-employee share plans £'000	Prior company buy-out awards[2] £'000	**Total £'000**	Total fixed remuneration £'000	Total variable remuneration £'000
Jonathan Akeroyd										
Year to 30 March 2024	1,129	105	113	–	–	–	–	**1,347**	1,347	–
Year to 1 April 2023	1,096	86	110	1,298	–	–	1,699	**4,289**	1,292	2,997
Kate Ferry										
Year to 30 March 2024[1]	479	36	48	122	–	–	1,278	**1,963**	563	1,400

1. Remuneration in the table above in relation to Kate Ferry for the year to 30 March 2024 relates to her period of employment as CFO from 17 July 2023.
2. The value shown in the prior company buy-out awards column for Jonathan Akeroyd represents the value of buy-out awards granted to him on 15 March 2022. Further details are set out in the Directors' Remuneration Report FY 2021/22. The value shown in the prior company buy-out awards column for Kate Ferry represents the value of her buy-out awards. Further details are set out in the Directors' Remuneration Report FY 2022/23.

Salary (audited)

The table below details annual salaries as at 1 April 2024. Taking into account business performance and the broader shareholder experience, the Committee determined that annual salaries for the Executive Directors will not be increased from 1 July 2024. The budgeted salary increase for our UK workforce for 2024 was 4%.

	As at 30 March 2024	As at 1 July 2024	% change
Jonathan Akeroyd	£1,138,500	£1,138,500	0%
Kate Ferry	£675,000	£675,000	0%

Pension (audited)

The pension cash allowances for Jonathan Akeroyd and Kate Ferry are aligned to the maximum employer pension contribution available to the majority of the UK workforce at 10% of base salary.

No Director has a prospective entitlement to receive a defined benefit pension.

Allowances and benefits (audited)

The table below details the cash allowances and non-cash benefits received by the Executive Directors during FY 2023/24 in accordance with the Directors' Remuneration Policy and as disclosed in the single figure table.

FY 2023/24 (£'000)	Cash allowance	Private medical insurance	Life assurance	Long-term disability insurance	Tax and legal advice	Other
Jonathan Akeroyd	50	15	17	21	2	–
Kate Ferry	14	1	2	1	18	–

1. Values shown above reflect the fact that Kate Ferry's employment commenced on 17 July 2023.
2. The value shown in the tax and legal advice column for Kate Ferry reflects legal fees incurred in respect of her appointment.

There were no changes to benefits policies during the year.

Annual bonus for FY 2023/24 (audited)

Both Executive Directors were eligible for a maximum bonus of 200% of base salary. As disclosed in the FY 2022/23 Annual Report, Kate Ferry was eligible to participate in the FY 2023/24 bonus without any pro-rating in lieu of remuneration forfeited on leaving her previous employer. The annual bonus for FY 2023/24 was based 75% on Group adjusted operating profit performance (at FY 2022/23 CER) and 25% on strategic objectives including strategic, operational and environmental and social measures.

Adjusted operating profit performance

The table below sets out the targets and the performance achieved for FY 2023/24 in relation to the Group adjusted operating profit performance measure:

	Maximum bonus opportunity (% of salary)	FY 2023/24 Group adjusted operating profit targets			FY 2023/24 Group adjusted operating profit achieved (CER[1])
		Threshold	Target	Maximum	
Jonathan Akeroyd	200%	£666m	£720m	£774m	£478m
Kate Ferry					

1. This measure removes the effect of changes in exchange rates.

Adjusted operating profit for bonus purposes is calculated using the average exchange rates of FY 2022/23 and on a pro forma basis. Details of pro forma results for FY 2023/24 are set out on page 25.

Based on the adjusted operating profit delivered, this element of the annual bonus will pay out at 0% (out of 75%).

Strategic performance

The following table summarises performance against the key strategic, operational and environmental and social measures for FY 2023/24:

Strategic objectives	Performance in FY 2023/24
Strategy and brand	• Good progress made in developing the brand through enhanced brand focus • Positive reactions to key brand events • Revenue performance for all regions and digital behind target • Good progress in reconfiguring our supply chain to deliver our new elevated offer • Acquisition and integration of a product development business from one of our longstanding technical outerwear partners, enabling us to strengthen distribution and enhancing efficiencies and reliability • Good progress on elevating the customer experience with on-target delivery of stores converted to new concept during the year
Environmental and social measures	• Phasing out the use of virgin cashmere in specific product categories • Increased use of excess raw materials to support our decarbonisation agenda • Sourced 56% of cotton certified as organic • Communicated sustainable products and services across all marketing channels • Good progress against our target by introducing new plastic-free alternatives for our consumer packaging • Stable colleague engagement score

In addition, good progress was made in relation to the CFO's specific objectives in relation to cost strategy, including on disciplined cost control throughout the business.

Annual bonus outcome for FY 2023/24

The Committee judged that progress was made on refining our brand image, evolving our product and strengthening distribution, resulting in some of the strategic objectives being partially met. However, in light of the business performance and broader shareholder experience, the Committee and Jonathan Akeroyd agreed that it would not be appropriate for him to receive an annual bonus for FY 2023/24. The Committee determined that Kate Ferry would receive an annual bonus for FY 2023/24 of £121,500, representing 9% of her maximum bonus. The Committee considered that this level of bonus payout would be appropriate, taking into account the performance against strategic objectives (in particular her specific objectives in relation to cost strategy), as well as the excellent broader contribution Kate has made since joining Burberry last July.

Under the Directors' Remuneration Policy, the Executive Directors are required to invest 50% of any net bonus earned into Burberry shares until their shareholding guideline of 300% of salary is met. Kate Ferry will invest 50% of her net annual bonus for FY 2023/24 into Burberry shares.

Annual bonus for FY 2024/25

For FY 2024/25 the Executive Directors will be eligible for a maximum bonus of 200% of salary. The annual bonus for FY 2024/25 will be based 75% on Group adjusted operating profit performance (at FY 2023/24 CER) and 25% on strategic objectives. The adjusted operating profit targets are considered to be commercially sensitive and will be disclosed in the Directors' Remuneration Report FY 2024/25.

The strategic objectives for FY 2024/25 for the CEO and the CFO will continue to be based on a combination of strategic, operational and environmental and social measures. For each strategic area, the Committee will determine the payout in the round, taking into account our progress in the year against our long-term objectives in these areas. Details of the progress achieved and the Committee's determination of bonus outcomes will be provided in the Directors' Remuneration Report FY 2024/25.

Under the Directors' Remuneration Policy, the Executive Directors are required to invest 50% of any net bonus earned into Burberry shares until their shareholding guideline of 300% of salary is met.

Long-term incentive plan awards

The following section sets out details of:

- 2021 BSP awards vesting based on performance to FY 2023/24
- 2023 BSP awards granted during FY 2023/24
- 2024 BSP awards to be granted during FY 2024/25

2021 BSP awards vesting subject to performance underpins to FY 2023/24 (audited)

Neither Executive Director was in role when the 2021 BSP awards were granted and therefore no BSP awards will vest to Executive Directors based on performance to FY 2023/24.

2023 BSP awards granted during FY 2023/24 (audited)

The Committee granted a 2023 BSP award of 162.5% of salary to Jonathan Akeroyd and of 150% of salary to Kate Ferry on 27 July 2023 in line with the Directors' Remuneration Policy approved by the shareholders at the 2023 AGM.

The table below summarises the BSP share awards granted to the Executive Directors during FY 2023/24.

	Type of award	Basis of award	Shares awarded	Face value at grant (£'000)	Performance underpin period
Jonathan Akeroyd	BSP share award	162.5% of salary	84,780	£1,850	3 years to 28 March 2026
Kate Ferry	BSP share award	150% of salary	46,398	£1,012	3 years to 28 March 2026

Following the approval of the Directors' Remuneration Policy by shareholders at the AGM in July 2023, 2023 BSP awards granted to the Executive Directors will vest in full three years from the grant date, subject to the performance underpins outlined below. The awards will be subject to a two-year holding period so that the total time horizon before any sale of shares (except to cover any tax liabilities arising from the award) is five years for the entire award.

The face value of each award was calculated using the three-day average price prior to the date of grant (£21.8217), which was the price used to determine the number of shares awarded.

BSP awards granted in 2023 are subject to the following underpins:

2023 BSP award performance underpins	Details
Revenue	The level of Total Revenue at CER for the financial year which precedes the year of vesting being at least £3,200 million
ROIC	The level of Group ROIC at reported exchange rates for the financial year which precedes the year of vesting being at least 1% above the Group's WACC in the year of vesting (the Group's WACC was c.10% at the time of award)
Brand and sustainability strategies	Reasonable progress having been achieved over the vesting period in respect of our strategy to elevate our brand and to build a more sustainable future: • Brand: when assessing the brand underpin the Committee will consider performance against a range of relevant brand KPIs. This may include full-price sales, outerwear and leather goods sales and progress on brand elevation, but it may also include other relevant metrics. These metrics are all considered to be aligned with our strategy of elevating the brand to generate long-term value for shareholders • Sustainability: when assessing the sustainability underpin the Committee will consider whether reasonable progress has been delivered against our sustainability and carbon reduction goals to reduce scope 3 emissions by 46% by 2030 and to become Climate Positive by 2040 (as set out on pages 50 to 67 of the FY 2022/23 Annual Report)

If the Company does not meet one or more of the performance underpins outlined on page 132 for the year of vesting, then the Committee would consider whether it was appropriate to scale back the level of payout under the BSP award. The intention of the performance underpins is to provide a 'safeguard' to ensure that the BSP awards do not pay out if the Company has underperformed and vesting is not justified; the Committee will take this intention into account when assessing the underpins.

In addition to the underpins described on page 132, the Committee also retains the discretion to adjust the vesting outcome if it is not considered to be reflective of the underlying financial or non-financial performance of the business or the performance of the individual, where underpins are no longer considered appropriate or where the vesting outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders.

2024 BSP awards to be granted in FY 2024/25

The Committee intends to grant 2024 BSP awards of 162.5% of salary to the CEO and 150% of salary to the CFO. The Committee carefully considered the impact of share price on the number of shares granted under the BSP and shareholder guidance in relation to this. In light of the broader challenges in the luxury market and likely management action that will be required to deliver the strategy and drive the future share price, the Committee considered that it would be better able to judge whether a windfall gain had occurred at vesting rather than at award. The Committee therefore determined not to scale back awards at grant. However, the Committee will carefully consider whether it would be appropriate to scale back awards at the point of vesting and a framework has been developed to assist the Committee in identifying whether Executive Directors have benefited from windfall gains at that time. The Committee will continue to monitor the share price up to the time of the grant of the award in July.

The awards will vest in full three years following the date of grant, subject to the performance underpins. The awards will be subject to a two-year holding period so that the total time horizon before any sale of shares (except to cover any tax liabilities arising from the award) is five years for the entire award.

If the Company does not meet one or more of the performance underpins outlined below, then the Committee would consider whether it was appropriate to scale back the level of payout under the BSP award. The Committee would retain discretion to determine the appropriate level of scale-back.

The Committee has reviewed the performance underpins and determined that the underpins that applied to previous awards continue to reflect a good overall balance of safeguarding the financial stability of the business, delivery of the strategy and elevation of the brand. The following performance underpins will apply for the 2024 awards:

2024 BSP award performance underpins	Details
Revenue	The level of Total Revenue at CER for the financial year which precedes the year of vesting being at least £3,200 million
ROIC	The level of Group ROIC at reported exchange rates for the financial year which precedes the year of vesting being at least 1% above the Group's WACC (currently c.10%) in the year of vesting
Brand and sustainability strategies	Reasonable progress having been achieved over the vesting period in respect of our strategy to elevate our brand and to build a more sustainable future: • Brand: when assessing the brand underpin the Committee will consider performance against a range of relevant brand KPIs. This may include full-price sales, outerwear and leather goods sales and progress on brand elevation, but it may also include other relevant metrics. These metrics are all considered to be aligned with our strategy of elevating the brand to generate long-term value for shareholders • Sustainability: when assessing the sustainability underpin the Committee will consider whether reasonable progress has been delivered against our sustainability and carbon reduction goals

In addition to the underpins described above, the Committee also retains the discretion to adjust the vesting outcome if it is not considered to be reflective of the underlying financial or non-financial performance of the business or the performance of the individual, where underpins are no longer considered appropriate or where the vesting outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders.

Payments to past Directors

There were no payments to past Directors above a de minimis limit of £3,000 during the year.

Share interests and shareholding guideline (audited)

Executive Directors are subject to a shareholding guideline of 300% of base salary. There is no specific timeline in which shareholding guidelines must be achieved. However, there is an expectation that Executive Directors make annual progress towards their guideline, regardless of any annual bonus paid or shares vesting. In line with the Investment Association best practice guidance, our shareholding guideline permits any incentive shares that have vested but are unexercised or that have not yet vested but are not subject to any further performance conditions/underpins to count towards the shareholding requirement at 50% of their face value. Other members of the Executive Committee are also subject to a shareholding guideline.

The following table sets out the total beneficial interests of the Executive Directors (and their connected persons) in ordinary shares of Burberry Group plc as at 30 March 2024, as well as their progress against the shareholding guidelines. The table also summarises conditional interests in share or option awards, with further detail of the underlying awards in the subsequent table.

Based on the three-month average share price to 30 March 2024 (our standard approach to assessing the guideline), neither Jonathan Akeroyd nor Kate Ferry had met the guideline. Jonathan Akeroyd had exceeded his guideline (with a shareholding of 360% of salary) as at 1 April 2023. He now holds more shares but the value of his shareholding as a percentage of his salary has decreased given the decrease in share price. Given that Kate Ferry only joined the Company in July 2023, she has not yet met the guideline.

	Beneficially held shares			Share/option awards			
	Number of shares beneficially owned as at 30 March 2024[1]	As % of salary[2]	Shareholding guideline (% of salary)	Guideline met as at 30 March 2024	Vested but unexercised awards	Unvested – subject to performance underpins (BSP)	Unvested – subject to continued employment[3]
Jonathan Akeroyd	166,987	202%	300%	No	0	188,911	26,493
Kate Ferry	33	0%	300%	No	0	46,398	1,517

1. There have been no changes in the period up to and including 14 May 2024.
2. Based on the three-month average share price as at 30 March 2024 of £12.85.
3. In line with the shareholding guideline, only 50% of the face value of these shares counts towards the Executive Director's shareholding guideline calculation (other than shares under the all-employee SIP, which are held beneficially and count towards the Executive Director's shareholding guideline calculation). This also includes ShareSave options (which do not count towards the Executive Director's shareholding guideline calculation).

As former Executive Directors, Marco Gobbetti and Julie Brown are required to comply with Burberry's post-employment shareholding guideline in respect of share awards that vested on or after the date of the AGM in July 2020. Under this guideline Marco was expected to retain a shareholding of 21,393 shares until 31 December 2023. As at 31 December 2023, Marco complied with his obligation. Julie is expected to retain a shareholding of 10,350 shares until 1 April 2025. As at 30 March 2024, Julie complied with her obligation.

The following table provides further underlying detail on the unvested awards at 30 March 2024 included in the table above.

Director	Type of award	Date of grant	Maximum number of shares/options	Performance period	Vesting date(s)[4]
Jonathan Akeroyd	Buy-out[1]	15 March 2022	24,643	N/A	15 June 2024
	2022 BSP[2]	27 July 2022	104,131	3 years to 29 March 2025 4 years to 28 March 2026 5 years to 27 March 2027	1/3 on 27 July 2025 1/3 on 27 July 2026 1/3 on 27 July 2027
	2023 BSP[3]	27 July 2023	84,780	3 years to 28 March 2026	27 July 2026
	ShareSave[5]	15 December 2022	1,794	N/A	1 February 2028
	SIP	15 December 2022	23	N/A	15 December 2025
	SIP	14 December 2023	33	N/A	14 December 2026
Kate Ferry	2023 BSP[3]	27 July 2023	46,398	3 years to 28 March 2026	27 July 2026
	ShareSave[6]	14 December 2023	1,484	N/A	1 February 2027
	SIP	14 December 2023	33	N/A	14 December 2026

1. Further details in relation to the buy-out awards granted to Jonathan Akeroyd are set out on pages 202 to 203 of the FY 2021/22 Annual Report.
2. The performance underpins for the 2022 BSP award are set out on page 231 of the FY 2022/23 Annual Report.
3. The performance underpins for the 2023 BSP award are set out on page 132.
4. Vested BSP awards may not normally be sold until five years from the date of grant, other than to meet tax liabilities.
5. On 15 December 2022, Jonathan Akeroyd was granted a ShareSave option over 1,794 shares at an option price of £16.72 per share.
6. On 14 December 2023, Kate Ferry was granted a ShareSave option over 1,484 shares at an option price of £12.50 per share.

Director remuneration relative to employees

The table below summarises the change in each Director's base salary/fee, benefits and bonus received for FY 2023/24, FY 2022/23, FY 2021/22 and FY 2020/21 compared to the prior year. The regulations require disclosure of the same data for employees of the parent company. However, Burberry Group plc does not have any employees and therefore the table below includes data in respect of the UK employee population for reference.

Year-on-year change (%)	FY 2020/21 Salary/ fee	FY 2020/21 Allowances and benefits	FY 2020/21 Bonus	FY 2021/22 Salary/ fee	FY 2021/22 Allowances and benefits	FY 2021/22 Bonus	FY 2022/23 Salary/ fee	FY 2022/23 Allowances and benefits	FY 2022/23 Bonus	FY 2023/24 Salary/ fee	FY 2023/24 Allowances and benefits	FY 2023/24 Bonus
Executive Directors												
Jonathan Akeroyd	–	–	–	N/A	N/A	N/A	0%	17.4%	N/A	**3.0%**	**22.5%**	**-100%**
Kate Ferry	–	–	–	–	–	–	–	–	–	**N/A**	**N/A**	**N/A**
Non-Executive Directors												
Gerry Murphy	-5.0%	-93.3%	–	5.3%	-21.4%	–	0%	-75.4%	–	**3.0%**	**712.4%**	**–**
Fabiola Arredondo	-5.0%	-100%	–	5.3%	N/A	–	0%	N/A	–	**3.0%**	**-5.8%**	**–**
Alessandra Cozzani	–	–	–	–	–	–	–	–	–	**N/A**	**N/A**	**N/A**
Sam Fischer	-5.0%	-100%	–	5.3%	N/A	–	0%	1,453.6%	–	**3.0%**	**-33.2%**	**–**
Ron Frasch	-5.0%	-100%	–	5.3%	N/A	–	0%	171.1%	–	**3.0%**	**64.4%**	**–**
Danuta Gray	–	–	–	N/A	N/A	N/A	25.1%	1,267.2%	–	**17.0%**	**71.7%**	**–**
Debra Lee	-5.0%	-100%	–	5.3%	N/A	–	0%	N/A	–	**3.0%**	**0.4%**	**–**
Orna NíChionna	-3.5%	-66.3%	–	3.6%	-21.7%	–	-0.9%	96.2%	–	**-10.4%**	**20.8%**	**–**
Antoine de Saint-Affrique	N/A	N/A	N/A	0%	N/A	–	0%	155.2%	–	**3.0%**	**0.4%**	**–**
Alan Stewart	–	–	–	–	–	–	N/A	N/A	N/A	**34.5%**	**3.7%**	**–**
Former Non-Executive Directors												
Matthew Key	-3.5%	-100%	–	3.6%	N/A	–	0%	133.3%	–	**1.6%**	**-68.7%**	**–**
UK Employees	0%	0%	-7.7%	0%	0%	233.3%	4.0%	0%	-48.0%	**4.0%**	**0%**	**-85.6%**

1. The comparator group includes all UK employees. As noted above, Burberry Group plc does not have any employees and therefore this group has been chosen to align with the location of the Executive Directors and with the pay ratio reporting. For the comparator group of employees, the year-on-year salary changes include the annual salary review in July but exclude any additional changes made in the year, for example on promotion. For FY 2021/22 benefits, the maximum employer pension contribution available to the majority of the UK workforce was increased from 6% of salary to 10% of salary with effect from 1 January 2022. The change in the value of benefits shown for the Executive Directors reflects the market cost of the same benefits.
2. In order to provide a meaningful comparison, the figures in the table above have been calculated on a full-year equivalent basis where Directors have served for part of the year only.
3. Where a Director was appointed during a financial year, it is not possible to calculate a percentage change for them and they are shown as N/A.
4. The Executive Directors did not receive an annual bonus for FY 2019/20 and therefore it is not possible to calculate a percentage change on bonus in respect of FY 2020/21. Jonathan Akeroyd did not receive an annual bonus for FY 2021/22 and therefore it is not possible to calculate a percentage change on bonus in respect of FY 2022/23.
5. The Directors in role at the time voluntarily agreed to waive 20% of their salary/base fee for a three-month period between April and June 2020. This is reflected in the negative changes shown in respect of FY 2020/21 and the corresponding positive changes shown in respect of FY 2021/22.
6. The allowances and benefits figures for FY 2020/21 for Gerry Murphy and Orna NíChionna were low due to the impact of COVID-19. In order to provide a meaningful comparison, the percentage change figure for FY 2021/22 was calculated relative to the allowances and benefits figure for FY 2019/20.
7. Allowances and benefits increased for Non-Executive Directors during FY 2022/23 due to the return of regular in-person meetings.
8. Orna NíChionna was appointed as Senior Independent Director with effect from 2 April 2022.
9. Danuta Gray replaced Orna NíChionna as Remuneration Committee Chair on 1 September 2022.
10. Alan Stewart replaced Matthew Key as Audit Committee Chair on 12 July 2023.

CEO pay ratios

The ratios set out in the table below compare the total remuneration of the CEO (as included in the single figure table on page 130) to the remuneration of the median UK employee as well as the UK employees at the lower and upper quartiles. The disclosure will build up over time to cover a rolling 10-year period.

Year	Method	25th percentile pay ratio (P25)	Median pay ratio (P50)	75th percentile pay ratio (P75)
FY 2023/24	Option A	44:1	33:1	21:1
FY 2022/23	Option A	153:1	116:1	73:1
FY 2021/22	Option A	225:1	167:1	105:1
FY 2020/21	Option A	92:1	71:1	44:1
FY 2019/20	Option A	68:1	48:1	31:1
FY 2018/19	Option A	170:1	127:1	82:1

Notes regarding calculation

The ratios are calculated using option A in the disclosure regulations. The employees at the lower quartile, median and upper quartile (P25, P50 and P75, respectively) were determined based on total remuneration using a valuation methodology consistent with that used for the CEO in the single figure table on page 130. The employees were identified based on all UK employees as at year end. This option was selected on the basis that it provided the most accurate means of identifying the median, lower and upper quartile employees.

The total remuneration in respect of FY 2023/24 for the employees identified at P25, P50 and P75 is £31k, £41k and £65k, respectively. The base salary in respect of FY 2023/24 for the employees identified at P25, P50 and P75 is £26k, £37k and £57k, respectively.

The Committee considers pay ratios as one of many reference points when considering remuneration. Throughout the Group, pay is positioned to be fair and market-competitive in the context of the talent market for the relevant role, fairly reflecting local market data and other relevant benchmarks (such as the UK Living Wage). The Committee notes the limited comparability of pay ratios across companies and sectors, given the diverse range of business models and employee population profiles which exist across the market.

A significant proportion of the CEO's total remuneration is delivered in variable remuneration, and particularly via long-term share incentives. In order to drive alignment with shareholders, the value ultimately received from share incentive awards is linked to long-term share price movement. As a result, the pay ratio is likely to be driven largely by the CEO's incentive outcomes and may therefore fluctuate significantly on a year-to-year basis.

The pay ratio for FY 2023/24 has decreased compared to the ratio for FY 2022/23. This is primarily driven by the fact that Jonathan Akeroyd did not receive a bonus for FY 2023/24 and was not in role to receive a BSP award that vested in respect of FY 2023/24.

The Committee considers that the median pay ratio for FY 2023/24 and the recent trends in the pay ratios are consistent with Burberry's remuneration framework and reflect the variable nature of the CEO's total remuneration. The Committee believes the pay ratio is consistent with our pay policies in the UK.

Relative importance of spend on pay for FY 2023/24

The table below sets out the total payroll costs for all employees over FY 2023/24 compared to total dividends payable for the year and amounts paid to buy back shares during the year. The average number of full-time equivalent employees is also shown for context.

Relative importance of spend on pay		FY 2023/24	FY 2022/23
Dividends paid during the year (total)	£m	**233**	203
	% change	**+15%**	
Amounts paid to buy back shares during the year	£m	**400**	400
	% change	**0%**	
Payroll costs for all employees	£m	**572**	575
	% change	**-1%**	
Average number of full-time equivalent employees		**9,169**	8,868
	% change	**+3%**	

Service agreements

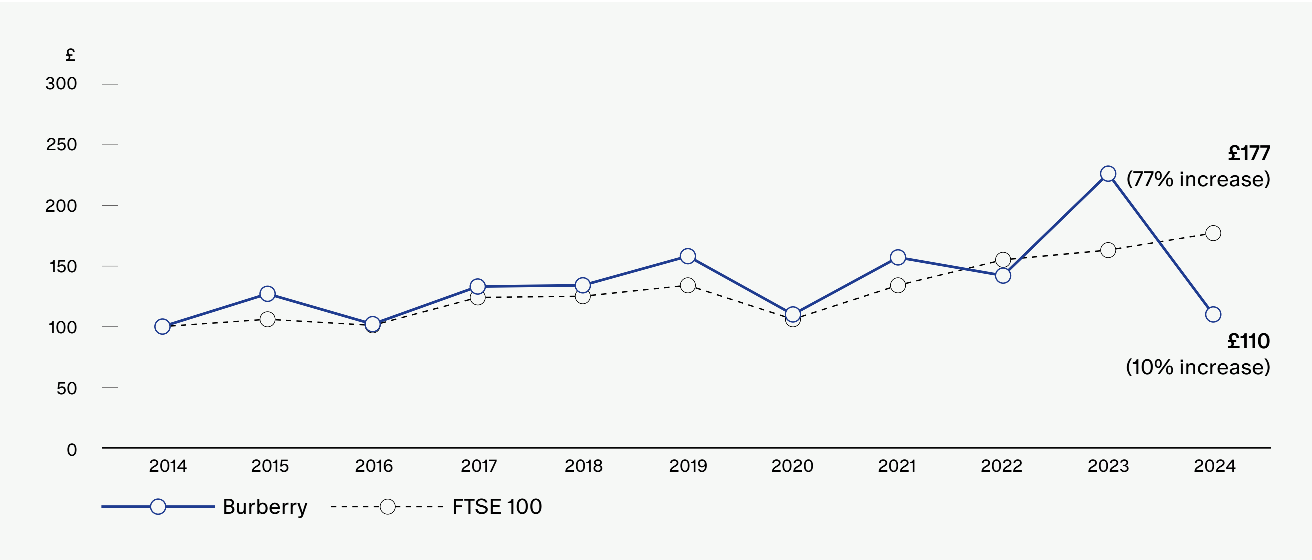
The table below sets out information on service agreements for the current Executive Directors. Executive Directors are subject to annual re-election by shareholders at each AGM of the Company.

	Date of current service agreement	Date employment commenced	Notice period to and from the Company
Jonathan Akeroyd	19 October 2021	15 March 2022	12 months
Kate Ferry	14 March 2023	17 July 2023	12 months

The Non-Executive Directors serve under Letters of Appointment with the Company. Non-Executive Directors may continue to serve subject to annual re-election by shareholders at each AGM of the Company, subject to six months' notice by either party.

Ten-year performance graph and Chief Executive Officer's remuneration

The following graph shows the Total Shareholder Return (TSR) for Burberry Group plc compared to the FTSE 100 Index assuming £100 was invested on 31 March 2014. The FTSE 100 Index has been selected as the comparator because Burberry is a constituent of the index. Data is presented on a spot basis and sourced from Datastream. The table below shows the total remuneration earned by the incumbent CEO over the same 10-year period, along with the percentage of maximum opportunity earned in relation to each type of incentive. The total amounts are based on the same methodology as used for the single figure of total remuneration for FY 2023/24 on page 130.



FY[1]	2014/15 (AA)	2014/15 (CB)	2015/16 (CB)	2016/17 (CB)	2017/18 (CB)	2017/18 (MG)	2018/19 (MG)	2019/20 (MG)	2020/21 (MG)	2021/22 (MG)	2021/22 (JA)	2022/23 (JA)	**2023/24 (JA)**
Total remuneration (£'000)	157	7,508	1,894	3,508	1,091	6,330	4,078	1,618	2,245	1,205	4,428	4,289	**1,347**
Bonus (% of maximum)	–	81%	0%	0%	51%	51%	60%	0%	25%	–	–	59%	**0%**
BSP (% of maximum)	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Legacy incentive plans (no longer in operation):													
ESP (% of maximum)	–	–	–	–	5%	–	25%	0%	5.5%	–	–	–	**–**
CIP[2] (% of maximum)	–	75%	0%	0%	–	–	–	–	–	–	–	–	**–**
RSP (% of maximum)	–	–	0%	19.3%	–	–	–	–	–	–	–	–	**–**
Exceptional award[3] (% of maximum)	–	–	–	61.7%	59.9%	–	–	–	–	–	–	–	**–**

1. Angela Ahrendts (AA, CEO to 30 April 2014), Christopher Bailey (CB, Chief Creative Officer and CEO from 1 May 2014 to 4 July 2017), Marco Gobbetti (MG, CEO from 5 July 2017 to 31 December 2021), Jonathan Akeroyd (JA, CEO from 15 March 2022).
2. The CIP was the Burberry Co-Investment Plan, a long-term incentive plan under which the final performance-based awards were granted in 2014. Details of this plan can be found in the relevant Directors' Remuneration Reports.
3. The exceptional award for Christopher Bailey relates to vesting of his 2014 exceptional share award as previously disclosed.

Non-Executive Director remuneration (audited)

The table below sets out the single figure of total remuneration received or receivable by the Non-Executive Directors in respect of FY 2023/24 (and the prior financial year).

	Year to 30 March 2024			Year to 1 April 2023		
	Fees[1] £'000	Benefits and allowances[2] £'000	Total £'000	Fees[1] £'000	Benefits and allowances[2] £'000	Total £'000
Non-Executive Directors						
Gerry Murphy	436	9	445	423	1	424
Fabiola Arredondo	82	19	101	80	20	100
Alessandra Cozzani[3]	48	13	61	–	–	–
Sam Fischer	82	21	103	80	31	111
Ron Frasch	82	36	118	80	22	102
Danuta Gray[4]	117	5	122	100	3	103
Debra Lee	82	20	102	80	20	100
Orna NíChionna[5]	102	3	105	114	3	117
Antoine de Saint-Affrique	82	19	101	80	19	99
Alan Stewart[6]	107	2	109	47	2	49
Former Non-Executive Directors						
Matthew Key[7]	32	1	33	115	3	118

1. Fees include the base fee and additional Committee fees in line with the existing Directors' Remuneration Policy.
2. For Non-Executive Directors other than the Chair, allowances include an attendance allowance for each meeting attended outside their country or territory of residence. Non-Executive Directors appointed before 11 May 2023 currently receive £2,000 per meeting. Non-Executive Directors appointed from 11 May 2023 currently receive £2,000 for meetings that involve inter-continental travel and £1,000 for other meetings outside their country or territory of residence. Allowances also include the reimbursement of certain expenses incurred by the Non-Executive Directors in the performance of their duties, which are deemed by HM Revenue & Customs (HMRC) to be subject to UK income tax. Any tax liabilities arising on the reimbursement of these costs will be settled by the Company. Amounts disclosed have been estimated and have been grossed up at the appropriate tax rate, where necessary.
3. Fees for Alessandra Cozzani relate to the period from 1 September 2023 when she was appointed to the Board.
4. Fees for Danuta Gray in relation to FY 2022/23 include the Remuneration Committee Chair fee from 1 September 2022.
5. Fees for Orna NíChionna in relation to FY 2022/23 include the Remuneration Committee Chair fee for the period 2 April to 31 August 2022 and the Senior Independent Director fee.
6. Fees for Alan Stewart in relation to FY 2022/23 relate to the period from 1 September 2022 when he joined the Board and in relation to FY 2023/24 include the Audit Committee Chair fee from 12 July 2023.
7. Fees for Matthew Key in relation to FY 2023/24 relate to the period to 12 July 2023 when he stepped down from the Board and include the Audit Committee Chair fee to this date.

Summary of Non-Executive Director fees for FY 2024/25

Following a review, the Chair's fee and the base fee for the Non-Executive Directors will remain unchanged with effect from 1 July 2024.

The fee structure for the Non-Executive Directors for FY 2024/25 is set out in the table below.

	Fee level £'000
Chair[1]	440
Non-Executive Director	82.8
Senior Independent Director	20
Audit Committee Chair	35
Remuneration Committee Chair	35
Attendance allowance[2]	Up to 2

1. The Chair is not eligible for Committee-related fees or attendance allowances.
2. For Non-Executive Directors other than the Chair, allowances include an attendance allowance for each meeting attended outside their country or territory of residence. Non-Executive Directors appointed before 11 May 2023 currently receive £2,000 per meeting. Non-Executive Directors appointed from 11 May 2023 currently receive £2,000 for meetings that involve inter-continental travel and £1,000 for other meetings outside their country or territory of residence.
3. Expenses incurred in the normal course of business are reimbursed and, as these are considered by HMRC to be taxable benefits, the tax due on these will also be met by the Company.

Non-Executive Director shareholdings (audited)

The table below summarises the total interests of the Non-Executive Directors (and their connected persons) in ordinary shares of Burberry Group plc as at 30 March 2024 (or as at the date of stepping down, if earlier).

In line with the shareholding guideline, Non-Executive Directors hold shares with a market value at acquisition of £6,000 for each year of their appointment. As at 30 March 2024 (or as at the date of stepping down, if earlier), all of the Non-Executive Directors who had served more than one year since their appointment had fulfilled this guideline.

	Total number of shares owned
Non-Executive Directors	
Gerry Murphy	15,000
Fabiola Arredondo	30,000
Alessandra Cozzani	0
Sam Fischer	3,000
Ron Frasch	2,738
Danuta Gray	3,000
Debra Lee	1,475
Orna NíChionna	3,067
Antoine de Saint-Affrique	1,100
Alan Stewart	2,226
Former Non-Executive Directors	
Matthew Key	9,040

There have been no changes in the period up to and including 14 May 2024.

Remuneration Committee in FY 2023/24

Committee membership

Danuta Gray, Fabiola Arredondo, Sam Fischer, Ron Frasch and Orna NíChionna served as members of the Committee throughout the year ended 30 March 2024. Matthew Key served as a member of the Committee until he stepped down from the Board on 12 July 2023. Alan Stewart served as a member of the Committee from 12 July 2023.

Committee remit

The Committee's terms of reference are published on Burberryplc.com.

In addition to setting the remuneration of the Executive Directors, the Committee continues to directly oversee the remuneration arrangements for the Executive Committee, the Company Secretary and other members of senior management within its remit as determined from time to time.

Summary of meetings

The Committee typically meets four times a year. During FY 2023/24, the Committee held four scheduled meetings. Other ad hoc discussions were held as required. Details of attendance at Committee meetings are set out on page 126. If any Committee members are unable to attend a meeting, they are given the opportunity to discuss any of the agenda items with the Committee Chair in advance of the meeting. The agenda items discussed at the four scheduled meetings are summarised below. Other Committee matters, including the remuneration arrangements for Executive Committee members and others within the Committee's remit, were determined by the Committee outside the scheduled meetings.

May 2023	• Update on external environment from independent advisors • FY 2022/23 incentive outcomes • FY 2023/24 performance targets and incentive awards • BSP 2023 awards, including underpins for Executive Directors • FY 2023/24 senior executive remuneration • Chair fees for FY 2023/24 • Approval of Directors' Remuneration Report FY 2022/23 and 2023 Directors' Remuneration Policy • Update on share plan dilution • Actions following FY 2022/23 Committee Effectiveness review
November 2023	• Update on external environment from independent advisors • 2023 AGM season shareholder and proxy body feedback • Incentives performance update • All-employee share plan awards 2023 • Committee annual planner
February 2024	• Update on external environment from independent advisors • Incentives performance update • Overview of broader employee reward and proposed engagement with the Global Workforce Advisory Forum • UK Gender and Ethnicity Pay Gap Report for 2023/24 reporting year • Update on Executive Committee members' shareholding guideline compliance • Committee areas of focus for FY 2023/24
March 2024	• Update on external environment from independent advisors • Incentives performance update • FY 2024/25 annual bonus plan proposals and proposed 2024 BSP awards • Approach to Directors' Remuneration Report FY 2023/24 and shareholder engagement strategy • Feedback from the March 2024 meeting of the Global Workforce Advisory Forum • Review of Committee's terms of reference

Regular attendees at Committee meetings include the Chair of the Board, the CEO, the Company Secretary, the Chief People Officer, the VP Head of Reward and representatives of the Committee's advisors. Other members of the senior management team may attend Committee meetings from time to time. No one is present when their own remuneration is being discussed.

Advisors to the Committee

Deloitte was appointed as an independent advisor to the Committee in 2017 and reappointed in 2021 following a competitive tender process. Deloitte is a founding member of the Remuneration Consultants' Group (RCG), which is responsible for the development and maintenance of the voluntary Code of Conduct that clearly sets out the role of executive remuneration consultants and the professional standards by which they advise their clients. Fees are charged on a time and expenses basis and totalled £139,500 (plus VAT) during FY 2023/24. During the year Deloitte also provided other consulting services (including mergers and acquisitions and due diligence advice, technology implementation and analytics), tax compliance and advisory services. The Committee is satisfied that advice received from Deloitte during the year was objective and independent and that all individuals who provided remuneration advice to the Committee had no connections with Burberry or its Directors that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Linklaters LLP also provided advice to the Committee in relation to the operation of the Company's share plans, employment law considerations and compliance with legislation.

Remuneration voting results

The table below shows the results of the latest remuneration-related shareholder votes on the Directors' Remuneration Report and the Directors' Remuneration Policy (both at the 2023 AGM).

AGM voting results	Votes for	Votes against	Votes withheld
To approve the Directors' Remuneration Report for the year ended 1 April 2023	285,752,634 (95.60%)	13,152,786 (4.40%)	18,947
To approve the Directors' Remuneration Policy	271,202,999 (91.02%)	26,745,859 (8.98%)	975,510

The Committee and I continue to value the input of shareholders to help inform our thoughts on executive remuneration at Burberry. Going forward, as part of our commitment to build on the constructive dialogue we have established, we look forward to continuing to engage with you and receiving your support at the AGM in July.

This report has been approved by the Board and signed on its behalf by:

Danuta Gray
Chair, Remuneration Committee

14 May 2024

DIRECTORS' REPORT

The Directors present their Annual Report and the audited consolidated Financial Statements of the Company for the year ended 30 March 2024. For the purposes of the Companies Act 2006, the following are incorporated by reference and shall be deemed to form part of this Directors' Report:

- Strategic Report on pages 2 to 92
- Corporate Governance Statement, which includes the Board of Directors, the Corporate Governance Report and the Directors' Remuneration Report, on pages 93 to 146
- Global GHG emissions disclosure on page 43

The Directors consider that the Annual Report and Accounts, taken as a whole, provide a fair, balanced and understandable assessment of the Group's business as necessary for shareholders and wider stakeholders to assess:

- development and performance during the year
- its position at the end of the financial year
- strategy
- likely developments
- any principal risks and uncertainties
- how we have engaged with our people and stakeholders

For the purposes of compliance with the Disclosure Guidance and Transparency Rules 4.1.5R(2) and 4.1.8R, the required content of the management report can be found in the Strategic Report together with sections of the Annual Report incorporated by reference.

Share capital

Details of the issued share capital, together with details of movement in the issued share capital of the Company during the year, are shown in note 25 to the Financial Statements. This is incorporated by reference and deemed to be part of this report. The Company has one class of ordinary share of 0.05 pence each (Share), which carries no right to fixed income. Each Share carries the right to one vote at general meetings of the Company. The Shares are listed on the Official List and traded on the London Stock Exchange. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

As at 30 March 2024, the Company had 363,815,743 Shares in issue, including 5,232,720 held in treasury. At the AGM in 2023, shareholders approved resolutions to allot Shares up to an aggregate nominal value of £63,036, and to allot Shares for cash other than pro rata to existing shareholders. In order to retain maximum flexibility, resolutions will be proposed to shareholders at this year's AGM to renew these authorities but shareholders will be asked to approve an additional resolution which seeks authority to issue up to an additional 5% of issued share capital other than pro rata to existing shareholders in connection with an acquisition or specified capital investment.

Substantial shareholdings

As at 30 March 2024, the Company had been notified under Rule 5 of the Disclosure Guidance and Transparency Rules of the following major interests in its issued share capital:

	Number of Shares held	% of total voting rights[1]
BlackRock Inc.	27,729,908	6.62
Lindsell Train Limited	21,928,267	5.00
Massachusetts Financial Services Company	20,668,065	5.10
Schroders plc	19,361,546	5.10

1. As at the date of notification to the Company.

Since 30 March 2024, the Company has received no further notifications of major interests in its issued share capital.

Interests in own Shares

Details of the Group's interests in its own Shares are set out in note 25 to the Financial Statements.

Share buyback

In line with our capital allocation priorities and the authority granted by the shareholders at the AGM in 2022 and 2023, we launched a £400 million share buyback programme in June 2023, which we completed in two tranches: June 2023 to September 2023 and September 2023 to October 2023. In total, 20,504,089 Shares with a nominal value of 0.05p each were purchased and cancelled. Further details of the share buyback can be found in note 25 to the Financial Statements. The authority granted by shareholders at the 2023 AGM will remain in place until a new authority is granted by shareholders at the 2024 AGM, or 12 October 2024, whichever is the earlier. No further purchases of Shares by the Company have been made since the programme described above was completed and the date of this report.

Transfer of Shares

There are no specific restrictions on the size of holding or on the transfer of Shares. The Directors are not aware of any agreements between holders of Shares that may result in restrictions on the transfer of securities or voting rights. The Directors have no current plans to issue Shares other than in connection with employee share plans.

Voting

Each Share carries one vote at general meetings of the Company. Any Shares held in treasury have no voting rights. A shareholder entitled to attend, speak and vote at a general meeting may exercise their right to vote in person, by proxy, or, in relation to corporate members, by corporate representatives. To be valid, notification of the appointment of a proxy must be received not less than 48 hours before the relevant general meeting at which the person named in the Form of Proxy proposes to vote. The Directors may in their discretion determine that, in calculating the 48-hour period, no account be taken of any part of a day which is not a working day. Employees who participate in the Share Incentive Plan (SIP) whose Shares remain in the Burberry Group plc SIP Trust (SIP Trust) may give directions to the trustees to vote on their behalf by way of a Form of Direction.

Dividend

The Directors recommend that a final dividend of 42.7p per Share (FY 2022/23: 44.5p) in respect of the year ended 30 March 2024 be paid on 2 August 2024 to those persons on the Register of Members as at 28 June 2024.

An interim dividend of 18.3p per Share was paid to shareholders on 26 January 2024 (FY 2022/23: 16.5p). This will make a total dividend of 61.0p per Share in respect of the financial year to 30 March 2024. The aggregate dividends paid and recommended in respect of the year to 30 March 2024 total £217 million (FY 2022/23: £230 million).

The Burberry Group plc ESOP Trust has waived all dividends and future dividends payable by the Company in respect of the Burberry Shares it holds until the Company is notified otherwise. In addition, the SIP Trust has waived all dividends payable by the Company during FY 2023/24 in respect of unappropriated Burberry Shares it holds.

Revenue and profit

Revenue from continuing business during the year amounted to £2,968 million (FY 2022/23: £3,094 million). The adjusted operating profit for the year was £418 million (FY 2022/23: £634 million).

The profit for the year attributable to equity holders of the Company was £270 million (FY 2022/23: £490 million), a year on year decrease of 45% predominantly related to the reduction of 170 bps in gross margin, an increase of 7% in operating costs and an increase in the tax rate to 29.2%.

Financial instruments and risks

The Group's financial risk management objectives and policies are set out within note 27 of the Financial Statements. Note 27 also details the Group's exposure to foreign exchange, share price, interest, credit, capital and liquidity risks. This note is incorporated by reference and deemed to form part of this report.

Going concern and viability

The going concern statements for the Group and the Company are set out on pages 166 and 215 of the Financial Statements and are incorporated by reference and shall be deemed to be part of this report. The Directors' assessment of the prospects and viability of the Group over the next three years is set out in the Strategic Report on pages 91 and 92. The Risk and Viability Report can be found on pages 83 to 92.

The Directors considered it appropriate to adopt the going concern basis of accounting when preparing the financial statements.

Significant contracts – change of control

Pursuant to the Companies Act 2006, the Directors disclose that, in the event of a change of control, the Company's borrowings under the Group's currently undrawn £300 million Revolving Credit Facility, dated 26 July 2021, could become repayable.

On 3 April 2017, Burberry entered into an exclusive licensing agreement with Coty pursuant to which Coty develops, manufactures, markets, distributes and sells Burberry Beauty products. The agreement took effect in October 2017, from which time ongoing royalty payments have been payable to Burberry. Pursuant to the Companies Act 2006, the Directors disclose that a change in control of Burberry will, in limited circumstances, result in Coty having a right of termination of the licence agreement.

A small number of leases contain certain rights that may entitle landlords to terminate or approve continuation of the leases in the event that a Burberry subsidiary is transferred out of the Group or there is a change of control of Burberry Group plc; none of these is considered to be significant in terms of the potential impact on the business as a whole.

There are no arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs specifically because of a takeover, merger or amalgamation. There are provisions in the Company's share plans, which could result in options or awards vesting or becoming exercisable on a change of control. For further information on the change of control provisions in the Company's share plans refer to the Directors' Remuneration Policy, which was approved by shareholders at the AGM on 12 July 2023. This is set out in full in the Directors' Remuneration Report, which can be found in the Annual Report 2022/23 on Burberryplc.com.

Independent auditor

In accordance with section 418(2) of the Companies Act 2006, each of the Company's Directors in office at the date of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's external auditor is unaware
- the Director has taken all appropriate steps to ensure they are aware of any relevant audit information, and to establish that the Company's external auditor is aware of that information

The Group's current external auditor is EY and note 7 of the Financial Statements states their fees both for audit and non-audit work. EY was appointed as the external auditor of the Company at the 2020 AGM following an independent audit tender. A resolution to re-appoint EY as external auditor to the Company for FY 2024/25 will be proposed at the 2024 AGM. The Independent Auditor's Report starting on page 149 sets out the information contained in the Annual Report which has been audited by the external auditor.

Employee share plans and share ownership

The Company is committed to employee share ownership with two all-employee share plans available to employees at all levels of the organisation. Further details of these share plans are set out in the Directors' Remuneration Report on page 129. The Group intends to operate these all-employee share plans during FY 2024/25 to grant awards of free Burberry Shares (or equivalent cash-based awards as appropriate) to all eligible employees globally, and to invite eligible employees, where possible, to participate in the ShareSave scheme. The Directors review the operation of these plans to ensure that they effectively support the Group's strategy and encourage greater alignment by employees with the Group's performance. Details of employee share plans are set out in note 28 to the Financial Statements.

Employee engagement

Burberry is an open and inclusive employer that strives to open spaces for our people so they can express their creativity and grow both personally and professionally. Our colleagues represent 132 nationalities across 33 countries and territories and we are proud of the diversity of our people and the rich variety of skills and experiences they bring to our brand from the many cultures and backgrounds they represent. We continue to focus on evolving strategies for attracting and retaining diverse top talent within the business that promote our cultural values and ensure diverse representation across the business.

Further details about our people and our commitment to diversity, equity and inclusion can be found on pages 48 to 51. Pages 80 to 82 demonstrate how the Directors have had regard towards employee interests and the principal decisions taken by the Company during the financial year.

Stakeholder engagement

Reflecting the importance of our stakeholders, an explanation of the steps taken by the Directors to foster business relationships with partners, including suppliers, customers and other stakeholders, is set out on pages 80 to 82.

Global GHG emissions

The Directors understand they have a responsibility to consider the impact on the environment and the likely consequences of any business decisions in the long term. Disclosure is in line with the FCA's requirements for climate-related financial disclosures and consistent with the TCFD recommendations as set out on pages 66 to 79.

Health and safety

The Company has a global Health and Safety Policy approved by the CEO on behalf of the Board. A safety-first approach is firmly embedded in Burberry's values and this approach was strongly reinforced and measured across all our operational activities. Governance of our Health and Safety strategy is maintained through a Global Health and Safety Committee, which is chaired by the General Counsel. Health and safety issues are also considered by the Risk Committee and Audit Committee. Each region has a local health and safety committee which reports to the regional president. These committees assist with the implementation of our Health and Safety strategy and help to ensure all local regulatory and Burberry standards are achieved and maintained.

Strategic direction on health and safety matters is provided by the Director of Health and Safety who is supported by a global team. In line with industry best practice, our health and safety goals and objectives are set each year to continually analyse our performance and support a process for continuous improvement.

Our unannounced global assurance audit programme continues to measure health and safety performance within our managed operations at a set frequency and tracks improvement actions and risk reduction strategies through to closure.

Political donations

The Company did not make any political donations during the year in line with its policy (FY 2022/23: £nil). In keeping with the Group's approach in prior years, shareholder approval is being sought at the forthcoming AGM, as a precautionary measure, for the Company and its subsidiaries to make donations and/or incur expenditure, which may be construed as political by the wider definition of that term included in the relevant legislation. Further details are provided in the Notice of Meeting (the Notice).

Directors

The names and biographical details of the Directors as at the date of this report are set out on pages 95 to 99 and are incorporated by reference into this report. With regard to the appointment and resignation of Directors, the Company follows the Code, and is governed by its Articles of Association, the Companies Act 2006 and related legislation. At the 2024 AGM, all Directors, with the exception of Debra Lee, will stand for election or re-election as appropriate. The Notice sets out the contributions and reasons for the election or re-election of each Director. The service agreements of the Executive Directors and the letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office on request. Brief details of these are also included on page 137 of the Directors' Remuneration Report. For information on the Directors' professional development, see page 110.

Directors' Share interests

The interests in shares of the Directors holding office as at 30 March 2024 are shown within the Directors' Remuneration Report on pages 125 to 142. There were no changes to the beneficial interests of the Directors between the period 30 March 2024 and 14 May 2024.

Directors' powers and responsibilities

Subject to the Company's Articles of Association, the Companies Act 2006 and any directions given by special resolution, the business of the Group will be managed by the Board, which may exercise all the powers of the Group, including powers relating to the issue and/or buying back of Shares by the Group (subject to any statutory restrictions or restrictions imposed by shareholders at the AGM).

Directors' insurance and indemnities

The Company maintains Directors' and Officers' liability insurance, which gives cover for legal actions brought against its Directors and Officers. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial year ended 30 March 2024, and through to the date of this report.

Branches

In accordance with the Companies Act 2006, the Group discloses below the subsidiary companies that have branches outside the UK:

- Burberry Limited: Hong Kong S.A.R., China and Republic of Korea
- Burberry Brasil Comércio de Artigos de Vestuário e Acessórios Ltda: Brazil
- Burberry Saudi Company Limited: Kingdom of Saudi Arabia
- Burberry Qatar W.L.L.: Qatar
- Burberry (Spain) Retail S.L.: Portugal
- Burberry (Shanghai) Trading Co., Ltd: Mainland China

Annual General Meeting (AGM)

The AGM of the Company will be held at 10:30am on Tuesday 16 July 2024 at Conrad London St. James, 22-28 Broadway, London, SW1H 0BH. The Notice of this year's AGM is available to view on the Company's website at Burberryplc.com.

The Directors consider that each of the proposed resolutions to be considered at the AGM is in the best interests of the Company and its shareholders, and is most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of each of the proposed resolutions, as the Directors intend to do in respect of their own shareholdings.

Amendments to Articles of Association

The Company's Articles of Association were adopted at the 2021 AGM. No changes to the Articles of Association are being proposed at this year's AGM.

Disclosures pursuant to Listing Rule 9.8.4

Listing Rule	Description of Listing Rule	Reference
9.8.4(12) and (13)	Waivers of dividends	See Dividends paragraph on page 143

The Strategic Report from pages 2 to 92 and Directors' Report from pages 143 to 146 have been approved by the Board on 14 May 2024 in accordance with the Companies Act 2006.

By order of the Board

Gemma Parsons
Company Secretary

14 May 2024

Burberry Group plc
Registered Office: Horseferry House, Horseferry Road, London SW1P 2AW

Registered in England and Wales
Registered number: 03458224

FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group consolidated financial statements in accordance with the UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that year. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the Group and parent Company financial statements respectively;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and the Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 157 to 162 confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Group financial statements, which have been prepared in accordance with the UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces.

These statements were approved by the Board on 14 May 2024 and signed on its behalf by:

Jonathan Akeroyd
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURBERRY GROUP PLC

Opinion

In our opinion:

- Burberry Group plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 March 2024, and of the Group's profit for the 52-week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Burberry Group plc (the 'Company') and its subsidiaries (the 'Group') for the 52-week period ended 30 March 2024 which comprise:

Group	Company
Balance sheet as at 30 March 2024	Balance sheet as at 30 March 2024
Income statement for the 52-week period then ended	Statement of changes in equity for the 52-week period then ended
Statement of comprehensive income for the 52-week period then ended	Related notes A to M to the financial statements, including a summary of material accounting policies
Statement of changes in equity for the 52-week period then ended	
Statement of cash flows for the 52-week period then ended	
Related notes 1 to 32 to the financial statements, including a summary of material accounting policies	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial statement close process, we confirmed our understanding of management's going concern assessment process and engaged with management early to understand and assess the key assumptions made in their assessment.
- We checked the logic and arithmetical integrity of management's going concern model that includes the cash forecasts for the going concern assessment period covering the period up to 27 September 2025.
- We considered the appropriateness of the revenue and operating expense assumptions used to calculate the cash forecasts under base case and severe but plausible case scenarios. In light of challenging trading conditions, we specifically challenged management's plausible downside case scenario to assess if it was sufficiently severe for the going concern assessment.
- We reviewed the Group's debt agreements for any conditions precedent outside of management's control and also reviewed forecast compliance with covenant requirements in either the base or severe but plausible downside case scenarios during the going concern assessment period.
- We agreed the 30 March 2024 cash and cash equivalents balance included in the going concern assessment to the Group's year end cash and cash equivalents balance.
- We assessed the reasonableness of the cashflow forecasts included in the going concern assessment by analysing management's historical forecasting accuracy and understanding the potential impact of principal risks such as geopolitical instability, global consumer demand and the impact of climate change reflected in the forecasts.
- We evaluated the key assumptions by searching for contrary evidence to challenge these assumptions, including third party sector forecasts and analyst expectations. Further, we tested these assumptions for consistency with the budget approved by the Board.
- We also challenged the measurement and completeness of the downside scenario modelled by management, whether the risks considered are sufficiently severe, and how these compare with the principal risks and uncertainties of the Group.
- We considered the mitigating factors available and not included in the severe but plausible downside scenario that are within control of the Group. This included review of the Group's non-operating cash outflows and evaluating the Group's ability to control these outflows as mitigating actions if required.
- We reviewed the borrowings of the Group and noted that management include the repayment of the sustainability bond without refinancing in the severe but plausible scenario as the bond is repayable within the going concern period.
- We considered whether the Group's forecasts in the going concern assessment were consistent with other forecasts used by the Group in its accounting estimates, including goodwill impairment, retail store impairment and deferred tax asset recognition.
- We performed reverse stress testing to identify the magnitude of decline in revenue that would lead to the Group utilising all liquidity during the going concern assessment period and we have considered the likelihood of such a decline.
- We reviewed activity in the subsequent events period to assess for contrary indicators.
- We reviewed the Group's going concern disclosures included in the Annual Report to assess that they were accurate, sufficiently detailed and in conformity with the reporting standards.

We observe that in management's base case and severe but plausible downside scenario, there is headroom without taking the benefit of identified mitigations.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period up to 27 September 2025.

In relation to the Group and Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	We performed an audit of the complete financial information of four components and audit procedures on specific balances for a further four components. The components where we performed full or specific audit procedures accounted for 79% of profit before tax (on an absolute basis), 77% of Revenue and 75% of Total assets.
Key audit matters	Valuation of finished goods inventory provision. Impairment and impairment reversals of retail store right-of-use assets and related property, plant and equipment. Provision for uncertain tax positions.
Materiality	Overall Group materiality of £19.2m which represents 5% of profit before tax.

An overview of the scope of the Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected eight components covering entities within the United Kingdom, Mainland China, Japan, South Korea, the United States and Hong Kong S.A.R., China, which represent the principal business units within the Group.

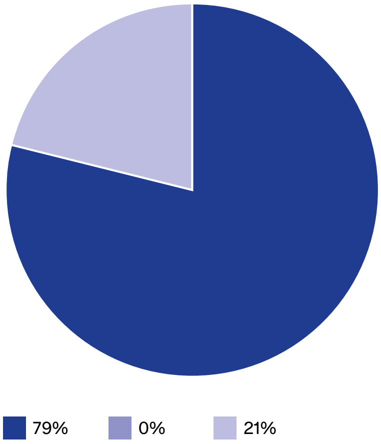
Of the eight components selected, we performed an audit of the complete financial information of four components ("full scope components") which were selected based on their size or risk characteristics. For the remaining four components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 79% of the Group's profit before tax (on an absolute basis) (2023: 91% of the Group's profit before tax on an absolute basis), 77% (2023: 78%) of the Group's revenue and 75% (2023: 80%) of the Group's total assets. For the current year, the full scope components contributed 79% of the Group's profit before tax (on an absolute basis) (2023: 91% of Group's profit before tax on an absolute basis), 57% (2023: 74%) of the Group's revenue and 57% (2023: 77%) of the Group's total assets. The specific scope components contributed 20% (2023: 4%) of the Group's revenue and 18% (2023: 3%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

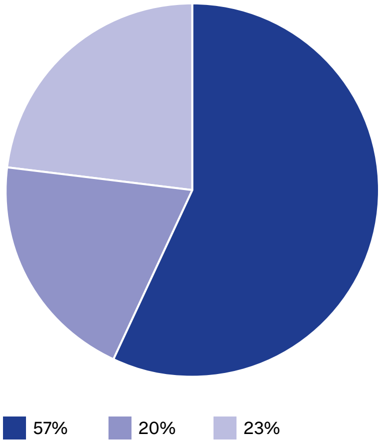
Of the remaining components that together represent 21% of the Group's profit before tax (on an absolute basis) (2023: 9% of adjusted profit before tax on an absolute basis), none are individually greater than 4% (2023: 5%) of the Group's profit before tax (on an absolute basis). For these components, we performed other procedures, including analytical review procedures, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

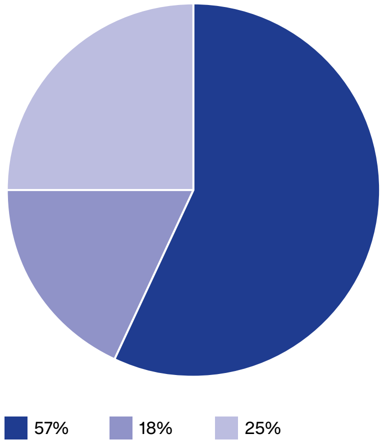
Profit before tax (on an absolute basis)



Revenue



Total assets



Full scope components | Specific scope components | Other procedures

Changes from the prior year

We decreased the number of full scope components from six to four in the current year and increased the number of specific scope components from two to four. This reflects the change in contribution to the Group's results across these entities and that a greater number of procedures are directly performed by the primary audit team.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the four full scope components, audit procedures were performed on three of these directly by the Group audit team. For the one full scope and three specific scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team followed a programme of planned physical visits to the component teams in Mainland China and Hong Kong S.A.R., China, and virtual site visits for the component teams in South Korea and Japan. The virtual visits involved video calls with local management, including members of supply chain and marketing teams depending on the component, and with the local EY component teams. These visits were designed to ensure that the Senior Statutory Auditor, physically or virtually, visited all those full and specific scope audit locations not audited by the Group audit team at least once during the year. During all of these physical and virtual visits, we held discussions on the audit approach and understood any issues arising from their work and were responsible for the scope and direction of the audit process. We reviewed the component team's working papers to validate that the required procedures had been performed to the appropriate quality. We also virtually attended year end closing meetings at all components and interacted regularly with the component teams throughout the year.

As the Group audit team, we performed the audit for the components in the United Kingdom and the United States. We also met in person where possible, or virtually, with local management for these components. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be from climate transition risks, specifically market risks associated with changing consumer preferences in a lower carbon economy. These are explained on pages 66 to 79 in the required Task Force On Climate Related Financial Disclosures, and on pages 85 to 90 in the principal risks and uncertainties. The Group has also explained their climate commitments on pages 30 to 33. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit, we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in their Basis of Preparation note how they have reflected the impact of climate change in their financial statements, including how this aligns with their commitments in their sustainability strategy. There are no significant judgements or estimates relating to climate change.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk and their climate commitments, specifically on the finished goods inventory provision, impairment of retail store right-of-use assets and related property, plant and equipment and going concern. We have assessed whether these risks have been appropriately reflected in asset values, where values are determined through modelling future cash flows, this primarily being impairment assessments following the requirements of UK-adopted International Accounting Standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists and senior members of the audit team. This included meetings with the Group's Sustainability and Group Financial Reporting teams, a specific climate change risk workshop and a review of peer disclosures and sector guidance on climate change to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: valuation of finished goods inventory provision; and impairment and impairment reversals of retail store right-of-use assets and related property, plant and equipment. Details of the impact, our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of finished goods inventory provision As described in the Audit Committee Report (page 118), Accounting Policies (page 168), and Note 17 of the Consolidated Financial Statements (page 189), management raises a finished goods inventory provision to reflect where the expected net realisable value is lower than the carrying value of finished goods inventory at the balance sheet date. The Group has £73m of inventory provisions, representing 12.6% of the gross value of inventory of £580m as at 30 March 2024. Of the net inventory of £507m, £475m relates to finished goods. The Group determines the inventory provision considering the aging of inventory by season, identifying problem inventory and considering historical loss rates, and future sales forecasts and the expected channel by which the inventory will be exited. This process is inherently judgmental and there is therefore potential for management bias in relation to its allocation of inventory to certain sales channels as well as in relation to future sales forecasts.	The Group audit team, full scope components teams and specific scope component team performed the audit procedures over the Group's inventory valuation. The principal procedures performed are described below. We performed a walkthrough of the inventory provisioning process, and identified and understood the design of key controls. We evaluated the appropriateness of the Group's inventory provisioning policy. We assessed the inventory provisioning model for each component for consistency with the Group's accounting policy. We tested the integrity and accuracy of the provisioning model and inputs (such as loss rates, seasonality and categorisation of inventory), considering the source of information being used by management. Applying professional scepticism and in light of recent trading conditions, we performed sensitivity analysis on management's expected sell through and loss rates of inventory. We used inventory movement data for the current year and analysed it to consider the inventory composition by season and product type. We used this data to develop an expectation and challenged management on any outliers identified. We understood the planned sales channels and exit routes for problem stock and challenged whether these were consistent with prior periods, the overall sales profile of the Group and the Board-approved forecasts used elsewhere across the Group. We considered whether there was any evidence of management bias in the exit routes and future sales forecasts used. We performed analytical procedures around key assumptions and corroborated to our work performed across other accounts to identify and consider whether any contrary evidence existed. We also used data to corroborate explanations from management and to identify any contrary evidence related to the assumptions used by management in identifying slow-moving inventory or determining exit routes. We performed sensitivity analysis to assess the significance and risk of changed assumptions on the provision, primarily being the sell through, exit route and loss rates applied. This included considering the potential impact climate change may have on inventory provisioning. We reviewed disclosures in the financial statements for appropriateness.	We are satisfied the finished goods inventory provisions are appropriate and the Group's disclosures are appropriate.

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment and impairment reversals of retail store right-of-use assets and related property, plant and equipment As described in the Audit Committee Report (page 118), Accounting Policies (page 168), and Notes 13 and 14 of the Consolidated Financial Statements (pages 186 to 187), management assess the retail store right-of-use assets and related property, plant and equipment for impairment charges and reversals of previous impairment charges. The Group has £1,013m of right-of-use assets and £406m of property, plant and equipment as at 30 March 2024. In the 52 weeks to 30 March 2024 there was a net impairment charge of £14m. There is judgement and estimation uncertainty involved in determining the store forecast cash flows to measure impairment charges and reversals, in particular, the revenue growth and profit margin assumptions in light of the current challenging market conditions.	Our procedures on the carrying value of retail store right-of-use assets and related property, plant and equipment were performed centrally by the Group team. Our procedures included, among others, performing a walkthrough of the retail store impairment process and evaluating the design of controls. We reviewed and challenged the appropriateness of the Group's impairment policy. We also reviewed board minutes and met with regional commercial finance teams and general counsel to determine if any contrary evidence existed in relation to the future plans for stores. Management considered whether indicators of impairment charges or reversals were present for the Group's retail store portfolio based on the Group's latest forecast. We assessed the completeness of the factors considered and assessed the accuracy of the forecasted information in conjunction with our testing of the Group's forecasts further outlined below. For the stores identified with indicators of impairment charge or reversal, the Group prepared value-in-use impairment models. Our procedures over the value-in-use calculations included: • Assessing the methodology against the requirements of IAS 36 Impairment of Assets; • Testing the integrity of the model and data inputs used back to source data, for example agreeing store right-of-use asset and related property, plant and equipment values back to accounting records; • Involving our valuations specialists to assess the appropriateness of the discount rate used; • Challenging assumptions used in cash flow forecasts such as revenue growth and margin assumptions against historical results, and third-party luxury sector forecasts; • Performing sensitivity analysis on key assumptions and stress testing calculations for stores most at risk of impairment; • Challenging whether cash flow forecasts adequately factored in known costs associated with physical and transition climate-related risks and any cashflows required to meet Burberry's publicly stated climate commitments; and • Assessing the disclosures in the financial statements, including the requirement to disclose sensitivities where a reasonably possible change in a key assumption would result in a material change to the impairment charge or reversal recorded. We tested management's sensitivity analysis and re-calculated the sensitivities disclosed as a result of changing revenue assumptions.	We are satisfied that the consideration of indicators of impairment, value-in-use impairment model methodology, significant underlying assumptions and judgements applied are reasonable and support management's conclusion to recognise a net impairment charge totalling £14m against the retail store right-of-use assets and related property, plant and equipment. We are also satisfied with the disclosure and classification of the impairment charges.

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Provision for uncertain tax positions As described in the Audit Committee Report (page 118), Accounting Policies (page 168), and Note 9 of the Consolidated Financial Statements (page 181 to 182), the Group is subject to tax regulation in multiple jurisdictions and the centralised operating structure of the Group requires management to exercise judgement in making determinations as to the amount of tax that is payable. The Group is subject to tax authority audits and has a number of open tax enquiries in multiple jurisdictions at any point in time. As a result, the Group has recognised a number of provisions against uncertain tax positions, the valuation of which requires significant assumptions and judgement. We focused on this area due to the complexity, subjectivity, quantification of the provision and the judgement around the trigger for recognition or release impacting the provision and the effective tax rate.	Our procedures on the uncertain tax position provisions were performed centrally by the Group team, supported by subject matter specialists and supported by overseas teams with expertise in local tax regulations where appropriate. Our procedures included: • Performing a walkthrough of the tax provisioning process and identifying key controls. We also evaluated the appropriateness of the Group's transfer pricing and uncertain tax provisioning policies; • Meeting with tax management to understand the Group's cross-border transactions, status of all significant matters, including those provided for, and any changes to management's judgements in the year; • Reading correspondence with tax authorities and external advisors to inform our assessment of recorded estimates and evaluate the completeness of the provisions recorded, directly engaging with external advisors where appropriate. For the most material case, we met external advisors to understand the key judgements in the case, and utilised relevant internal specialists. We requested, received, and reviewed a letter directly obtained from management's external legal counsel; • Independently assessing management's significant assumptions and judgements to record or release provisions following tax audits, settlements and the expiry of statute of limitations; • Testing the accuracy of the calculation of the year end provisions by inspecting underlying documentation and supporting schedules; and • Evaluating the adequacy of tax disclosures.	We are satisfied that management's judgements in relation to the extent of provisions for uncertain tax positions are appropriate. We are also satisfied that the tax disclosures are appropriate.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £19.2 million (2023: £30 million), which is 5.0% (2023: 4.7%) of profit before tax. We believe that profit before tax provides us with the most relevant performance measure for the stakeholders of the Group, hence it has been selected as the benchmark.

We determined materiality for the Company to be £22.3 million (2023: £21.5 million), which is 1% (2023: 1%) of total assets. For any Company balances that are consolidated into the Group financial statements, an allocation of Group performance materiality was used.

Basis	• Profit before tax - £383 million
Materiality	• Materiality of £19.2m (5.0% of Profit before tax)

Materiality continued

During the course of our audit, we reassessed initial materiality based on forecasts provided by management. Our final assessment reflected the actual reported performance for the period.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £14.4m (2023: £22.5m). We have set performance materiality at this percentage due to our assessment of the Group's overall control environment and the likelihood of undetected misstatements.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £3m to £13m (2023: £4m to £20m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.0m (2023: £1.5m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 2 to 146, including Strategic Report and Corporate Governance Statement, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 144;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 91;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 93;
- Directors' statement on fair, balanced and understandable (FBU) set out on page 148;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 123;
- The section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on page 123; and
- The section describing the work of the audit committee set out on pages 118 to 121.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 148, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management. Our approach included the following:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group, and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK adopted International Accounting Standards, UK GAAP, the Companies Act 2006 and the UK Corporate Governance Code) and the relevant tax laws and regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to health and safety, employees, environmental, social and anti-bribery and corruption practices.
- We understood how the Group is complying with those frameworks by making enquiries of management, including internal audit, those responsible for legal and compliance procedures, and the company secretary. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit Committee, and observation in Audit Committee meetings, as well as consideration of the results of our audit procedures across the Group.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud continued

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, and met with finance and operational management from various parts of the business to understand where it considered there was susceptibility to fraud. We also considered the current challenging trading conditions and performance targets and their potential to influence management to manage earnings or influence the perceptions of analysts. We have determined there is a risk of fraud associated to finished goods inventory provisions and a risk of management override in manual revenue journals that do not follow the expected process. We considered the policies, processes and controls that the Group has established to address the risks identified, including the design of controls over finished goods inventory provisions and each significant revenue stream. We also considered the controls that the Group has that otherwise prevent, deter and detect fraud, and how senior management monitors these controls. We performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements as a whole are free from material misstatement due to fraud or error.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations, including providing specific instructions to full and specific scope component teams and, where necessary, using relevant specialists. Our procedures included journal entries testing, with a focus on manual journal entries, consolidation journal entries and journal entries indicating large or unusual transactions using data analytics. We based this testing on our understanding of the business, enquiries of management, including internal audit, legal and other advisors, the company secretary and reading relevant reports. We performed specific searches derived from forensic investigations experience and leveraged our data analytics platform in performing our testing. We have also reviewed the whistleblowing reports issued during the year. Any instances of non-compliance with laws and regulations identified that might have an impact on components were communicated to the component audit teams and considered in our audit approach, if applicable.
- In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the Company at its annual general meeting on 15 July 2020 to audit the financial statements for the Company for the period ending 27 March 2021, and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is four years, covering the period ending 30 March 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Rudberg (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

14 May 2024

GROUP INCOME STATEMENT

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Revenue	3	**2,968**	3,094
Cost of sales		**(959)**	(911)
Gross profit		**2,009**	2,183
Operating expenses		**(1,604)**	(1,572)
Other operating income		**13**	46
Net operating expenses	4	**(1,591)**	(1,526)
Operating profit		**418**	657
Financing			
Finance income		**31**	21
Finance expense		**(66)**	(42)
Other financing charge		**–**	(2)
Net finance expense	8	**(35)**	(23)
Profit before taxation	5	**383**	634
Taxation	9	**(112)**	(142)
Profit for the year		**271**	492
Attributable to:			
Owners of the Company		**270**	490
Non-controlling interest		**1**	2
Profit for the year		**271**	492
Earnings per share			
Basic	10	**74.1p**	126.9p
Diluted	10	**73.9p**	126.3p

		£m	£m
Reconciliation of adjusted profit before taxation:			
Profit before taxation		**383**	634
Adjusting operating items:			
Cost of sales (income)	6	**–**	(1)
Net operating expenses (income)	6	**–**	(22)
Adjusting financing items	6	**–**	2
Adjusted profit before taxation – non-GAAP measure		**383**	613
Adjusted earnings per share – non-GAAP measure			
Basic	10	**74.1p**	123.1p
Diluted	10	**73.9p**	122.5p

Dividends per share			
Interim	11	**18.3p**	16.5p
Proposed final (not recognised as a liability at 30 March/1 April)	11	**42.7p**	44.5p

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Profit for the year		**271**	492
Other comprehensive income[1]:			
Cash flow hedges	25	**(3)**	1
Foreign currency translation differences	25	**(34)**	14
Tax on other comprehensive income		**1**	(1)
Other comprehensive (loss)/income for the year, net of tax		**(36)**	14
Total comprehensive income for the year		**235**	506
Total comprehensive income attributable to:			
Owners of the Company		**234**	504
Non-controlling interest		**1**	2
		235	506

1. All items included in other comprehensive income may subsequently be reclassified to profit and loss in a future period.

GROUP BALANCE SHEET

	Note	As at 30 March 2024 £m	As at 1 April 2023 £m
ASSETS			
Non-current assets			
Intangible assets	12	**267**	248
Property, plant and equipment	13	**406**	376
Right-of-use assets	14	**1,013**	950
Deferred tax assets	15	**208**	197
Trade and other receivables	16	**52**	52
		1,946	1,823
Current assets			
Inventories	17	**507**	447
Trade and other receivables	16	**340**	307
Derivative financial assets	18	**2**	7
Income tax receivables		**122**	76
Cash and cash equivalents	19	**441**	1,026
Assets held for sale	13	**12**	–
		1,424	1,863
Total assets		**3,370**	3,686
LIABILITIES			
Non-current liabilities			
Trade and other payables	20	**(63)**	(77)
Lease liabilities	21	**(959)**	(902)
Borrowings	24	**(299)**	(298)
Deferred tax liabilities	15	**(1)**	(1)
Provisions for other liabilities and charges	22	**(37)**	(40)
		(1,359)	(1,318)
Current liabilities			
Trade and other payables	20	**(439)**	(477)
Bank overdrafts	23	**(79)**	(65)
Lease liabilities	21	**(229)**	(221)
Derivative financial liabilities	18	**(4)**	(1)
Income tax liabilities		**(86)**	(43)
Provisions for other liabilities and charges	22	**(20)**	(22)
		(857)	(829)
Total liabilities		**(2,216)**	(2,147)
Net assets		**1,154**	1,539
EQUITY			
Capital and reserves attributable to owners of the Company			
Ordinary share capital	25	**–**	–
Share premium account		**231**	230
Capital reserve	25	**41**	41
Hedging reserve	25	**2**	4
Foreign currency translation reserve	25	**198**	232
Retained earnings		**675**	1,026
Equity attributable to owners of the Company		**1,147**	1,533
Non-controlling interest in equity		**7**	6
Total equity		**1,154**	1,539

The consolidated financial statements of Burberry Group plc (registered number 03458224) on pages 148 to 208 were approved and authorised for issue by the Board on 14 May 2024 and signed on its behalf by:

Jonathan Akeroyd
Chief Executive Officer

GROUP STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the Company						
	Note	Ordinary share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
Balance as at 2 April 2022		–	227	263	1,123	1,613	4	1,617
Profit for the year		–	–	–	490	490	2	492
Other comprehensive income:								
Cash flow hedges	25	–	–	1	–	1	–	1
Foreign currency translation differences	25	–	–	14	–	14	–	14
Tax on other comprehensive income		–	–	(1)	–	(1)	–	(1)
Total comprehensive income for the year		–	–	14	490	504	2	506
Transactions with owners:								
Employee share incentive schemes								
Equity share awards		–	–	–	19	19	–	19
Tax on share awards		–	–	–	2	2	–	2
Exercise of share options		–	3	–	–	3	–	3
Purchase of own shares								
Share buyback		–	–	–	(404)	(404)	–	(404)
Held by ESOP trusts		–	–	–	(1)	(1)	–	(1)
Dividends paid in the year		–	–	–	(203)	(203)	–	(203)
Balance as at 1 April 2023		–	230	277	1,026	1,533	6	1,539
Profit for the year		–	–	–	270	270	1	271
Other comprehensive income:								
Cash flow hedges	25	–	–	(3)	–	(3)	–	(3)
Foreign currency translation differences	25	–	–	(34)	–	(34)	–	(34)
Tax on other comprehensive income		–	–	1	–	1	–	1
Total comprehensive income for the year		–	–	(36)	270	234	1	235
Transactions with owners:								
Employee share incentive schemes								
Equity share awards		–	–	–	16	16	–	16
Tax on share awards		–	–	–	(2)	(2)	–	(2)
Exercise of share options		–	1	–	–	1	–	1
Purchase of own shares								
Share buyback		–	–	–	(402)	(402)	–	(402)
Dividends paid in the year		–	–	–	(233)	(233)	–	(233)
Balance as at 30 March 2024		**–**	**231**	**241**	**675**	**1,147**	**7**	**1,154**

GROUP STATEMENT OF CASH FLOWS

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Cash flows from operating activities			
Profit before taxation		383	634
Adjustments to reconcile profit before taxation to net cash flows:			
Amortisation of intangible assets	12	42	37
Depreciation of property, plant and equipment	13	103	95
Depreciation of right-of-use assets	14	234	212
COVID-19-related rent concessions		–	(13)
Net impairment charge of property, plant and equipment	13	5	2
Net impairment charge of right-of-use assets	14	9	2
Loss/(gain) on disposal of intangible assets and property, plant and equipment		3	(19)
Gain on modification of right-of-use assets		(4)	(2)
Loss/(gain) on derivative instruments		5	(2)
Charge in respect of employee share incentive schemes		16	19
Net finance expense		35	23
Working capital changes:			
Increase in inventories		(57)	(10)
Increase in receivables		(32)	(17)
Decrease in payables and provisions		(77)	(49)
Cash generated from operating activities		665	912
Interest received		32	18
Interest paid		(52)	(40)
Taxation paid		(139)	(140)
Net cash generated from operating activities		506	750
Cash flows from investing activities			
Purchase of property, plant and equipment		(158)	(136)
Purchase of intangible assets		(50)	(43)
Proceeds from sale of property, plant and equipment		–	32
Initial direct costs of right-of-use assets		(4)	–
Payment in respect of acquisition of subsidiary		(19)	–
Net cash outflow from investing activities		(231)	(147)
Cash flows from financing activities			
Dividends paid in the year	11	(233)	(203)
Payment of deferred consideration for acquisition of non-controlling interest	20	–	(6)
Payment of lease principal	21	(231)	(210)
Issue of ordinary share capital		1	3
Purchase of own shares through share buyback	25	(400)	(400)
Purchase of own shares through share buyback – stamp duty and fees	25	(2)	(4)
Purchase of own shares by ESOP trusts		–	(1)
Net cash outflow from financing activities		(865)	(821)
Net decrease in cash net of overdrafts		(590)	(218)
Effect of exchange rate changes		(9)	2
Cash net of overdrafts at beginning of year		961	1,177
Cash net of overdrafts		362	961

	Note	As at 30 March 2024 £m	As at 1 April 2023 £m
Cash and cash equivalents	19	441	1,026
Bank overdrafts	23	(79)	(65)
Cash net of overdrafts		362	961

1. Basis of preparation

Burberry Group plc and its subsidiaries (the Group) is a global luxury goods manufacturer, retailer and wholesaler. The Group also licenses third parties to manufacture and distribute products using the 'Burberry' trademarks. All of the companies which comprise the Group are controlled by Burberry Group plc (the Company) directly or indirectly.

The consolidated financial statements of the Group have been prepared in accordance with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards (IFRS). These consolidated financial statements have been prepared under the historical cost convention, except as modified by the revaluation of certain financial assets and financial liabilities at fair value through profit or loss.

The consolidated financial statements are presented in £m. Financial ratios are calculated using unrounded numbers.

Consideration of climate-related matters

The Group has performed a climate-related scenario analysis as required by the Task Force on Climate-Related Financial Disclosures. This scenario analysis takes into consideration different climate-related scenarios, including a 2°C or lower scenario. Based on this scenario analysis, consideration has been given to the impact of climate-related risks on management's judgements and estimates, including inventory provisions and the impairment of property, plant and equipment and right-of-use assets.

The incurred costs and investments associated with our sustainability strategy are reflected in the Group's financial statements, including within inventories, property, plant and equipment, and operating profit.

The impact of climate-related risks on the consolidated financial statements for the 52 weeks to 30 March 2024 is not material. This is due to the time horizons in which physical risks are expected to be most significant not aligning to the useful lives of our assets and the investments we continue to make to mitigate market and policy risks.

The committed future financial investments associated with our sustainability strategy are included within our budget and three-year forward-looking financial plans. These financial plans have been used to support our impairment reviews and going concern and viability assessment. Future plans may incur additional investment on research and development, higher expenditure on raw materials and other as yet unidentified costs.

Going concern

In considering the appropriateness of adopting the going concern basis in preparing the financial statements, the Directors have assessed the potential cash generation of the Group. This assessment for any indicators that the going concern basis of preparation is not appropriate covers the period from the date of signing the financial statements up to 27 September 2025.

The scenarios considered by the Directors include a severe but plausible downside scenario reflecting the Group's base plan adjusted for severe but plausible impacts from the Group's principal risks. This central planning scenario is informed by a comprehensive review of the macroeconomic scenarios using third-party projections of macroeconomic data for the luxury fashion industry. The Group's central planning scenario reflects a balanced projection aligned to the Group's strategy, a balanced assumption for economic uncertainty and capital expenditure and dividends in line with the Group's capital allocation framework.

As a sensitivity, this central planning scenario has been flexed to reflect the aggregation of severe impacts arising linked to our principal risks which in total represents a 13% downgrade to revenues in the 18 month period to September 2025, in comparison to the base case, as well as the associated consequences for EBITDA and cash. Management consider this represents a severe but plausible downside scenario appropriate for assessing going concern.

The severe but plausible downside modelled the following risks occurring simultaneously:

- A severe impact arising from a more severe and prolonged reduction in the GDP growth assumptions across the markets in which we operate, combined with a reduction to our global consumer demand arising from a change in consumer preference compared to our central planning scenario
- An increase in geopolitical tension which reduces GDP growth assumptions compared to the central planning model
- A significant reputational incident such as negative sentiment propagated through social media
- The impact of a business interruption event, resulting in a two week interruption arising from the supply chain impact, and interruption to one of our channels
- The occurrence of a one-time physical risk relating to climate change in FY 2024/25 and the materialisation of a severe but plausible ongoing market risk relating to climate change in line with a scenario reflecting a 2°C global temperature increase compared to pre-industrial levels
- The payment of a settlement arising from a regulatory or compliance-related matter
- A short-term impact of a 10% weakening in a key non-sterling currency for the Group before it is recovered through price adjustment
- Repayment of Sustainability Bond without raising new finance

1. Basis of preparation continued

Going concern continued

Further mitigating actions within management control would be available under this scenario, including working capital reduction measures and limiting capital expenditure, but these were not incorporated into the downside modelling.

The Directors have also considered the Group's current liquidity and available facilities. As at 30 March 2024, the Group Balance Sheet reflects cash net of overdrafts of £362 million. In addition, the Group has access to a £300 million revolving credit facility which matures in July 2026, which is currently undrawn. The £300 million sustainability bond matures within the going concern period on 21 September 2025 and the revolving credit facility is considered to be available to be drawn within the severe but plausible scenario in order to settle this repayment.

The Group is in compliance with the covenants for the revolving credit facility, and the borrowings raised via the sustainability bond are not subject to covenants. Details of cash, overdrafts, borrowings and facilities are set out in notes 19, 23 and 24 respectively of these financial statements. Whilst outside of the going concern assessment period, the Group have considered renewal of the revolving credit facility ahead of maturity in July 2026 and are confident that this will be available.

In all the scenarios assessed, taking into account current liquidity and available resources and before the inclusion of any mitigating actions within management control, the Group was able to maintain sufficient liquidity to continue trading through the going concern period up to 27 September 2025. On the basis of the assessment performed, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements for the 52 weeks ended 30 March 2024.

New standards, amendments and interpretations adopted in the period

A number of new amendments to standards are effective for the financial period commencing 2 April 2023 but they do not have a material impact on the financial statements of the Group. Refer to note 9 and note 15 for further details on the impact of adoption of amendments to IAS 12 Income taxes.

Standards not yet adopted

Certain new accounting standards and amendments to standards have been published that are not mandatory for the 52 weeks to 30 March 2024 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions, apart from IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18, which is effective for reporting periods beginning on or after 1 January 2027, replaces IAS 1 Presentation of Financial Statements and is expected to impact the presentation of the Group's primary financial statements. The amendment was issued on 9 April 2024 and the impact will be communicated in future periods following an assessment by the Group.

Basis of consolidation

The Group's annual financial statements comprise those of Burberry Group plc (the Company) and its subsidiaries, presented as a single economic entity. The results of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies across the Group.

The financial year is the 52 weeks ended 30 March 2024 (last year: 52 weeks ended 1 April 2023).

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the portion of the reporting period during which the Group had control. Intra-group transactions, balances and unrealised profits on transactions between Group companies are eliminated in preparing the Group financial statements. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquisitions of additional interests in subsidiaries from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interests in subsidiaries to non-controlling interests are also recorded in equity.

Key sources of estimation uncertainty

Preparation of the consolidated financial statements in conformity with IFRS requires that management make certain estimates and assumptions that affect the measurement of reported revenues, expenses, assets and liabilities and the disclosure of contingent liabilities.

If in the future such estimates and assumptions, which are based on management's best estimates at the date of the financial statements, deviate from actual circumstances, the original estimates and assumptions will be updated as appropriate in the period in which the circumstances change.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas where the estimates and assumptions applied have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below. Further details of the Group's accounting policies in relation to these areas are provided in note 2.

1. Basis of preparation continued

Key sources of estimation uncertainty continued

Impairment, or reversals of impairment, of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations prepared using management's best estimates and assumptions at the time. Refer to notes 13 and 14 for further details of retail property, plant and equipment, right-of-use assets and impairment reviews carried out in the period and for sensitivities relating to this key source of estimation uncertainty.

Inventory provisioning

The Group purchases, manufactures and sells luxury goods and is subject to changing consumer demands and fashion trends. The recoverability of the cost of inventories is assessed every reporting period, by considering the expected net realisable value of inventory compared to its carrying value. Where the net realisable value is lower than the carrying value, a provision is recorded. When calculating inventory provisions, management considers the nature and condition of the inventory, as well as applying assumptions in respect of anticipated saleability of finished goods and future usage of raw materials. Refer to note 17 for further details of the carrying value of inventory and inventory provisions and for sensitivities relating to this key source of estimation uncertainty.

Uncertain tax positions

In common with many multinational companies, the Group faces tax audits in jurisdictions around the world in relation to intragroup transactions between associated entities within the Group. These tax audits are often subject to inter-government negotiations. The matters under discussion are often complex and can take many years to resolve.

Tax liabilities are recorded based on management's estimate of either the most likely amount or the expected value amount depending on which method is expected to better reflect the resolution of the uncertainty. Given the inherent uncertainty in assessing tax outcomes, the Group could, in future periods, experience adjustments to these tax liabilities that have a material positive or negative effect on the Group's results for a particular period.

Refer to note 9 for further details of management estimates surrounding the outcome of all matters under dispute or negotiation between governments in relation to current tax liabilities recognised at 30 March 2024, and for sensitivities relating to this key source of estimation uncertainty.

Key judgements in applying the Group's accounting policies

Judgements are those decisions made when applying accounting policies which have a significant impact on the amounts recognised in the Group financial statements. Further details of the Group's accounting policies are provided in note 2. Key judgements that have a significant impact on the amounts recognised in the Group financial statements for the 52 weeks to 30 March 2024 and the 52 weeks to 1 April 2023 are as follows:

Where the Group is a lessee, judgement is required in determining the lease term at initial recognition, and throughout the lease term, where extension or termination options exist. In such instances, all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option, have been considered to determine the lease term. Considerations include, but are not limited to, the period assessed by management when approving initial investment, together with costs associated with any termination options or extension options. Extension periods (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Where the lease term has been extended by assuming an extension option will be recognised, this will result in the initial right-of-use assets and lease liabilities at inception of the lease being greater than if the option was not assumed to be exercised. Likewise, assuming a break option will be exercised will reduce the initial right-of-use assets and lease liabilities.

Refer to note 21 for further details surrounding the judgements regarding the impact of breaks and options on lease liabilities.

2. Accounting policies

The material accounting policies of the Group are:

a) Revenue

The Group obtains revenue from contracts relating to sales of luxury goods to retail and wholesale customers. The Group also obtains revenue through licences issued to third parties to produce and sell goods carrying 'Burberry' trademarks. Retail purchases are paid at time of purchase while wholesale and licensing purchases are paid on short-term credit terms. Revenue is stated excluding Value Added Tax and other sales-related taxes.

Retail and wholesale revenue

For retail and wholesale revenue, the primary performance obligation is the transfer of luxury goods to the customer. For retail revenue this is considered to occur when control of the goods passes to the customer. For in-store retail revenue, control transfers when the customer takes possession of the goods in store and pays for the goods. For digital retail revenue, control is considered to transfer when the goods are delivered to the customer. The timing of transfer of control of the goods in wholesale transactions depends upon the terms of trade in the contract. Principally for wholesale revenue, revenue is recognised either when goods are collected by the customer from the Group's premises, or when the Group has delivered the goods to the location specified in the contract. Provision for returns and other allowances are reflected in revenue when revenue from the customer is first recognised. A sales return liability and a corresponding return asset within gross inventory are recognised. Retail customers typically have the right to return product within a limited time frame while wholesale customers typically have the right to return damaged and, under agreement, certain current season products. Returns are initially estimated based on historical levels and adjusted subsequently as returns are incurred.

Some wholesale contracts may require the Group to make payments to the wholesale customer for services directly relating to the sale of the Group's goods, such as the cost of staff handling the Group's goods at the wholesaler. Payments to the customer directly relating to the sale of goods to the customer are recognised as a reduction in revenue, unless in exchange for a distinct good or service. These charges are recognised in revenue at the later of when the sale of the related goods to the customer is recognised or when the customer is paid, or promised to be paid, for the service. Payments to the customer relating to a service which is distinct from the sale of goods to the customer are recognised in operating costs.

The Group sells gift cards and similar products to customers, which can be redeemed for goods, up to the value of the card, at a future date. Revenue relating to gift cards is recognised when the card is redeemed, up to the value of the redemption. Unredeemed amounts on gift cards are classified as contract liabilities. Typically, the Group does not expect to have significant unredeemed amounts arising on its gift cards.

Licensing revenue

The Group's licences entitle the licensee to access the Group's trademarks over the term of the licence. Hence revenue from licensing is recognised over the term of access to the licence. Royalties receivable under licence agreements are usually based on production or sales volumes and are accrued in revenue as the subsequent production or sale occurs. Any amounts received which have not been recognised in revenue are classified as contract liabilities.

b) Segment reporting

As required by IFRS 8 Operating Segments, the segmental information presented in the financial statements is reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance, has been identified as the Board of Directors.

The Group has centralised activities for designing, making and sourcing, which ensure a global product offering is sold through retail and wholesale channels worldwide. Resource allocation and performance is assessed across the whole of the retail/wholesale channel globally. Hence the retail/wholesale channel has been determined to be an operating segment.

Licensed products are manufactured and sold by third-party licensees. As a result, this channel is assessed discretely by the Chief Operating Decision Maker and has been determined to be an operating segment.

The Group presents an analysis of its revenue by channel, by product division and by geographical destination.

c) Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities assumed at the date of exchange. Contingent payments are subsequently remeasured at fair value through the Income Statement. All transaction costs are expensed to the Income Statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interests in subsidiaries are identified separately from the Group's equity, and are initially measured either at fair value or at a value equal to the non-controlling interests' share of the identifiable net assets acquired. The choice of the basis of measurement is an accounting policy choice for each individual business combination. The excess of the cost of acquisition together with the value of any non-controlling interest over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement.

2. Accounting policies continued

d) Share schemes

The Group operates a number of equity-settled share-based compensation schemes under which services are received from employees (including Executive Directors) as consideration for equity instruments of the Company. The cost of the share-based incentives is measured with reference to the fair value of the equity instruments awarded at the date of grant, including share awards and options. Appropriate option pricing models, including Black-Scholes, are used to determine the fair value of the option awards made. The fair value takes into account the impact of any market performance conditions, but the impact of non-market performance conditions is not considered in determining the fair value on the date of grant. Vesting conditions which relate to non-market conditions are allowed for in the assumptions used for the number of share awards or options expected to vest. The estimate of the number of share awards or options expected to vest is revised at each balance sheet date.

In some circumstances, employees may provide services in advance of the grant date. The grant date fair value is estimated for the purposes of recognising the expense during the period between the service commencement period and the grant date.

The cost of the share-based incentives is recognised as an expense over the vesting period of the share awards, or options, with a corresponding increase in equity.

When share awards or options are exercised, they are settled either via issue of new shares in the Company, or through shares held in an Employee Share Option Plan trust or The Burberry Group plc SIP Trust (collectively known as the ESOP trusts), depending on the terms and conditions of the relevant scheme. For new shares issued, the proceeds received from the exercise of share options, net of any directly attributable transaction costs, are credited to share capital and share premium accounts. When ESOP shares are used, any difference between the exercise price and their cost is recognised in retained earnings.

e) Leases

The Group is both a lessee and lessor of property, plant and equipment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset may be specifically or implicitly specified. Control exists when the lessee has both the right to direct the use of the identified asset and the right to obtain substantially all of the economic benefits from that use.

Lessee accounting

The Group's principal lease arrangements where the Group acts as the lessee are for property, most notably the lease of retail stores, corporate offices and warehouses. Other leases are for office equipment, vehicles, and supply chain equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group recognises all lease liabilities and the corresponding right-of-use assets on the Balance Sheet, with the exception of certain short-term leases (12 months or less) and leases of low value assets, which are expensed as incurred. Leases and the corresponding right-of-use assets are initially recognised when the Group obtains control of the underlying asset. Leases for new assets are presented as additions to lease liabilities and right-of-use assets.

Lease liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any incentives
- Variable lease payments that are based on a future index or rate
- Amounts expected to be payable by the lessee under residual value guarantees and
- The cost of exercising a purchase option if the lessee is reasonably certain to exercise that option

Where the lease contains an extension option or a termination option which is exercisable by the Group, as lessee, an assessment is made as to whether the Group is reasonably certain to exercise the extension option, or not exercise the termination option, considering all relevant facts and circumstances that create an economic incentive. Considerations may include the contractual terms and conditions for the optional periods compared to market rates, costs associated with the termination of the lease and the importance of the underlying asset to the Group's operations.

Variable lease payments dependent upon a future index or rate are measured using the amounts payable at the commencement date until the index or rate is known. Variable lease payments not dependent on an index or rate, including lease payments based on a percentage of turnover, are excluded from the calculation of lease liabilities.

Payments are discounted at the incremental borrowing rate of the lessee, unless the interest rate implicit in the lease can be readily determined.

Right-of-use assets are classified as property or non-property. The Group has elected not to apply the short-term exemption to the property class of right-of-use assets. Where the exemption is applied to the non-property class of right-of-use assets, lease payments are expensed as incurred. The low value asset exemption has been applied to the non-property class of assets where applicable.

2. Accounting policies continued

e) Leases continued

Lessee accounting continued

In circumstances where the Group is in possession of a property but there is no executed agreement or other binding obligation in relation to the property, rent is expensed until such time the obligation becomes binding, at which point, a right-of-use asset and lease liability will be recognised prospectively. These lease costs are disclosed as lease in holdover expenses. Refer to notes 5 and 21.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received and
- Any initial direct costs incurred in entering into the lease

The Group recognises depreciation of right-of-use assets and interest on lease liabilities in the Income Statement over the lease term. Repayments of lease liabilities are classified separately in the Statement of Cash Flows where the cash payments for the principal portion of the lease liability are presented within financing activities, and cash payments for the interest portion are presented within operating activities. Payments in relation to variable lease payments based on turnover, short-term leases and leases of low value assets which are not included on the Balance Sheet are included within operating expenses.

Modifications to lease agreements, extensions to existing lease agreements and changes to future lease payments relating to existing terms in the contract, including market rent reassessments and index-based changes, are presented as remeasurements of the lease liabilities. The related right-of-use asset is also remeasured. If the modification results in a reduction in scope of the lease, either through shortening the lease term or through disposing of part of the underlying asset, a gain or loss on disposal may arise relating to the difference between the lease liabilities and the right-of-use asset applicable to the reduction in scope.

Right-of-use assets are included in the review for impairment of property, plant and equipment and intangible assets with finite economic lives, if there is an indication that the carrying amount of the cash generating unit may not be recoverable.

COVID-19-Related Rent Concessions

The Group accounts for eligible COVID-19 related rent forgiveness as negative variable lease payments. Rent concessions are recognised once a legally binding agreement is made between both parties, by derecognising the portion of the lease liability that has been forgiven and recognising the benefit in the Income Statement. In the prior year, the Group recognised £13 million in COVID-19-related rent concessions in the Income Statement within other operating income. This was presented as an adjusting item (refer to note 6). In the Statement of Cash Flows, the forgiveness results in lower payments of lease principal. The negative variable lease payments in the Income Statement comprise a non-cash item which is adjusted for to calculate cash generated from operating activities. No COVID-19 related rent concessions were recognised in the 52 weeks to 30 March 2024.

f) Dividend distributions

Dividend distributions to Burberry Group plc's shareholders are recognised as a liability in the period in which the dividend becomes a committed obligation. Final dividends are recognised when they are approved by the shareholders. Interim dividends are recognised when paid.

g) Pension costs

Eligible employees participate in defined contribution pension schemes, the principal one being in the UK with its assets held in an independently administered fund. The cost of providing these benefits to participating employees is recognised in the Income Statement as they fall due and comprises the amount of contributions from the Group to the schemes.

h) Intangible assets

Goodwill

Goodwill is the excess of the cost of acquisition together with the value of any non-controlling interest, over the fair value of identifiable net assets acquired. Goodwill on acquisition is recorded as an intangible asset. Fair values are attributed to the identifiable assets, liabilities and contingent liabilities that existed at the date of acquisition, reflecting their condition at that date. Adjustments are also made to align the accounting policies of acquired businesses with those of the Group.

Goodwill is assigned an indefinite useful life. Impairment reviews are performed annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses recognised on goodwill are not reversed in future periods.

2. Accounting policies continued

h) Intangible assets continued

Trademarks, licences and other intangible assets

The cost of securing and renewing trademarks and licences, and the cost of acquiring other intangible assets, is capitalised at purchase price, or fair value if acquired through a business combination, and amortised by equal annual instalments over the period in which benefits are expected to accrue, typically ten years for trademarks, or the term of the licence. The useful life of trademarks and other intangible assets is determined on a case-by-case basis, in accordance with the terms of the underlying agreement and the nature of the asset.

Computer software

Computer software costs are capitalised during the development phase at the point at which there is sufficient certainty that the software will deliver future economic benefits to the Group. The cost of acquiring computer software (including licences and separately identifiable development costs) is capitalised as an intangible asset at purchase price, plus any directly attributable cost of preparing that asset for its intended use. Software costs are amortised on a straight-line basis over their estimated useful lives, which may be up to seven years.

i) Property, plant and equipment

Property, plant and equipment, with the exception of assets in the course of construction, is stated at cost or deemed cost based on historical revalued amounts prior to the adoption of IFRS, less accumulated depreciation and provision to reflect any impairment in value. Assets in the course of construction are stated at cost less any provision for impairment and transferred to completed assets when substantially all of the activities necessary for the asset to be ready for use have occurred. Cost includes the original purchase price of the asset and costs attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation of property, plant and equipment is calculated to write off the cost or deemed cost, less residual value, of the assets in equal annual instalments over their estimated useful lives at the following rates:

Type of asset	Category of property, plant and equipment	Useful life
Land	Freehold land and buildings	Not depreciated
Freehold buildings	Freehold land and buildings	Up to 50 years
Leasehold improvements	Leasehold improvements	Over the unexpired term of the lease
Plant and machinery	Fixtures, fittings and equipment	Up to 15 years
Retail fixtures and fittings	Fixtures, fittings and equipment	Up to 5 years
Office fixtures and fittings	Fixtures, fittings and equipment	Up to 5 years
Computer equipment	Fixtures, fittings and equipment	Up to 7 years
Assets in the course of construction	Assets in the course of construction	Not depreciated

Profit/loss on disposal of property, plant and equipment and intangible assets

Profits and losses on the disposal of property, plant and equipment and intangible assets represent the difference between the net proceeds and net book value at the date of sale. Disposals are accounted for when the relevant transaction becomes unconditional.

j) Assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continued use, and a sale within the next 12 months is considered to be highly probable. Assets classified as held for sale cease to be depreciated and they are stated at the lower of carrying amount and fair value less cost to sell.

k) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets under construction are also tested annually. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, retail assets are grouped at the lowest levels for which there are separately identifiable cash flows, being individual stores (cash generating units), and goodwill assets are considered at the lowest level being monitored by management. Non-financial assets, other than goodwill, for which an impairment has been previously recognised are reviewed for possible reversal of impairment at each reporting date.

2. Accounting policies continued

l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost consists of all costs of purchase, costs of conversion, design costs and other costs incurred in bringing the inventories to their first point of sale location and condition. The cost of inventories is determined using a weighted average cost method, taking account of the fashion seasons for which the inventory was offered. Where necessary, provision is made to reduce cost to no more than net realisable value having regard to the nature and condition of inventory, as well as its anticipated utilisation and saleability.

m) Taxation

Tax expense represents the sum of the current tax expense and the deferred tax charge.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense which are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Group's liability for current tax is calculated using tax rates which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences, no deferred tax will be recognised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.

n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and where the amount of the obligation can be reliably estimated. When the effect of the time value of money is material, provision amounts are calculated based on the present value of the expenditures expected to be required to settle the obligation. The present value is calculated using forward market interest rates as measured at the balance sheet reporting date, which have been adjusted for risks specific to the future obligation.

Property obligations

A provision for the present value of future property reinstatement costs is recognised where there is an obligation to return the leased property to its original condition at the end of a lease term. The reinstatement cost at the end of a lease usually arises due to leasehold improvements and modifications carried out by the Group in order to customise the property during tenure of the lease. As a result, the cost of the reinstatement provision is recognised as a component of the cost of the leasehold improvements in property, plant and equipment when these are installed and amortised to the income statement over the expected life of the lease.

o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from retained earnings. Where such shares are subsequently cancelled, a transfer is made from retained earnings to the capital reserve, equivalent to the nominal value of the shares purchased and subsequently cancelled. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is credited to retained earnings up to the value of the consideration originally paid. Any additional consideration received is credited to the share premium account included in equity attributable to owners of the Company.

2. Accounting policies continued

p) Financial instruments

Financial instruments are initially recognised at fair value plus directly attributable transaction costs on the Balance Sheet when the entity becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flow expire or substantially all risks and rewards of the asset are transferred. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

At initial recognition, all financial liabilities are stated at fair value. Subsequent to initial recognition, all financial liabilities are stated at amortised cost using the effective interest rate method except for derivatives which are held at fair value and which are classified as fair value through profit and loss, except where they qualify for hedge accounting. Financial assets are classified as either amortised cost or fair value through profit and loss depending on their cash flow characteristics. Assets with cash flows that represent solely payments of principal and interest are measured at amortised cost. The fair value of the Group's financial assets and liabilities held at amortised cost mostly approximate their carrying amount due to the short maturity of these instruments. Where the fair value of any financial asset or liability held at amortised cost is materially different to the book value, the fair value is disclosed.

The Group classifies its instruments in the following categories:

Financial instrument category	Note	Classification	Measurement	Fair value measurement hierarchy[2]
Cash and cash equivalents	19	Amortised cost	Amortised cost	N/A
Cash and cash equivalents	19	Fair value through profit and loss	Fair value through profit and loss	2
Trade and other receivables	16	Amortised cost	Amortised cost	N/A
Trade and other payables	20	Other financial liabilities	Amortised cost	N/A
Borrowings	24	Other financial liabilities	Amortised cost	N/A
Leases	21	Lease liabilities	Amortised cost	N/A
Deferred consideration	20	Fair value through profit and loss	Fair value through profit and loss	3
Forward foreign exchange contracts	18	Fair value through profit and loss	Fair value through profit and loss	2
Forward foreign exchange contracts used for hedging[1]	18	Fair value – hedging instrument	Fair value – hedging instrument[3]	2
Equity swap contracts	18	Fair value through profit and loss	Fair value through profit and loss	2

1. Cash flow hedge and net investment hedge accounting is applied to the extent it is achievable.
2. The fair value measurement hierarchy is only applicable for financial instruments measured at fair value.
3. Forward foreign exchange contracts used for hedging are classified as Fair value – hedging instruments under IFRS 9, however IAS 39 hedge accounting has been applied.

The measurements for financial instruments carried at fair value are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: includes unobservable inputs for the asset or liability.

Observable inputs are those which are developed using market data, such as publicly available information about actual events or transactions. The Group has an established framework with respect to measurement of fair values, including Level 3 fair values. The Group regularly reviews any significant inputs which are not derived from observable market data and considers, where available, relevant third-party information, to support the conclusion that such valuations meet the requirements of IFRS. The classification level in the fair value hierarchy is also considered periodically.

The fair value of those cash and cash equivalents measured at fair value through profit and loss, principally money market funds, is derived from their net asset value which is based on the value of the portfolio investment holdings at the balance sheet date. This is considered to be a Level 2 measurement.

The fair value of forward foreign exchange contracts, equity swap contracts and trade and other receivables, principally cash settled equity swaps, is based on a comparison of the contractual and market rates and, in the case of forward foreign exchange contracts, after discounting using the appropriate yield curve as at the balance sheet date. All Level 2 fair value measurements are calculated using inputs which are based on observable market data.

The fair value of the contingent payment component of deferred consideration is considered to be a Level 3 measurement and is derived using a present value calculation, incorporating observable and non-observable inputs. This valuation technique has been adopted as it most closely mirrors the contractual arrangement.

The Group's primary categories of financial instruments are listed below:

2. Accounting policies continued

p) Financial instruments continued

Cash and cash equivalents

Cash and short-term deposits on the Balance Sheet comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. In the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts, which are recorded under current liabilities on the Balance Sheet.

While cash at bank and in hand is classified as amortised cost, some short-term deposits are classified as fair value through profit and loss.

Cash and cash equivalents held at amortised cost are subject to impairment testing at each period end.

Trade and other receivables

Trade and other receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. Most receivables are held with the objective to collect the contractual cash flows and are therefore recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the expected credit losses on trade receivables is established at inception. Expected credit loss rates are calculated by reviewing lifetime expected credit losses using historic and forward-looking data. The amount of the movement in the provision is recognised in the Income Statement.

Trade and other payables

Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, inclusive of transaction costs incurred. Borrowings are subsequently stated at amortised cost and the difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Deferred consideration

Deferred consideration is initially recognised at the present value of the expected future payments. It is subsequently remeasured at fair value at each reporting period with the change in fair value relating to changes in expected future payments recorded in the Income Statement as an operating expense or income. Changes in fair value relating to unwinding of discounting to present value are recorded as a financing expense.

Derivative instruments

The Group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates arising on certain trading transactions. The principal derivative instruments used are forward foreign exchange contracts taken out to hedge highly probable cash flows in relation to future sales, and product purchases. The Group also may designate forward foreign exchange contracts or foreign currency borrowings as a net investment hedge of the assets of overseas subsidiaries.

When hedge accounting is applied, the Group documents at the inception of the transaction the relationship between the spot element of the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Derivatives are initially recognised at fair value at the trade date and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets and liabilities or a firm commitment (fair value hedges); (2) hedges of highly probable forecast transactions (cash flow hedges); (3) hedges of net investment of the assets of overseas subsidiaries (net investment hedges); or (4) classified as fair value through profit and loss.

The forward elements of the hedging instrument are recognised in operating expenses.

Changes in the fair value relating to the spot element of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

2. Accounting policies continued

p) Financial instruments continued

Derivative instruments continued

The effective portion of changes in the fair value relating to the spot element of derivatives that are designated and qualify as cash flow hedges is deferred in other comprehensive income. The gain or loss relating to the ineffective portion of the gain or loss is recognised immediately in the Income Statement. Amounts deferred in other comprehensive income are recycled through the Income Statement in the periods when the hedged item affects the Income Statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement within 'net exchange gain/(loss) on derivatives – fair value through profit and loss'. If a derivative instrument is not designated as a hedge, the subsequent change to the fair value is recognised in the Income Statement within operating expenses or interest depending upon the nature of the instrument.

Where the Group hedges net investments in foreign operations through derivative instruments or foreign currency borrowings, the gains or losses on the effective portion of the change in fair value of derivatives that are designated and qualify as a hedge of a net investment, or the gains or losses on the retranslation of the borrowings are recognised in other comprehensive income and are reclassified to the Income Statement when the foreign operation that is hedged is disposed of.

Cash settled equity swaps are classified as fair value through profit and loss.

q) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in sterling which is the Company's functional and the Group's presentation currency.

Transactions in foreign currencies

Transactions denominated in foreign currencies within each entity in the Group are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are held at the year end, are translated into the functional currency at the exchange rate ruling at the balance sheet date (closing rate). Exchange differences on monetary items are recognised in the Income Statement in the period in which they arise, except where these exchange differences form part of a net investment in overseas subsidiaries of the Group, in which case such differences are recognised in other comprehensive income.

Translation of the results of overseas businesses

The results of overseas subsidiaries are translated into the Group's presentation currency of sterling each month at the average exchange rate for the month, weighted according to the phasing of the Group's trading results. The average exchange rate is used, as it is considered to approximate the actual exchange rates on the date of the transactions. The assets and liabilities of such undertakings are translated at the closing rates. Differences arising on the retranslation of the opening net investment in subsidiary companies, and on the translation of their results, are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The principal exchange rates used were as follows:

	Average rate		Closing rate	
	52 weeks to 30 March 2024	52 weeks to 1 April 2023	**As at 30 March 2024**	As at 1 April 2023
Euro	**1.16**	1.16	**1.17**	1.14
US Dollar	**1.26**	1.20	**1.26**	1.24
Chinese Yuan Renminbi	**9.01**	8.27	**9.13**	8.51
Hong Kong Dollar	**9.84**	9.43	**9.89**	9.73
South Korean Won	**1,657**	1,577	**1,702**	1,613
Japanese Yen	**182**	163	**191**	165

2. Accounting policies continued

r) Adjusted profit before taxation

In order to provide additional understanding of the underlying performance of the Group's ongoing business, the Group's results include a presentation of Adjusted operating profit and Adjusted profit before taxation (adjusted PBT). Adjusted PBT is defined as profit before taxation and before adjusting items. Adjusting items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the performance of the Group's ongoing business. Generally, this will include those items that are largely one-off and/or material in nature as well as income or expenses relating to acquisitions or disposals of businesses or other transactions of a similar nature, including the impact of changes in fair value of expected future payments or receipts relating to these transactions. Adjusting items are identified and presented on a consistent basis each year and a reconciliation of adjusted PBT to profit before taxation is included in the financial statements. Adjusting items and their related tax impacts, as well as adjusting taxation items, are added back to/deducted from profit attributable to owners of the Company to arrive at adjusted earnings per share. Refer to note 6 for further details on adjusting items and note 10 for details on adjusted earnings per share.

3. Segmental analysis

The Chief Operating Decision Maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports used by the Board. The Board considers the Group's business through its two channels to market, being retail/wholesale and licensing.

Retail/wholesale revenues are generated by the sale of luxury goods through Burberry mainline stores, concessions, outlets and digital commerce as well as Burberry franchisees, prestige department stores globally and multi-brand speciality accounts. The flow of global product between retail and wholesale channels and across our regions is monitored and optimised at a corporate level and implemented via the Group's inventory hubs and principal distribution centres situated in Europe, the USA, Mainland China and Hong Kong S.A.R., China.

Licensing revenues are generated through the receipt of royalties from global licensees of beauty products, eyewear and from licences relating to the use of non-Burberry trademarks in Japan.

The Board assesses channel performance based on a measure of adjusted operating profit. This measurement basis excludes the effects of adjusting items. The measure of earnings for each operating segment that is reviewed by the Board includes an allocation of corporate and central costs. Interest income and charges are not included in the result for each operating segment that is reviewed by the Board.

	Retail/Wholesale		Licensing		Total	
	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Retail	**2,400**	2,501	**–**	–	**2,400**	2,501
Wholesale	**506**	543	**–**	–	**506**	543
Licensing	**–**	–	**63**	51	**63**	51
Total segment revenue	**2,906**	3,044	**63**	51	**2,969**	3,095
Inter-segment revenue[1]	**–**	–	**(1)**	(1)	**(1)**	(1)
Revenue from external customers	**2,906**	3,044	**62**	50	**2,968**	3,094
Depreciation and amortisation[2]	**(379)**	(341)	**–**	–	**(379)**	(341)
Net impairment charge of property, plant and equipment	**(5)**	(2)	**–**	–	**(5)**	(2)
Net impairment charge of right-of-use assets[3]	**(9)**	(5)	**–**	–	**(9)**	(5)
Other non-cash items:						
Share-based payments	**(16)**	(19)	**–**	–	**(16)**	(19)
Adjusted operating profit	**359**	587	**59**	47	**418**	634
Adjusting items[4]					**–**	21
Finance income					**31**	21
Finance expense					**(66)**	(42)
Profit before taxation					**383**	634

1. Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.
2. Depreciation and amortisation for the 52 weeks to 1 April 2023 was presented excluding £3 million arising as a result of the Group's restructuring programme, which was presented as an adjusting item (refer to note 6).
3. Net impairment charge of right-of-use assets for the 52 weeks to 1 April 2023 was presented excluding a reversal of £6 million relating to charges as a result of the impact of COVID-19 and a net charge of £3 million arising as a result of the Group's restructuring programme, which were presented as adjusting items (refer to note 6).
4. Adjusting items relate to the Retail and Wholesale segment. Refer to note 6 for details of adjusting items.

3. Segmental analysis continued

	Retail/Wholesale		Licensing		Total	
	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Additions to non-current assets	**399**	350	**–**	–	**399**	350
Total segment assets	**2,474**	2,273	**6**	5	**2,480**	2,278
Goodwill					**119**	109
Cash and cash equivalents					**441**	1,026
Taxation					**330**	273
Total assets per Balance Sheet					**3,370**	3,686

Additional revenue analysis

All revenue is derived from contracts with customers. The Group derives retail and wholesale revenue from contracts with customers from the transfer of goods and related services at a point in time. Licensing revenue is derived over the period the licence agreement gives the customer access to the Group's trademarks.

Revenue by product division	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Accessories	**1,055**	1,125
Women's	**860**	867
Men's	**842**	868
Children's/Other	**149**	184
Retail/Wholesale	**2,906**	3,044
Licensing	**62**	50
Total	**2,968**	3,094

Revenue by destination	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Asia Pacific	**1,286**	1,297
EMEIA[1]	**1,017**	1,004
Americas	**603**	743
Retail/Wholesale	**2,906**	3,044
Licensing	**62**	50
Total	**2,968**	3,094

1. EMEIA comprises Europe, Middle East, India and Africa.

Entity-wide disclosures

Revenue derived from external customers in the UK totalled £295 million for the 52 weeks to 30 March 2024 (last year: £257 million).

Revenue derived from external customers in foreign countries totalled £2,673 million for the 52 weeks to 30 March 2024 (last year: £2,837 million). This amount includes £531 million of external revenues derived from customers in the USA (last year: £661 million) and £648 million of external revenues derived from customers in Mainland China (last year: £683 million).

The total of non-current assets, other than financial instruments, and deferred tax assets located in the UK is £523 million (last year: £485 million). The remaining £1,168 million of non-current assets are located in other countries (last year: £1,094 million), with £352 million located in the USA (last year: £318 million) and £200 million located in Mainland China (last year: £235 million).

4. Net operating expenses

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Other operating income		(13)	(12)
Selling and distribution costs		1,248	1,207
Administrative expenses		356	353
		1,591	1,548
Adjusting operating income	6	–	(34)
Adjusting operating expenses	6	–	12
		–	(22)
Net operating expenses		1,591	1,526

5. Profit before taxation

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Adjusted profit before taxation is stated after charging/(crediting):			
Depreciation of property, plant and equipment			
Within cost of sales		2	2
Within selling and distribution costs		84	76
Within administrative expenses		17	17
Depreciation of right-of-use assets			
Within cost of sales		1	–
Within selling and distribution costs		214	191
Within administrative expenses[1]		19	18
Amortisation of intangible assets			
Within selling and distribution costs		1	1
Within administrative expenses		41	36
Loss on disposal of intangible assets		3	–
Gain on modification of right-of-use assets		(4)	(2)
Net impairment charge of property, plant and equipment	13	5	2
Net impairment charge of right-of-use assets[2]	14	9	5
Employee costs[3]	28	572	565
Other lease expense			
Property lease variable lease expense	21	111	125
Property lease in holdover expense	21	18	20
Non-property short-term lease expense	21	12	11
Net exchange loss on revaluation of monetary assets and liabilities		20	10
Net gain on derivatives – fair value through profit and loss		(7)	(9)
Receivables net impairment charge		4	2

1. Depreciation of right-of-use assets within administrative expenses for the 52 weeks to 1 April 2023 was presented excluding £3 million arising as a result of the Group's restructuring programme, which was presented as an adjusting item (refer to note 6).
2. Net impairment charge of right-of-use assets for the 52 weeks to 1 April 2023 was presented excluding a reversal of £6 million relating to charges as a result of the impact of COVID-19 and a net charge of £3 million arising as a result of the Group's restructuring programme, which were presented as adjusting items (refer to note 6).
3. Employee costs for the 52 weeks to 1 April 2023 was presented excluding a charge of £10 million arising as a result of the Group's restructuring programme, which was presented as an adjusting item (refer to note 6).

6. Adjusting items

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Adjusting items		
Adjusting operating items		
Impact of COVID-19:		
Impairment reversal relating to retail cash generating units	–	(6)
Impairment reversal relating to inventory	–	(1)
COVID-19-related rent concessions	–	(13)
COVID-19-related government grant income	–	(2)
Other adjusting items:		
Gain on disposal of property	–	(19)
Restructuring costs	–	16
Revaluation of deferred consideration liability	–	2
Total adjusting operating items	–	(23)
Adjusting financing items		
Finance charge on adjusting items	–	2
Total adjusting financing items	–	2
Tax on adjusting items	–	6
Total adjusting items (post-tax)	–	(15)

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Analysis of adjusting operating items:			
Included in Cost of sales (Impairment reversal relating to inventory)		–	(1)
Included in Operating expenses	4	–	12
Included in Other operating income	4	–	(34)
Total		–	(23)

No adjusting items have been recorded for the 52 weeks to 30 March 2024. Adjusting items related to prior periods were as follows:

Impact of COVID-19

Impairment of retail cash generating units

During the 52 weeks to 1 April 2023, a net impairment reversal of £6 million, and an associated tax charge of £1 million, were recorded following the reassessment of the COVID-19 related impairment provision. Any charges or reversals from the reassessment of the original impairment adjusting item, had they arisen, would have been included in this adjusting item. Refer to notes 13 and 14 for details of impairment of retail cash generating units.

Impairment of inventory

During the 52 weeks to 1 April 2023, reversals of inventory provisions of £1 million were recorded and presented as adjusting items. This was relating to inventory which had been provided for as an adjusting item at the previous year end and had either been sold, or was expected to be sold, at a higher net realisable value than had been assumed when the provision had been initially estimated. All other charges and reversals relating to inventory provisions have been recorded in adjusted operating profit. Refer to note 17 for details of inventory provisions.

COVID-19-related rent concessions

During the 52 weeks to 1 April 2023, eligible rent forgiveness amounts relating to COVID-19 were treated as negative variable lease payments, which resulted in a credit of £13 million recorded within other operating income. This income was presented as an adjusting item given that the amendment to IFRS 16 was only applicable for a limited period of time and it explicitly related to COVID-19. The amendment expired on 30 June 2022 however the Group continued to apply the same accounting treatment applying the principles of IFRS 9 for any ongoing COVID-19 related rent forgiveness. A related tax charge of £3 million was also recognised in the prior year.

COVID-19-related grant income

During the 52 weeks to 1 April 2023, the Group recorded grant income of £2 million within other operating income relating to government support to alleviate the impact of COVID-19. This income was presented as an adjusting item as it was explicitly related to COVID-19, and the arrangements were expected to last for a limited period of time. A related tax charge of £1 million was also recognised in the prior year.

6. Adjusting items continued

Other adjusting items

Gain on disposal of property

During the 52 weeks to 1 April 2023, the Group completed the sale of an owned property in the USA for cash proceeds of £22 million resulting in a net gain on disposal of £19 million, recorded within other operating income. The net gain on disposal was recognised as an adjusting item, in accordance with the Group's accounting policy, as it was considered to be material and one-off in nature. A related tax charge of £5 million was also recognised in the prior year.

Restructuring costs

During the 52 weeks to 1 April 2023, restructuring costs of £16 million were incurred primarily as a result of the organisational efficiency programme announced in July 2020, which completed last year. The costs principally related to impairment charges on non-retail assets and redundancies and were recorded in operating expenses. They were presented as an adjusting item, in accordance with the Group's accounting policy, as the anticipated cost of the restructuring programme was considered material and discrete in nature. A related tax credit of £4 million was also recognised in the prior year.

Items relating to the deferred consideration liability

On 22 April 2016, the Group entered into an agreement to transfer the economic right of the non-controlling interest in Burberry Middle East LLC to the Group in exchange for consideration of contingent payments to be made to the minority shareholder over the period ending 30 March 2024. Contingent payments of £5 million remain outstanding at 30 March 2024, which will be paid once all required documentation is complete.

During the 52 weeks to 1 April 2023, a charge of £2 million in relation to the revaluation of this balance was recognised in operating expenses. No tax was recognised as the future payments were not considered to be deductible for tax purposes. This was presented as an adjusting item in accordance with the Group's accounting policy, as it arose from changes in the value of the liability for expected future payments relating to the purchase of a non-controlling interest in the Group.

7. Auditor remuneration

Fees incurred during the year in relation to audit and non-audit services are analysed below:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Audit services in respect of the financial statements of the Company and consolidation	**0.5**	0.5
Audit services in respect of the financial statements of subsidiary companies	**2.9**	2.7
Audit-related assurance services	**0.1**	0.2
Other non-audit-related services	**0.2**	0.1
Total	**3.7**	3.5

8. Financing

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Finance income – amortised cost		**9**	3
Bank interest income – fair value through profit and loss		**22**	18
Finance income		**31**	21
Interest expense on lease liabilities[1]	21	**(43)**	(31)
Interest expense on overdrafts		**(7)**	(2)
Interest expense on borrowings		**(4)**	(4)
Bank charges		**(1)**	(1)
Other finance expense		**(11)**	(4)
Finance expense		**(66)**	(42)
Finance charge on adjusting items	6	**–**	(2)
Net finance expense		**(35)**	(23)

1. During the 52 weeks to 1 April 2023, interest expense on lease liabilities of £31 million excluded £2 million arising as a result of the Group's restructuring programme, which was presented as an adjusting item (refer to note 6).

9. Taxation

Analysis of charge for the year recognised in the Group Income Statement:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Current tax		
UK corporation tax		
Current tax on income for the 52 weeks to 30 March 2024 at 25% (last year: 19%)	104	116
Double taxation relief	(3)	(5)
Adjustments in respect of prior years[1]	44	12
	145	123
Foreign tax		
Current tax on income for the year	26	34
Adjustments in respect of prior years[1]	(35)	3
	(9)	37
Total current tax	136	160
Deferred tax		
UK deferred tax		
Origination and reversal of temporary differences	5	4
Adjustments in respect of prior years[1]	(1)	–
	4	4
Foreign deferred tax		
Origination and reversal of temporary differences	(28)	(26)
Adjustments in respect of prior years[1]	–	4
	(28)	(22)
Total deferred tax	(24)	(18)
Total tax charge on profit	112	142

1. Adjustments in respect of prior years relate mainly to adjustments to estimates of prior period tax liabilities and a net increase in provisions for uncertain tax positions (where in some instances the provision also includes offsetting relief in a different jurisdiction) and tax accruals.

Analysis of charge for the year recognised in other comprehensive income and directly in equity:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Current tax		
Recognised in other comprehensive income:		
Current tax (credit)/charge on exchange differences on loans (foreign currency translation reserve)	(1)	1
Total current tax recognised in other comprehensive income	(1)	1
Deferred tax		
Recognised in equity:		
Deferred tax charge/(credit) on share options (retained earnings)	2	(2)
Total deferred tax recognised directly in equity	2	(2)

9. Taxation continued

The tax rate applicable on profit varied from the standard rate of corporation tax in the UK due to the following factors:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Profit before taxation	383	634
Tax at 25% (last year: 19%) on profit before taxation	97	120
Rate adjustments relating to overseas profits	–	1
Permanent differences	3	4
Current year tax losses not recognised	3	–
Prior year temporary differences and tax losses recognised	1	(3)
Adjustments in respect of prior years	8	19
Adjustments to deferred tax relating to changes in tax rates	–	1
Total taxation charge	112	142

Total taxation recognised in the Group Income Statement arises on the following items:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Tax on adjusted profit before taxation	112	136
Tax on adjusting items	–	6
Total taxation charge	112	142

Factors affecting future tax charges

Uncertain tax positions

The Group operates in numerous tax jurisdictions around the world and is subject to factors that may affect future tax charges including transfer pricing, tax rate changes, tax legislation changes, tax authority interpretation, expiry of statutes of limitation, tax litigation, and resolution of tax audits and disputes.

At any given time, the Group has open years outstanding in various countries and is involved in tax audits and disputes, some of which may take several years to resolve. Provisions are based on best estimates and management's judgements concerning the likely ultimate outcome of any audit or dispute. Management considers the specific circumstances of each tax position and takes external advice, where appropriate, to assess the range of potential outcomes and estimate additional tax that may be due.

At 30 March 2024 the Group recognised provisions of £91 million in respect of uncertain tax positions (increasing from £86 million in 2023), being provisions of £131 million net of expected reimbursements of £40 million (last year: £103 million net of expected reimbursements of £17 million). The majority of these provisions relate to the tax impact of intra-group transactions between the UK and the various jurisdictions in which the Group operates, as would be expected for a Group operating internationally.

The Group believes that it has made adequate provision in respect of additional tax liabilities that may arise from open years, tax audits and disputes. However, the actual liability for any particular issue may be higher or lower than the amount provided, resulting in a negative or positive effect on the tax charge in any given year. A reduction in the tax charge may also arise for other reasons such as an expiry of the relevant statute of limitations. Depending on the final outcome of tax audits which are currently in progress, statute of limitations expiry, and other factors, an impact on the tax charge could arise. The tax impact of intra-group transactions is a complex area and resolution of matters can take many years. Given the inherent uncertainty, it is difficult to predict the timing of when these matters will be resolved and the quantum of the ultimate resolution. Management estimate that the outcome across all matters under dispute or in negotiation between governments could be in the range of a decrease of £32 million, to an increase of £47 million, in the uncertain tax position over the next 12 months.

Legislative changes

The OECD Pillar Two GloBE Rules introduce a global minimum corporate tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million. All participating OECD members are required to incorporate these rules into national legislation. The Group will be subject to the Pillar Two Model Rules from FY 2024/25 but does not meet the threshold for application of the Pillar One transfer pricing rules. The Group applies the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

UK legislation in relation to Pillar Two was substantively enacted on 20 June 2023 and applies to the Group for the reporting period beginning 31 March 2024. The Group has performed an analysis of the potential exposure to Pillar Two income taxes. The analysis of the potential exposure to Pillar Two income taxes is based on the most recently submitted Country by Country Reporting available for the constituent entities in the Group (for the 52 weeks to 1 April 2023). Based on the analysis, the transitional safe harbour relief should apply in respect of most jurisdictions in which the Group operates. Although there are a limited number of jurisdictions where the transitional safe harbour relief may not apply, the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

10. Earnings per share

The calculation of basic earnings per share is based on profit or loss attributable to owners of the Company for the year divided by the weighted average number of ordinary shares in issue during the year. Basic and diluted earnings per share based on adjusted profit before taxation are also disclosed to indicate the underlying profitability of the Group.

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Attributable profit for the year before adjusting items[1]	270	475
Effect of adjusting items[1] (after taxation)	–	15
Attributable profit for the year	**270**	**490**

1. Refer to note 6 for details of adjusting items.

The weighted average number of ordinary shares represents the weighted average number of Burberry Group plc ordinary shares in issue throughout the year, excluding ordinary shares held in the Group's ESOP trusts and treasury shares held by the Company or its subsidiaries. This includes the effect of the cancellation of 20.5 million shares during the period as a result of the share buyback programmes (last year: 21.1 million). Refer to note 25 for additional information on the share buybacks.

Diluted earnings per share is based on the weighted average number of ordinary shares in issue during the year. In addition, account is taken of any options and awards made under the employee share incentive schemes, which will have a dilutive effect when exercised. Refer to note 28 for additional information on the terms and conditions of the employee share incentive schemes.

	52 weeks to 30 March 2024 Millions	52 weeks to 1 April 2023 Millions
Weighted average number of ordinary shares in issue during the year	365.0	386.1
Dilutive effect of the employee share incentive schemes	1.2	1.9
Diluted weighted average number of ordinary shares in issue during the year	**366.2**	**388.0**

	52 weeks to 30 March 2024 Pence	52 weeks to 1 April 2023 Pence
Earnings per share		
Basic	74.1	126.9
Diluted	73.9	126.3
Adjusted earnings per share		
Basic	74.1	123.1
Diluted	73.9	122.5

11. Dividends paid to owners of the Company

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Prior year final dividend paid 44.5p per share (last year: 35.4p)	167	140
Interim dividend paid 18.3p per share (last year: 16.5p)	66	63
Total	**233**	**203**

A final dividend in respect of the 52 weeks to 30 March 2024 of 42.7p (last year: 44.5p) per share, amounting to £151 million, has been proposed for approval by the shareholders at the Annual General Meeting subsequent to the balance sheet date. The final dividend has not been recognised as a liability at the year end and will be paid on 2 August 2024 to the shareholders on the register at the close of business on 28 June 2024. The ex-dividend date is 27 June 2024 and the final day for dividend reinvestment plan (DRIP) elections is 12 July 2024.

12. Intangible assets

Cost	Goodwill £m	Trademarks, licences and other intangible assets £m	Computer software £m	Intangible assets in the course of construction £m	Total £m
As at 2 April 2022	115	13	258	55	441
Effect of foreign exchange rate changes	–	–	1	–	1
Additions	–	1	13	32	46
Disposals	–	–	(42)	–	(42)
Reclassifications from assets in the course of construction	–	–	18	(18)	–
As at 1 April 2023	115	14	248	69	446
Effect of foreign exchange rate changes	(6)	–	(2)	–	(8)
Additions	–	1	8	44	53
Business combination	16	1	–	–	17
Disposals	–	–	(5)	(22)	(27)
Reclassifications from assets in the course of construction	–	–	30	(30)	–
As at 30 March 2024	**125**	**16**	**279**	**61**	**481**
Accumulated amortisation and impairment					
As at 2 April 2022	6	7	169	19	201
Effect of foreign exchange rate changes	–	–	2	–	2
Charge for the year	–	1	36	–	37
Disposals	–	–	(42)	–	(42)
As at 1 April 2023	6	8	165	19	198
Effect of foreign exchange rate changes	–	–	(2)	–	(2)
Charge for the year	–	1	41	–	42
Disposals	–	–	(5)	(19)	(24)
As at 30 March 2024	**6**	**9**	**199**	**–**	**214**
Net book value					
As at 30 March 2024	**119**	**7**	**80**	**61**	**267**
As at 1 April 2023	109	6	83	50	248

Impairment testing of goodwill

The carrying value of the goodwill allocated to cash generating units:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Mainland China	46	50
South Korea	24	26
Retail and Wholesale segment[1]	35	19
Other	14	14
Total	119	109

1. Goodwill which arose on acquisitions of Burberry Manifattura S.R.L. and Burberry Tecnica S.R.L. has been allocated to the group of cash generating units which make up the Group's Retail and Wholesale operating segment cash generating unit. This reflects the lowest level at which the goodwill is being monitored by management.

The Group tests goodwill for impairment annually or when there is an indication that goodwill might be impaired. The recoverable amount of all cash generating units has been determined on a value-in-use basis. Value-in-use calculations for each cash generating unit are based on projected pre-tax discounted cash flows together with a discounted terminal value. The cash flows have been discounted at pre-tax rates reflecting the Group's weighted average cost of capital adjusted for country-specific tax rates and risks. Where the cash generating unit has a non-controlling interest which was recognised at a value equal to its proportionate interest in the net identifiable assets of the acquired subsidiary at the acquisition date, the carrying amount of the goodwill has been grossed up, to include the goodwill attributable to the non-controlling interest, for the purpose of impairment testing the goodwill attributable to the cash generating unit. The key assumptions contained in the value-in-use calculations include the future revenues, the operating profit margins achieved and the discount rates applied.

The value-in-use calculations have been prepared using management's cost and revenue projections for the next three years to 27 March 2027 and a longer-term growth rate of 5% to 30 March 2029. A terminal value has been included in the value-in-use calculation based on the cash flows for the year ending 30 March 2029, incorporating the assumption that growth beyond 30 March 2029 is equivalent to nominal inflation rates, assumed to be 2%, which are not significant to the assessment.

The value-in-use estimates indicated that the recoverable amount of the cash generating unit exceeded the carrying value for each of the cash generating units. As a result, no impairment has been recognised in respect of the carrying value of goodwill in the year.

12. Intangible assets continued

Impairment testing of goodwill continued

The goodwill arising on the acquisition of Burberry Tecnica S.R.L. has been allocated to the group of cash generating units which make up the Group's retail/wholesale operating segment. This reflects the level at which the goodwill is being monitored by management. For the material goodwill balances of Mainland China, South Korea and the Retail and Wholesale segment, management has considered the potential impact of reasonably possible changes in assumptions on the recoverable amount of goodwill. The sensitivities include applying a 10% reduction in revenue and gross profit and the associated impact on operating profit margin from management's base cash flow projections, considering the macroeconomic and political uncertainty risk on the Group's retail operations and on the global economy. Under this scenario, the estimated recoverable amount of goodwill in Mainland China, South Korea and the Retail and Wholesale segment still exceeded the carrying value.

The pre-tax discount rates for Mainland China, South Korea and the Retail and Wholesale segment were 12%, 10% and 11% respectively (last year: Mainland China 12%, South Korea 12%, and the Retail and Wholesale segment 12%). No reasonably possible change in these pre-tax discount rates would result in the carrying value to exceed the estimated recoverable amount of goodwill.

The other goodwill balance of £14 million (last year: £14 million) consists of amounts relating to eight cash generating units, none of which have goodwill balances individually exceeding £6 million as at 30 March 2024 (last year: £7 million).

13. Property, plant and equipment

Cost	Freehold land and buildings £m	Leasehold improvements £m	Fixtures, fittings and equipment £m	Assets in the course of construction £m	Total £m
As at 2 April 2022	116	550	348	47	1,061
Effect of foreign exchange rate changes	6	6	9	1	22
Additions	–	56	25	66	147
Disposals	(1)	(53)	(27)	(1)	(82)
Reclassifications from assets in the course of construction	–	26	11	(37)	–
As at 1 April 2023	121	585	366	76	1,148
Effect of foreign exchange rate changes	(2)	(27)	(8)	(3)	(40)
Additions	–	88	32	44	164
Business combination	–	–	1	–	1
Disposals	–	(69)	(47)	–	(116)
Reclassifications from assets in the course of construction	–	54	14	(68)	–
Reclassifications to assets held for sale	(28)	–	–	–	(28)
As at 30 March 2024	**91**	**631**	**358**	**49**	**1,129**

Accumulated depreciation and impairment	Freehold land and buildings £m	Leasehold improvements £m	Fixtures, fittings and equipment £m	Assets in the course of construction £m	Total £m
As at 2 April 2022	56	388	294	1	739
Effect of foreign exchange rate changes	4	6	8	–	18
Charge for the year	3	64	28	–	95
Disposals	(1)	(53)	(27)	(1)	(82)
Impairment charge on assets	–	2	–	–	2
As at 1 April 2023	62	407	303	–	772
Effect of foreign exchange rate changes	–	(17)	(8)	–	(25)
Charge for the year	2	69	32	–	103
Disposals	–	(69)	(47)	–	(116)
Impairment charge on assets	–	4	1	–	5
Reclassifications to assets held for sale	(16)	–	–	–	(16)
As at 30 March 2024	**48**	**394**	**281**	**–**	**723**

Net book value	Freehold land and buildings £m	Leasehold improvements £m	Fixtures, fittings and equipment £m	Assets in the course of construction £m	Total £m
As at 30 March 2024	**43**	**237**	**77**	**49**	**406**
As at 1 April 2023	59	178	63	76	376

13. Property, plant and equipment continued

During the 52 weeks to 30 March 2024, management carried out a review of retail cash generating units comprising right-of-use asset and property, plant and equipment, for any indication of impairment or reversal of impairments previously recorded. Where indications of impairment charges or reversals were identified, the impairment review compared the value-in-use of the cash generating units to their net book values at 30 March 2024. The pre-tax cash flow projections used for this review were based on financial plans of expected revenues and costs of each retail cash generating unit, approved by management, reflecting their latest plans over the next three years to 27 March 2027. For the remainder of the asset life, the cashflows assume industry growth rates of 5% and cost inflation rates appropriate to each store's location, followed by longer-term growth rates of mid-single digits and inflation rates appropriate to each store's location. The pre-tax discount rates used in these calculations were between 10.2% and 12.1% (last year: between 11.1% and 13.7%) based on the Group's weighted average cost of capital adjusted for country-specific borrowing costs, tax rates and risks for those countries in which a charge or reversal was incurred. Where indicators of impairment have been identified and the value-in-use was less than the carrying value of the cash generating unit, an impairment of property, plant and equipment and right-of-use asset was recorded. Where the value-in-use was greater than the net book value, and the cash generating unit had been previously impaired, the impairment was reversed, to the extent that could be supported by the value-in use and allowing for any depreciation that would have been incurred during the period since the impairment was recorded.

During the 52 weeks to 30 March 2024, a charge of £14 million (last year: net charge of £7 million) was recorded within net operating expenses as a result of the annual review of impairment for retail store assets. A charge of £5 million (last year: charge of £2 million) was recorded against property, plant and equipment and a charge of £9 million (last year: net charge of £5 million) was recorded against right-of-use assets. Impairments previously charged as an adjusting item related to the impact of COVID-19 were reassessed, resulting in no impairment charge or reversal being presented as an adjusting item in the current year (last year: net reversal of £6 million recorded against right-of-use assets). Refer to note 14 for further details of right-of-use assets. Refer to note 6 for details of adjusting items.

The impairment charge recorded in property, plant and equipment related to six retail cash generating units (last year: two retail cash generating units) for which the total recoverable amount at the balance sheet date is £15 million (last year: £1 million).

Management has considered the potential impact of changes in assumptions on the impairment recorded against the Group's retail assets. Given the macroeconomic and political uncertainty risk on the Group's retail operations and on the global economy, management has considered sensitivities to the impairment charge as a result of changes to the estimate of future revenues achieved by the retail stores. The sensitivities applied are an increase or decrease in revenue of 10% from the estimate used to determine the impairment charge or reversal. We have also considered retail cash generating units with no indicators of impairment but with a significant asset balance. It is estimated that a 10% decrease/increase in revenue assumptions for the 52 weeks to 29 March 2025, with no change to subsequent forecast revenue growth rate assumptions, would result in a less than £19 million increase/less than £9 million decrease in the impairment charge of retail store assets in the 52 weeks to 30 March 2024.

As at 30 March 2024, the Group had one freehold property that met the criteria to be classified as held for sale. This asset is required to be recorded at the lower of carrying value or fair value less any costs to sell. As the fair value less any costs to sell exceeded the carrying value, the related asset was recorded at its carrying value of £12 million. The sale of this property is expected to complete within the next 12 months.

No assets were classified as held for sale at 1 April 2023. During the 52 weeks to 1 April 2023, the sale of three freehold properties with a carrying value of £13 million, which were previously classified as assets held for sale, was completed resulting in a net gain on disposal of £19 million.

14. Right-of-use assets

Net book value	Property right-of-use assets £m
As at 2 April 2022	880
Effect of foreign exchange rate changes	14
Additions	157
Remeasurements	113
Depreciation for the year	(212)
Impairment charge on right-of-use assets	(10)
Impairment reversal on right-of-use assets	8
As at 1 April 2023	950
Effect of foreign exchange rate changes	(27)
Additions	162
Business combination	2
Remeasurements	169
Depreciation for the year	(234)
Impairment charge on right-of-use assets	(9)
As at 30 March 2024	**1,013**

As a result of the assessment of retail cash generating units for impairment, an impairment charge of £9 million (last year: net impairment reversal of £1 million) was recorded for impairment of right-of-use assets related to trading impacts. Refer to note 13 for further details of impairment assessment of retail cash generating units. The net impairment reversal in the prior year comprised a reversal of £6 million arising from the change in assumption due to the impact of COVID-19 on the value-in-use of retail cash generating units and a charge of £5 million relating to other trading impacts. The reversal relating to COVID-19 was presented as an adjusting item (refer to note 6).

The impairment charge recorded in right-of-use assets relates to seven retail cash generating units (last year: three retail cash generating units) for which the total recoverable amount at the balance sheet date is £44 million (last year: £17 million).

At 1 April 2023, a net impairment charge of £3 million was recognised in relation to non-retail right-of-use assets arising as a result of the Group's restructuring programmes and was presented as an adjusting item (refer to note 6).

As a result, the impairment charge for right-of-use assets was £9 million (last year: net impairment charge of £2 million).

15. Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and there is an intention to settle on a net basis, and to the same fiscal authority. The assets and liabilities presented in the Balance Sheet, after offset, are shown in the table below:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Deferred tax assets	**208**	197
Deferred tax liabilities	**(1)**	(1)
Net amount	**207**	196

The movement in the deferred tax account is as follows:	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
At start of year	**196**	174
Effect of foreign exchange rate changes	**(11)**	2
Credited to the Income Statement	**24**	18
Business combination	**(1)**	–
Credited to Other comprehensive income	**1**	–
(Charged)/credited to Equity	**(2)**	2
At end of year	**207**	196

15. Deferred taxation continued

The movement in the net deferred tax balances during the year is as follows:

	Capital allowances £m	Unrealised inventory profit and other inventory provisions £m	Share schemes £m	Unused tax losses £m	Leases £m	Other[1] £m	Total £m
As at 2 April 2022	19	97	5	3	32	18	174
Effect of foreign exchange rate changes	1	1	–	–	–	–	2
Credited/(charged) to the Income Statement	(6)	10	1	11	(1)	3	18
Credited to Equity	–	–	2	–	–	–	2
As at 1 April 2023	14	108	8	14	31	21	196
Effect of foreign exchange rate changes	(1)	(7)	–	–	(1)	(2)	(11)
Credited/(charged) to the Income Statement	(11)	23	(3)	15	5	(5)	24
Business combination	–	–	–	–	–	(1)	(1)
Credited to Other comprehensive income	–	–	–	–	–	1	1
Charged to Equity	–	–	(2)	–	–	–	(2)
As at 30 March 2024	**2**	**124**	**3**	**29**	**35**	**14**	**207**

1. Deferred balances within Other relate largely to temporary differences arising on other provisions and accruals.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £50 million (last year: £46 million) in respect of losses and temporary timing differences amounting to £201 million (last year: £181 million) that can be set off against future taxable income. There is a time limit for the recovery of £1 million of these potential assets (last year: £6 million) which ranges from one to five years (last year: one to seven years).

The Group has recognised a deferred tax asset of £35 million (not including profit in stock consolidation adjustments) in Mainland China, of which £25 million arises due to losses in FY 2022/23 and FY 2023/24. Group financial forecasts indicate that the subsidiary in Mainland China is expected to generate future taxable profits which will enable the deferred tax asset to be utilised in full.

During the 52 weeks to 30 March 2024, the Group adopted the IAS 12 amendment for Deferred Tax related to Assets and Liabilities arising from a Single Transaction. For jurisdictions where tax deductions do not follow IFRS 16 accounting, the Group recognises a deferred tax asset on the lease liability and a separate deferred tax liability on the right-of-use asset. The Group applies jurisdictional netting and the net position is included in the “Leases” column above.

Included within other temporary differences above is a deferred tax liability of £1 million (last year: £1 million) relating to unremitted overseas earnings. No deferred tax liability is provided in respect of any future remittance of earnings of foreign subsidiaries where the Group is able to control the remittance of earnings and it is probable that such earnings will not be remitted in the foreseeable future, or where no liability would arise on the remittance. The aggregate amount of temporary differences in respect of unremitted earnings is £255 million (last year: £281 million).

16. Trade and other receivables

	As at 30 March 2024 £m	As at 1 April 2023 £m
Non-current		
Other financial receivables[1]	47	45
Other non-financial receivables[2]	–	2
Prepayments	5	5
Total non-current trade and other receivables	52	52
Current		
Trade receivables	189	184
Provision for expected credit losses	(10)	(7)
Net trade receivables	179	177
Other financial receivables[1]	27	25
Other non-financial receivables[2]	86	59
Prepayments	33	32
Accrued income	15	14
Total current trade and other receivables	340	307
Total trade and other receivables	392	359

1. Other financial receivables include rental deposits and other sundry debtors.
2. Other non-financial receivables relates primarily to indirect taxes and other taxes and duties.

Included in total trade and other receivables are non-financial assets of £124 million (last year: £98 million).

The Group's impairment policies and the calculation of any allowances for credit losses are detailed in note 27 in the credit risk section.

17. Inventories

	As at 30 March 2024 £m	As at 1 April 2023 £m
Raw materials	29	15
Work in progress	3	1
Finished goods	475	431
Total inventories	507	447

	As at 30 March 2024 £m	As at 1 April 2023 £m
Total inventories, gross	580	504
Provisions	(73)	(57)
Total inventories, net	507	447

Inventory provisions of £73 million (last year: £57 million) are recorded, representing 12.6% (last year: 11.4%) of the gross value of inventory. The provisions reflect management's best estimate of the net realisable value of inventory, where this is considered to be lower than the cost of the inventory.

The cost of inventories recognised as an expense and included in cost of sales amounted to £922 million (last year: £874 million).

Taking into account factors impacting the inventory provisioning including the proportion of inventory sold through loss making channels being higher or lower than expected, management considers that a reasonable potential range of outcomes could result in an increase in inventory provisions of £15 million or a decrease in inventory provisions of £22 million in the next 12 months. This would result in a potential range of inventory provisions of 8.8% to 15.3% as a percentage of the gross value of inventory as at 30 March 2024.

The net movement in inventory provisions included in cost of sales for the 52 weeks to 30 March 2024 was a charge of £39 million (last year: release of £1 million). The total reversal of inventory provisions during the current year, which is included in the net movement, was £15 million (last year: reversal of £22 million). In the prior year, a reversal of £1 million was included within both of these amounts upon reassessment of the provision related to the impact of COVID-19 and was presented as an adjusting item. Refer to note 6 for details of adjusting items.

18. Derivative financial instruments

Master netting arrangements

The Group's forward foreign exchange contracts are entered into under International Swaps and Derivatives Association (ISDA) master netting arrangements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single amount that is payable by one party to the other. In certain circumstances, such as when a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. The ISDA agreements do not meet the criteria for offsetting in the Balance Sheet as the Group's right to offset is enforceable only on the occurrence of future events such as default. The Group has amended the ISDA agreement with two banks to require it to net settle its forward foreign exchange contracts. There were no derivatives subject to net settlement agreements and offset on the Balance Sheet at 30 March 2024 (last year: nil). The Group's Balance Sheet would not be materially different if it had offset its forward foreign exchange contracts and equity swap contracts subject to the standard ISDA agreements.

Derivative financial assets

	As at 30 March 2024 £m	As at 1 April 2023 £m
Forward foreign exchange contracts – fair value hedging instrument: cash flow hedges	–	–
Forward foreign exchange contracts – fair value through profit and loss[1]	2	4
Equity swap contracts – fair value through profit and loss	–	3
Total position	2	7
Comprising:		
Total current position	2	7

1. Forward foreign exchange contracts classified as fair value through profit and loss are used for cash management and hedging monetary assets and liabilities. At 30 March 2024, all such contracts had maturities of no greater than three months from the balance sheet date (last year: no greater than three months from the balance sheet date).

Derivative financial liabilities

	As at 3 March 2024 £m	As at 1 April 2023 £m
Forward foreign exchange contracts – fair value hedging instrument: cash flow hedges	(2)	(1)
Forward foreign exchange contracts – fair value through profit and loss[1]	(1)	–
Equity swap contracts – fair value through profit and loss	(1)	–
Total position	(4)	(1)
Comprising:		
Total current position	(4)	(1)

1. Forward foreign exchange contracts classified as fair value through profit and loss are used for cash management and hedging monetary assets and liabilities. At 30 March 2024, all such contracts had maturities of no greater than three months from the balance sheet date (last year: no greater than two months from the balance sheet date).

Net derivative financial instruments

The notional principal amounts of the outstanding forward foreign exchange and equity swap contracts at year end are:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Forward foreign exchange contracts – fair value hedging instrument: cash flow hedges	71	155
Forward foreign exchange contracts – fair value through profit and loss	439	332
Equity swap contracts – fair value through profit and loss	4	7

18. Derivative financial instruments continued

Effect of hedge accounting on the financial position and performance

The effects of the foreign currency cash flow hedging instruments on the Group's financial position and performance are as follows:

	As at 30 March 2024	As at 1 April 2023
Foreign currency forwards		
Carrying amount (assets)	–	–
Notional amount	–	£18m
Maturity date	–	Jun 2023 – Nov 2023
Hedge ratio	–	1:1
Change in spot value of outstanding hedging instruments since start of year	–	–
Change in value of hedged item used to determine hedge effectiveness	–	–
Weighted average hedged rate of outstanding contracts (including forward points) – EUR	–	1.1369
Carrying amount (liabilities)	(£2m)	(£1m)
Notional amount	£71m	£137m
Maturity date	May 2024 – Aug 2024	Jun 2023 – May 2024
Hedge ratio	1:1	1:1
Change in spot value of outstanding hedging instruments since start of year	(£2m)	£1m
Change in value of hedged item used to determine hedge effectiveness	£2m	(£1m)
Weighted average hedged rate of outstanding contracts (including forward points) – EUR	1.1322	1.1221

The foreign currency forwards are denominated in the same currency as the highly probable future inventory purchases (EUR), therefore the hedge ratio is 1:1.

The contractual maturity profile of non-current financial liabilities is shown in note 27. For further details of cash flow hedging, refer to note 27 in the market risk section.

19. Cash and cash equivalents

	As at 30 March 2024 £m	As at 1 April 2023 £m
Cash and cash equivalents held at amortised cost		
Cash at bank and in hand	180	152
Short-term deposits	83	77
	263	229
Cash and cash equivalents held at fair value through profit and loss		
Short-term deposits	178	797
Total	441	1,026

Cash and cash equivalents classified as fair value through profit and loss relate to deposits held in low volatility net asset value money market funds. The cash is available immediately and, since the funds are managed to achieve low volatility, no significant change in value is anticipated. The funds are monitored to ensure there are no significant changes in value.

As at 30 March 2024 and 1 April 2023, no impairment losses were identified on cash and cash equivalents held at amortised cost.

20. Trade and other payables

	As at 30 March 2024 £m	As at 1 April 2023 £m
Non-current		
Other payables[1]	3	–
Deferred income and non-financial accruals	9	20
Contract liabilities	51	57
Total non-current trade and other payables	63	77
Current		
Trade payables	180	186
Other taxes and social security costs	45	50
Other payables[1]	21	10
Accruals	165	199
Deferred income and non-financial accruals	11	14
Contract liabilities	12	13
Deferred consideration[2]	5	5
Total current trade and other payables	439	477
Total trade and other payables	502	554

1. Other payables comprise interest and employee-related liabilities.
2. Deferred consideration relates to the acquisition of the economic right to the non-controlling interest in Burberry Middle East LLC on 22 April 2016. In the 52 weeks to 30 March 2024 no payments were made in relation to Burberry Middle East LLC (last year: £6 million). Contingent payments of £5 million remain outstanding at 30 March 2024, which will be paid once all required documentation is complete.

Included in total trade and other payables are non-financial liabilities of £128 million (last year: £153 million).

Contract liabilities

Retail contract liabilities relate to unredeemed balances on issued gift cards and similar products, and advanced payments received for sales which have not yet been delivered to the customer. Licensing contract liabilities relate to deferred revenue arising from the upfront payment for the Beauty licence which is being recognised in revenue over the term of the licence on a straight-line basis, reflecting access to the trademark over the licence period to 2032.

	As at 30 March 2024 £m	As at 1 April 2023 £m
Retail contract liabilities	6	6
Licensing contract liabilities	57	64
Total contract liabilities	63	70

The amount of revenue recognised in the year relating to contract liabilities at the start of the year is set out in the following table. All revenue in the year relates to performance obligations satisfied in the year. All contract liabilities at the end of the year relate to unsatisfied performance obligations.

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Retail revenue relating to contract liabilities	3	4
Deferred revenue from Beauty licence	7	6
Revenue recognised that was included in contract liabilities at the start of the year	10	10

21. Lease liabilities

	Property lease liabilities £m
Balance as at 2 April 2022	1,058
Effect of foreign exchange rate changes	20
Created during the year	157
Amounts paid[1]	(243)
Discount unwind	33
Remeasurements[2]	98
Balance as at 1 April 2023	1,123
Effect of foreign exchange rate changes	(30)
Created during the year	159
Business combination	1
Amounts paid[1]	(274)
Discount unwind	43
Remeasurements[2]	166
Balance as at 30 March 2024	**1,188**

	As at 30 March 2024 £m	As at 1 April 2023 £m
Analysis of total lease liabilities:		
Non-current	**959**	902
Current	**229**	221
Total	**1,188**	1,123

1. The amount paid of £274 million (last year: £243 million) includes £231 million (last year: £210 million) arising as a result of a financing cash outflow and £43 million (last year: £33 million) arising as a result of an operating cash outflow.
2. Remeasurements relate largely to changes in the lease liabilities that arise as a result of extending the lease term on an existing lease, management's reassessment of the lease term based on existing break or extension options in the contract, as well as those linked to an inflation index or rate review. In the prior year, remeasurements included COVID-19-related rent forgiveness of £13 million which was recognised as a credit in the Income Statement and was included as an adjusting item. Refer to note 6.

The Group enters into property leases for retail properties, including stores, concessions, warehouse and storage locations and office property. The remaining lease terms for these properties range from a few months to 16 years (last year: few months to 15 years). Many of the leases include break options and/or extension options to provide operational flexibility. Some of the leases for concessions have rolling lease terms or rolling break options. Management assess the lease term at inception based on the facts and circumstances applicable to each property including the period over which the investment appraisal was initially considered.

Potential future undiscounted lease payments related to periods following the exercise date of an extension option not included in the lease term, and therefore not included in lease liabilities are approximately £434 million (last year: £399 million) in relation to the next available extension option and are assessed as not reasonably certain to be exercised. Potential future undiscounted lease payments related to periods following the exercise date of a break option not included in the lease term, and therefore not included in lease liabilities, are approximately £113 million (last year: £130 million) in relation to break options which are expected to be exercised. During the 52 weeks to 30 March 2024, significant judgements regarding breaks and options in relation to individually material leases resulted in approximately £100 million (last year: £38 million) in undiscounted future cash flows not being included in the initial right-of-use assets and lease liabilities.

Management reviews the retail lease portfolio on an ongoing basis, taking into account retail performance and future trading expectations. Management may exercise extension options and negotiate lease extensions or modifications. In other instances, management may exercise break options, negotiate lease reductions or decide not to negotiate a lease extension at the end of the lease term. The most significant factor impacting future lease payments is changes management choose to make to the store portfolio.

Future increases and decreases in rent linked to an inflation index or rate review are not included in the lease liability until the change in cash flows is legally agreed. Approximately 19% (last year: 18%) of the Group's lease liabilities are subject to inflation linked reviews and 32% (last year: 30%) are subject to rent reviews. Rental changes linked to inflation or rent reviews typically occur on an annual basis.

Many of the retail property leases also incur payments based on a percentage of revenue achieved at the location. Changes in future variable lease payments will typically reflect changes in the Group's retail revenues, including the impact of regional mix. The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

The Group also enters into non-property leases for equipment, advertising fixtures and machinery. Generally, these leases do not include break or extension options. The most significant impact to future cash flows relating to leased equipment, which are primarily short-term leases, would be the Group's usage of leased equipment to a greater or lesser extent.

21. Lease liabilities continued

The Group's accounting policy for leases is set out in note 2. Details of income statement charges and income from leases are set out in note 5. The right-of-use asset categories on which depreciation is incurred are presented in note 14. Interest expense incurred on lease liabilities is presented in note 8. Commitments relating to off-balance sheet leases are presented in note 26. The maturity of undiscounted future lease liabilities are set out in note 27.

Total cash outflows in relation to leases in the 52 weeks ended 30 March 2024 are £417 million (last year: £396 million). This relates to payments of £231 million on lease principal (last year: £210 million), £43 million on lease interest (last year: £33 million), £113 million on variable lease payments (last year: £122 million), and £30 million on other lease payments principally relating to short-term leases and leases in holdover (last year: £31 million).

22. Provisions for other liabilities and charges

	Property obligations £m	Other £m	Total £m
Balance as at 2 April 2022	49	15	64
Effect of foreign exchange rate changes	–	2	2
Created during the year	7	5	12
Utilised during the year	(3)	(1)	(4)
Released during the year	(4)	(8)	(12)
Balance as at 1 April 2023	49	13	62
Effect of foreign exchange rate changes	(3)	–	(3)
Created during the year	5	4	9
Utilised during the year	(1)	(1)	(2)
Released during the year	(2)	(7)	(9)
Balance as at 30 March 2024	**48**	**9**	**57**

The net charge in the year for property obligations is £3 million (last year: £3 million), relating to additional property reinstatement costs. The net credit in the year for other provisions of £3 million (last year: net credit of £3 million) includes charges of £4 million (last year: £5 million) relating to expected future outflows for property disputes, employee matters and tax compliance, and reversals of £7 million (last year: £8 million) relating to employee matters and other property matters.

	As at 30 March 2024 £m	As at 1 April 2023 £m
Analysis of total provisions:		
Non-current	**37**	40
Current	**20**	22
Total	**57**	62

The non-current provisions relate to property reinstatement costs which are expected to be utilised within 14 years (last year: 15 years).

23. Bank overdrafts

Included within bank overdrafts is £78 million (last year: £65 million) representing balances on cash pooling arrangements in the Group.

The Group has a number of committed and uncommitted arrangements agreed with third parties. At 30 March 2024, the Group held £1 million (last year: £nil) bank overdrafts excluding balances on cash pooling arrangements.

The fair value of overdrafts approximates the carrying amount because of the short maturity of these instruments.

24. Borrowings

On 21 September 2020, Burberry Group plc issued medium term notes with a face value of £300 million and 1.125% coupon maturing on 21 September 2025 (the sustainability bond). Proceeds from the sustainability bond have been used by the Group to finance projects which support the Group's sustainability agenda. There are no financial penalties for not using the proceeds as anticipated. Interest on the sustainability bond is payable semi-annually. The carrying value of the bond at 30 March 2024 is £299 million (last year: £298 million); all movements on the bond are non-cash. The fair value of the bond at 30 March 2024 is £281 million (last year: £273 million).

On 26 July 2021, the Group entered into a £300 million multi-currency sustainability-linked revolving credit facility (RCF) with a syndicate of banks, maturing on 26 July 2026. There were no drawdowns or repayments of the RCF during the current or previous year, and at 30 March 2024 there were no outstanding drawings.

The Group is in compliance with the financial and other covenants within the facilities above and has been in compliance throughout the financial period.

25. Share capital and reserves

Allotted, called up and fully paid share capital	Number	£m
Ordinary shares of 0.05p (last year: 0.05p) each		
As at 2 April 2022	405,107,301	0.2
Allotted on exercise of options during the year	236,123	–
Cancellation of shares	(21,075,496)	–
As at 1 April 2023	384,267,928	0.2
Allotted on exercise of options during the year	51,904	–
Cancellation of shares	(20,504,089)	–
As at 30 March 2024	**363,815,743**	**0.2**

The Company has a general authority from shareholders, renewed at each Annual General Meeting, to repurchase a maximum of 10% of its issued share capital. During the 52 weeks to 30 March 2024, the Company entered into agreements to purchase, at fair value, a total of £400 million of its own shares, excluding stamp duty and fees, through two share buyback programmes of £200 million each (last year: two share buyback programmes of £200 million each). Both programmes were completed during the year.

The cost of own shares purchased by the Company, as part of a share buyback programme, is offset against retained earnings, as the amounts paid reduce the profits available for distribution by the Company. When shares are cancelled, a transfer is made from retained earnings to the capital reserve, equivalent to the nominal value of the shares purchased and subsequently cancelled. In the 52 weeks to 30 March 2024, 20.5 million shares were cancelled (last year: 21.1 million).

As at 30 March 2024 the Company held 5.2 million treasury shares (last year: 6.1 million), with a market value of £63 million (last year: £157 million) based on the share price at the reporting date. The treasury shares held by the Company are related to the share buyback programme completed during the 53 weeks to 2 April 2022. During the 52 weeks to 30 March 2024, 0.9 million treasury shares were transferred to ESOP trusts (last year: 2.3 million). During the 52 weeks to 30 March 2024, no treasury shares were cancelled (last year: none).

The cost of shares purchased by ESOP trusts are offset against retained earnings, as the amounts paid reduce the profits available for distribution by the Company. As at 30 March 2024, the cost of own shares held by ESOP trusts and offset against retained earnings is £34 million (last year: £42 million). As at 30 March 2024, the ESOP trusts held 1.9 million shares (last year: 2.3 million) in the Company, with a market value of £23 million (last year: £60 million). In the 52 weeks to 30 March 2024 the ESOP trusts and the Company have waived their entitlement to dividends.

Other reserves in the Statement of Changes in Equity consist of the capital reserve, the foreign currency translation reserve, and the hedging reserves. The hedging reserves consist of the cash flow hedge reserve and the net investment hedge reserve.

		Hedging reserves			
	Capital reserve £m	Cash flow hedges £m	Net investment hedge £m	Foreign currency translation reserve £m	Total £m
Balance as at 2 April 2022	41	(1)	5	218	263
Other comprehensive income:					
Cash flow hedges – gains deferred in equity	–	1	–	–	1
Foreign currency translation differences	–	–	–	14	14
Tax on other comprehensive income	–	(1)	–	–	(1)
Total comprehensive income for the year	–	–	–	14	14
Balance as at 1 April 2023	41	(1)	5	232	277
Other comprehensive income:					
Cash flow hedges – losses deferred in equity	–	(4)	–	–	(4)
Cash flow hedges – transferred to income	–	1	–	–	1
Foreign currency translation differences	–	–	–	(34)	(34)
Tax on other comprehensive income	–	1	–	–	1
Total comprehensive income for the year	–	(2)	–	(34)	(36)
Balance as at 30 March 2024	**41**	**(3)**	**5**	**198**	**241**

As at 30 March 2024 the amount held in the hedging reserve relating to matured net investment hedges is £5 million net of tax (last year: £5 million).

26. Commitments

Financial commitments

The Group leases various retail stores, offices, warehouses and equipment under non-cancellable lease arrangements. The liabilities for these leases are recorded on the Group's Balance Sheet when the Group obtains control of the underlying asset. The Group has additional commitments relating to leases where the Group has entered into an obligation but does not yet have control of the underlying asset. The future lease payments to which the Group is committed, over the expected lease term, which are not recorded on the Group's Balance Sheet are as follows:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Amounts falling due:		
Within 1 year	2	–
Between 2 and 5 years	49	14
After 5 years	120	9
Total	171	23

During the 52 weeks to 30 March 2024, the Group entered into two significant retail store lease agreements in EMEIA for which possession of the property is not yet obtained. The Group has committed to £138 million in future undiscounted lease payments in relation to these leases, which have expected lease terms of 12 and 15 years. A judgement has been made that the Group is reasonably certain to exercise an extension option in relation to one of these leases, representing £38 million of the commitment.

Capital commitments

Contracted capital commitments represent contracts entered into by the year end for future work in respect of major capital expenditure projects relating to property, plant and equipment and intangible assets, which are not recorded on the Group's Balance Sheet and are as follows:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Capital commitments contracted but not provided for:		
Property, plant and equipment	67	38
Intangible assets	4	3
Total	71	41

27. Financial risk management

The Group's principal financial instruments comprise derivative instruments, cash and cash equivalents, borrowings (including overdrafts), deferred consideration, trade and other receivables, and trade and other payables arising directly from operations.

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk.

Risk management is carried out by the Group treasury department (Group Treasury) based on forecast business requirements to reduce financial risk and to ensure sufficient liquidity is available to meet foreseeable needs and to invest in cash and cash equivalents safely and profitably. The Group uses derivative instruments to hedge certain risk exposures. Group Treasury does not operate as a profit centre and transacts only in relation to the underlying business requirements. The policies of Group Treasury are reviewed and approved by the Board of Directors annually.

Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various non-sterling currencies.

The Group's Income Statement is affected by transactions denominated in foreign currency. To reduce exposure to currency fluctuations, the Group has a policy of hedging foreign currency denominated transactions by entering into forward foreign exchange contracts (refer to note 18). These transactions are recorded as cash flow hedges. The Group's foreign currency transactions arise principally from purchases and sales of inventory.

The Group's treasury risk management policy is to hedge, prior to market opening, 70-90% of its anticipated third party foreign currency exposure by currency, by season and where the net currency exposure is greater than £20 million. Currently, the Group does not hedge anticipated intercompany foreign currency transactions. The Group uses forward exchange contracts to hedge its currency risk.

The Group designates the spot component of foreign currency forwards in hedge relationships and applies a ratio of 1:1. The forward elements of the foreign currency forward are excluded from designation of the hedging instrument and are separately accounted for as a cost of hedging and recognised in operating expenses on a discounted basis.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the dollar offset method.

In these hedge relationships, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Group or the derivative counterparty. There was no ineffectiveness in the 52 weeks ending 30 March 2024 (last year: no ineffectiveness).

The Group monitors the desirability of hedging the net assets of overseas subsidiaries when translated into sterling for reporting purposes. The Group would use forward foreign exchange contracts to hedge net assets of overseas subsidiaries, relating to surplus cash whose remittance is foreseeable. There were no outstanding net investment hedges as at 30 March 2024 (last year: no outstanding net investment hedges).

At 30 March 2024, the Group has performed a sensitivity analysis to determine the effect of sterling strengthening/weakening by 10% (last year: 10%) against other currencies with all other variables held constant. The effect on translating foreign currency denominated net cash, trade, intercompany and other financial receivables and payables and financial instruments at fair value through profit or loss as at 30 March 2024 would have been to increase/decrease operating profit for the year by £4 million (last year: increase/decrease £4 million) on a post-tax basis. The effect on translating forward foreign exchange contracts designated as cash flow hedges as at 30 March 2024 would have been to decrease/increase equity by £6 million (last year: decrease/increase £12 million) on a post-tax basis.

The following table shows the extent to which the Group has monetary assets and liabilities at the year end in currencies other than the local currency of operation, after accounting for the effect of any specific forward foreign exchange contracts used to manage currency exposure. Monetary assets and liabilities refer to cash, deposits, overdrafts, borrowings and other amounts to be received or paid in cash. Amounts exclude intercompany balances which eliminate on consolidation. Foreign exchange differences on retranslation of these assets and liabilities are recognised in net operating expenses.

	As at 30 March 2024			As at 1 April 2023		
	Monetary assets £m	**Monetary liabilities £m**	**Net £m**	Monetary assets £m	Monetary liabilities £m	Net £m
Sterling	**1**	**(2)**	**(1)**	–	(2)	(2)
US Dollar	**1**	**(6)**	**(5)**	1	(18)	(17)
Euro	**58**	**(66)**	**(8)**	40	(59)	(19)
Chinese Yuan Renminbi	**7**	**–**	**7**	5	–	5
Other currencies	**5**	**(33)**	**(28)**	5	(34)	(29)
Total	**72**	**(107)**	**(35)**	51	(113)	(62)

27. Financial risk management continued

Market risk continued

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to cash, borrowings, short-term deposits and overdrafts.

The floating rate financial liabilities at 30 March 2024 are £78 million (last year: £65 million) due to cash pool overdrafts. The fixed rate financial liabilities at 30 March 2024 are borrowings of £299 million (last year: £298 million). If interest rates on floating rate financial liabilities had been 100 basis points higher/lower (last year: 100 basis points), excluding the impact on cash pool overdraft balances and with all other variables held constant, post-tax profit for the year would have been £nil (last year: £nil) lower/higher, as a result of higher/lower interest expense.

The floating rate financial assets as at 30 March 2024 comprise short-term deposits of £261 million (last year: £874 million), interest bearing current accounts of £nil (last year: £2 million) and cash pool asset balances of £85 million (last year: £67 million). At 30 March 2024, if interest rates on floating rate financial assets had been 100 basis points higher/lower (last year: 100 basis points), excluding the impact on cash pool asset balances and with all other variables held constant, post-tax profit for the year would have been £4 million (last year: £8 million) higher/lower, as a result of higher/lower interest income.

Credit risk

Trade receivables

The Group has no significant concentrations of credit risk. The trade receivables balance is spread across a large number of different customers with no single debtor during the year representing more than 6% of the total balance due (last year: 5%). The Group has policies in place to ensure that wholesale sales are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via major credit cards. In some retail locations, where the Group's store is contained within a department store or mall, for example a concession, the sales proceeds may be initially held by the operator of the wider location, giving rise to retail debtors. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant and default rates have historically been very low.

The Group applies the simplified approach when measuring the trade receivable expected credit losses. The approach uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on segment, geographical region and the days past due. The expected loss rates are reviewed annually, or when there is a significant change in external factors potentially impacting credit risk, and are updated where management's expectations of credit losses change. No changes have been made to the expected loss rates during the 52 weeks to 30 March 2024.

The expected credit loss allowance for receivables was determined as follows:

As at 30 March 2024	Current £m	Less than 1 month overdue £m	Less than 2 months overdue £m	Less than 3 months overdue £m	Over 3 months overdue £m	Total £m
Trade receivables						
Weighted average expected loss rate %	**2%**	**5%**	**10%**	**12%**	**39%**	
Gross carrying amount of trade receivables	**154**	**18**	**6**	**4**	**7**	**189**
Loss allowance[1]	**(3)**	**(1)**	**(1)**	**(1)**	**(4)**	**(10)**

As at 1 April 2023	Current £m	Less than 1 month overdue £m	Less than 2 months overdue £m	Less than 3 months overdue £m	Over 3 months overdue £m	Total £m
Trade receivables						
Weighted average expected loss rate %	2%	4%	6%	27%	37%	
Gross carrying amount of trade receivables	151	19	8	3	3	184
Loss allowance[1]	(3)	(1)	–	–	(3)	(7)

1. The loss allowance contains expected credit loss and specific loss provisions.

27. Financial risk management continued

Credit risk continued

Trade receivables continued

The closing loss allowances for receivables reconcile as follows:

	Receivables £m
As at 2 April 2022	7
Effect of foreign exchange rate changes	–
Impairment provision recognised in profit or loss during the year	3
Receivables written off during the year as uncollectable	(1)
Unused amount reversed	(2)
As at 1 April 2023	7
Effect of foreign exchange rate changes	–
Impairment provision recognised in profit or loss during the year	6
Receivables written off during the year as uncollectable	(1)
Unused amount reversed	(2)
As at 30 March 2024	**10**

In aggregate, as at 30 March 2024, the movement in the impairment provision on trade and other receivables and recorded in the Income Statement was a net charge of £4 million (last year: £1 million), all of which relates to contracts with customers.

The maximum exposure to credit risk at the reporting date with respect to trade and other receivables is approximated by the carrying amount on the Balance Sheet.

Receivables excluding trade receivables

The counterparty credit risk of other receivables is reviewed on a regular basis and the impairment is assessed as follows:

At inception the receivable is recorded net of expected 12 month credit losses. If a significant change in the credit risk occurs during the life of the receivable, credit losses are recorded in the profit and loss account and the effective interest is calculated using the gross carrying amount of the asset. If a loss event occurs, the effective interest is calculated using the amortised cost of the asset net of any credit losses.

During the year ended 31 March 2013, the Group entered into a retail leasing arrangement in the Republic of Korea. As part of this arrangement, a KRW 27 billion (£19 million) 15 year interest-free loan was provided to the landlord. The Group holds a registered mortgage over the leased property for the equivalent value of the loan which acts as collateral. At 30 March 2024, the discounted fair value of the loan is £13 million (last year: £14 million). The book value of the loan, recorded at amortised cost, is £14 million (last year: £14 million). Other than this arrangement, the Group does not hold any other collateral as security. Management considers that the security provided by the mortgage is sufficient risk mitigation and hence the credit loss relating to this receivable is not significant.

Other financial assets

With respect to credit risk arising from other financial assets, which comprise cash and short-term deposits and certain derivative instruments, the Group's exposure to credit risk arises from the default of the counterparty with a maximum exposure equal to the carrying value of these instruments. The Group has policies that limit the amount of credit exposure to any financial institution and only deposits funds with independently rated financial institutions with a minimum rating of 'A' other than where required for operational purposes. A total of £8 million (last year: £6 million) was held with institutions with a rating below 'A' at 30 March 2024. These amounts are monitored on a weekly basis by the Treasury Committee.

27. Financial risk management continued

Liquidity risk

The Group's financial risk management policy aims to ensure that sufficient cash is maintained to meet foreseeable needs and close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available. For further details, refer to notes 23 and 24.

All short-term trade and other payables, accruals, and bank overdrafts mature within one year or less. The carrying value of all financial liabilities due in less than one year is equal to their contractual undiscounted cash flows, with the exception of lease liabilities. The undiscounted contractual cash flows for lease liabilities due in less than one year is £282 million (last year: £237 million).

The maturity profile of the contractual undiscounted cash flows of the Group's non-current financial liabilities, excluding derivatives used for hedging, is as follows:

	As at 30 March 2024			As at 1 April 2023		
	Lease liabilities £m	Other £m	Total £m	Lease liabilities £m	Other £m	Total £m
In more than 1 year, but not more than 2 years	228	302	530	227	–	227
In more than 2 years, but not more than 3 years	181	–	181	186	300	486
In more than 3 years, but not more than 4 years	161	–	161	142	–	142
In more than 4 years, but not more than 5 years	108	–	108	122	–	122
In more than 5 years	459	1	460	330	–	330
Total financial liabilities	1,137	303	1,440	1,007	300	1,307

As at 30 March 2024, other non-current financial liabilities relate to borrowings of £299 million (last year: borrowings of £298 million). Refer to note 24.

Capital risk

The Board reviews the Group's capital allocation policy annually. The Group's capital allocation framework defines its priorities for uses of cash, underpinned by its principle to maintain a strong balance sheet with a solid investment grade credit rating. The framework has four priorities for the use of cash generated from operations:

- re-investment in the business to drive organic growth
- maintaining a progressive dividend policy
- continuing to pursue selective inorganic strategic investment and
- to the extent that there is surplus capital to these needs, providing additional returns to shareholders

At 30 March 2024, the Group had net cash of £362 million (last year: £961 million), borrowings of £299 million (last year: £298 million) and total equity excluding non-controlling interests of £1,147 million (last year: £1,533 million). The borrowings at 30 March 2024 relate to medium term notes with a face value of £300 million (last year: £300 million). For further details, refer to note 24. Potential additional sources of funding available to the Group include undrawn and additional bank facilities, longer-term debt and equity funding. The Group's current capital resources, together with the potential additional sources of funding, are considered sufficient to address the Group's capital risk.

28. Employee costs

Staff costs, including the cost of Directors, incurred during the year are as shown below. Directors' remuneration, which is separately disclosed in the Directors' Remuneration Report on pages 125 to 142 and forms part of these financial statements, includes, for those share options and awards where performance obligations have been met, the notional gains arising on the future exercise but excludes the charge in respect of these share options and awards recognised in the Group Income Statement.

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Wages and salaries	474	468
Social security costs	56	60
Pension costs	21	20
	551	548
Termination benefits	5	8
Share-based compensation (all awards and options settled in shares)	16	19
Total	**572**	575

Employee costs for the 52 weeks to 1 April 2023 included a charge of £10 million arising as a result of the Group's restructuring programme which was presented as an adjusting item. Refer to note 6 for further details.

Pension costs include contributions to the Group's defined contribution plan for eligible employees.

The average number of full-time equivalent employees (including Executive Directors) during the year was as follows:

	Number of employees	
	52 weeks to 30 March 2024	52 weeks to 1 April 2023
EMEIA[1]	4,591	4,394
Americas	1,291	1,303
Asia Pacific	3,287	3,171
Total	**9,169**	8,868

1. EMEIA comprises Europe, Middle East, India and Africa.

Shares and share options granted to Directors and employees

The Group operates a number of equity-settled share-based compensation schemes for its Directors and employees; the fair value charge relating to these schemes is £16 million (last year: £19 million). Details of each of these schemes are set out in this note.
The share option schemes have been valued using the Black-Scholes option pricing model. The share awards have been valued using the closing price of an ordinary share at the date of grant.

The key inputs used in the Black-Scholes pricing model to determine the fair value include: the share price at the commencement date; the exercise price attached to the option; the expected life of the option; an appropriate risk-free interest rate; a dividend yield discount for those schemes that do not accrue dividends during the course of the vesting period; and expected share price volatility, which is determined by calculating the historical annualised standard deviation of the market price of Burberry Group plc shares over a period of time, prior to the grant, equivalent to the expected life of the option.

Where applicable, equity swaps have been entered into to cover future employer's national insurance liability (or overseas equivalent) that may arise in respect of these schemes.

28. Employee costs continued

Shares and share options granted to Directors and employees continued

The Burberry Share Plan 2020 (the BSP)

The BSP was approved by shareholders and adopted by the Company in the year ended 27 March 2021 to replace the Burberry Group plc Executive Share Plan (ESP) as the Group's main long-term incentive plan.

Under the BSP rules, participants may be awarded either conditional share awards or phantom awards, up to a maximum value of three times base salary per annum. Awards may be subject to performance underpins. If the Company does not meet one or more of the performance underpins over the relevant vesting period, the Remuneration Committee would consider whether it is appropriate to scale back the level of pay-out under the BSP award. BSP awards made to the Executive Directors in the year ending 30 March 2024 will vest in full on the third anniversary of the grant date, subject to continued employment. For BSP awards made to Executive Directors in years ending before 1 April 2023, one third of the award will vest on the third anniversary of the grant date, one third of the award will vest on the fourth anniversary of the grant date and the remaining balance of the award will vest on the fifth anniversary of the grant date, subject to continued employment.

Awards made to senior employees will not be subject to performance conditions or underpins, and will vest in full on the third anniversary of the grant date, subject to continued employment.

During the year, the fair value charge relating to the BSP awards was £11 million (last year: £9 million) and the following grants were made under the BSP:

					Targets	
Date of grant	Options granted	Fair value	Participant group	Performance conditions/underpins	Threshold	Maximum
27 July 2023	838,107	£22.48	Management	Continued service	N/A	N/A
27 July 2023	131,178	£22.48	Executive Directors	Underpins: Total revenue	£3,200m	N/A
				ROIC	WACC	N/A
				Brand and sustainability	Reasonable progress	N/A
23 November 2023	33,268	£15.04	Management	Continued service	N/A	N/A

The fair values for the above grants are equivalent to the closing price of an ordinary share on the grant date as follows:

	27 July 2023	23 November 2023
Share price at contract commencement date	£22.48	£15.04

Obligations under this plan will be met either by market purchase shares, the transfer of treasury shares or by the issue of ordinary shares of the Company, for which the ESOP trust may be used to facilitate the process.

28. Employee costs continued

Shares and share options granted to Directors and employees continued

The Burberry Share Plan 2020 (the BSP) continued

Movements in the number of BSP share awards outstanding are as follows:

	52 weeks to 30 March 2024	52 weeks to 1 April 2023
Outstanding at start of year	2,261,952	1,701,810
Granted during the year	1,002,553	1,253,633
Lapsed and forfeited during the year	(362,276)	(539,186)
Exercised in the year	(649,492)	(154,305)
Outstanding at end of year	2,252,737	2,261,952
Exercisable at end of year	13,260	2,519
Vesting after end of year	2,239,477	2,259,433

Share awards outstanding at the end of the year have the following terms:

Term of the award	Number of awards as at 30 March 2024	Number of awards as at 1 April 2023
20 August 2020 – 23 July 2023	–	636,732
19 November 2020 – 19 November 2023	–	6,933
27 July 2021 – 27 July 2024	437,233	559,954
18 November 2021 – 18 November 2024	5,134	6,761
27 July 2022 – 27 July 2027	104,131	104,131
27 July 2022 – 27 July 2025	669,799	860,513
24 November 2022 – 24 November 2025	86,928	86,928
27 July 2023 – 27 July 2026	916,244	–
23 November 2023 – 23 November 2026	27,477	–
23 November 2023 – 27 July 2026	5,791	–
Total	2,252,737	2,261,952

The weighted average term of the BSP awards is three years, and the weighted average share price at the date of exercise for awards exercised in the period was £21.56.

The Burberry Group plc Executive Share Plan (the ESP)

The ESP was approved by the shareholders and adopted by the Company in the year ended 31 March 2015, with the final grant made on 27 February 2020.

Under the ESP, participants were awarded shares, structured as either nil-cost options, conditional share awards or phantom awards, up to a maximum value of normally four times base salary per annum. Thresholds and targets for all ESP schemes have now been assessed and the number of shares awarded has been approved.

Obligations under this plan will be met either by market purchase shares, the transfer of treasury shares or by the issue of ordinary shares of the Company, for which the ESOP trust may be used to facilitate the process.

During the year, the fair value charge relating to the ESP awards was £nil (last year: £1 million).

Movements in the number of ESP share awards outstanding are as follows:

	52 weeks to 30 March 2024	52 weeks to 1 April 2023
Outstanding at start of year	285,906	1,259,041
Lapsed and forfeited during the year	(19,239)	(736,848)
Exercised during the year	(117,276)	(236,287)
Outstanding at end of year	149,391	285,906
Exercisable at end of year	149,391	132,378
Vesting after end of year	–	153,528

The weighted average first available exercise date for the ESP scheme is 30 March 2024.

28. Employee costs continued

Shares and share options granted to Directors and employees continued

One-off awards

The Company grants conditional share awards as one-off awards. Some of these awards vest in tranches which vary by award and are dependent upon continued employment over the vesting period.

The fair values for these awards are equivalent to the closing price of an ordinary share on the grant date.

During the year, the fair value charge relating to the one-off awards was £1 million (last year: £5 million).

Movements in the number of one-off share awards outstanding are as follows:

	52 weeks to 30 March 2024	52 weeks to 1 April 2023
Outstanding at start of year	**340,749**	1,063,048
Granted during the year	**24,135**	7,720
Lapsed and forfeited during the year	**(4,128)**	(537,605)
Exercised during the year	**(312,216)**	(192,414)
Outstanding at end of year	**48,540**	340,749
Exercisable at end of year	**40,808**	31,311
Vesting after end of year	**7,732**	309,438

The weighted average first available exercise date for the one-off awards is 19 October 2024, and the latest vesting date is 27 July 2026. The weighted average share price at the date of exercise for awards exercised in the period was £20.81.

Other schemes

The Group also grants to employees options under the Burberry Group plc ShareSave Plan 2021 (ShareSave), and free shares under a Burberry Group plc Share Incentive Plan (SIP) for employees in the UK, and the Burberry Group plc International Free Share Plan 2021 (IFSP) for employees outside the UK. In the 52 weeks to 30 March 2024 and 1 April 2023, options were granted under ShareSave with a three-year and five-year vesting period.

Additional awards were granted under the SIP and the IFSP, offering employees awards of ordinary shares in the Company at a £nil exercise price. All awards vest after three years and the vesting of these share awards is dependent on continued employment over the vesting period.

The fair value charge for these schemes was £3 million (last year: £4 million).

29. Acquisition of subsidiary

On 2 October 2023, Burberry Italy S.R.L., Burberry's wholly-owned subsidiary, acquired a 100% shareholding in Burberry Tecnica, S.R.L., from Italian technical outerwear supplier, Pattern SpA, a company incorporated in Italy, for total cash consideration of £19 million. Consideration for this acquisition did not includes any contingent or deferred consideration.

Based in Turin, the activities of the business acquired revolve around the engineering and production of Burberry products. The acquisition allows the Group to secure capacity, build technical outerwear capabilities and further embed sustainability into its value chain.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Provisional Fair value £m
Net assets acquired	
Acquired intangible assets	1
Property, plant and equipment	1
Inventories	2
Right-of-use assets	2
Lease liabilities	(1)
Employee-related liabilities	(1)
Deferred tax liability	(1)
Net assets acquired	3
Goodwill arising on acquisition	16
Total cost of acquisition	19

No receivables or contingent liabilities were acquired as a result of the acquisition.

The values used in accounting for the identifiable assets and liabilities of the acquisition are provisional in nature as they are still being determined. If necessary, adjustments will be made to these carrying values and the related goodwill, within 12 months of the acquisition date.

The goodwill arising on the acquisition of £16 million reflects the expected synergies from the vertical integration of engineering and production of technical outerwear within the Group's supply chain, together with the value of the retained workforce. The goodwill has been allocated to the group of cash generating units which make up the Group's retail/wholesale operating segment. £13 million of the goodwill is expected to be deductible for tax purposes, giving rise to an overall tax benefit with an estimated net present value of approximately £1 million.

The acquired business has made a contribution to Group revenue of £nil and had a negligible impact on Group profit before taxation since acquisition. If the acquisition had occurred at the beginning of the financial year, the impact on the Group's revenue and profit or loss would not have been material.

30. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Total compensation in respect of key management, who are defined as the Board of Directors and certain members of senior management, is considered to be a related party transaction.

The total compensation in respect of key management for the year was as follows:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Salaries, short-term benefits and social security costs[1]	**7**	9
Share-based compensation (all awards and options settled in shares)	**2**	4
Total	**9**	13

1. Pension cash allowance is included within salaries, short-term benefits and social security costs.

The Group donates each year to The Burberry Foundation, an independent charity which meets the criteria to be reported as a related party in accordance with IFRS. Charitable donations to The Burberry Foundation for the 52 weeks to 30 March 2024 were £2 million (last year: £2 million).

There were no other material related party transactions in the year.

31. Subsidiary undertakings and investments

In accordance with Section 409 of the Companies Act 2006 a full list of related undertakings as at 30 March 2024, including their country of incorporation and percentage share ownership, is disclosed below. Unless otherwise stated, all undertakings are indirectly owned by Burberry Group plc and operate in the country of incorporation. All the subsidiary undertakings have been consolidated as at 30 March 2024.

Company name	Country/territory of incorporation	Interest	Holding (%)	Registered office
Burberry Pacific Pty Ltd	Australia	Ordinary shares	100	1
Burberry (Austria) GmbH	Austria	Ordinary shares	100	2
Sandringham Bahrain SPC W.L.L.[1]	Bahrain	Ordinary shares	100	3
Burberry Antwerp NV	Belgium	Ordinary shares	100	4
Burberry Brasil Comércio de Artigos de Vestuário e Acessórios Ltda	Brazil	Quota	100	5
Burberry Canada Inc	Canada	Common shares	100	6
Burberry (Shanghai) Trading Co., Ltd	Mainland China	Equity interest	100	7
Burberry Czech Rep s.r.o.	Czech Republic	Ordinary shares	100	8
Burberry France SASU	France	Ordinary shares	100	9
Burberry (Deutschland) GmbH	Germany	Ordinary shares	100	10
Burberry Asia Holdings Limited	Hong Kong S.A.R., China	Ordinary shares	100	11
Burberry China Holdings Limited	Hong Kong S.A.R., China	Ordinary shares	100	11
Burberry Asia Limited	Hong Kong S.A.R., China	Ordinary shares	100	12
Burberry Hungary Kereskedelmi Korlátolt Felelősségű Társaság	Hungary	Ordinary shares	100	13
Burberry India Private Limited	India	Ordinary shares	51	14
Burberry Ireland Investments Unlimited Company	Ireland	Ordinary A shares Ordinary B shares	100 100	15
Burberry Ireland Limited	Ireland	Ordinary shares	100	16
Burberry Italy (Rome) S.R.L.	Italy	Quota	100	17
Burberry Italy S.R.L.[2]	Italy	Quota	100	17
Burberry Tecnica S.R.L	Italy	Quota	100	18
Burberry Manifattura S.R.L.	Italy	Quota	100	19
Burberry Japan K.K.	Japan	Ordinary shares	100	20
Burberry Kuwait General Trading Textiles and Accessories Company \With Limited Liability[3]	Kuwait	Parts	49	21
Burberry Macau Limited	Macau S.A.R., China	Quota	100	22
Burberry (Malaysia) Sdn. Bhd.	Malaysia	Ordinary shares	100	23
Horseferry México S.A. de C.V.	Mexico	Ordinary (fixed) shares Ordinary (variable) shares	100 100	24
Horseferry México Servicios Administrativos, S.A. de C.V.	Mexico	Ordinary (fixed) shares	100	24
Burberry Netherlands B.V.	Netherlands	Ordinary shares	100	25
Burberry New Zealand Limited	New Zealand	Ordinary shares	100	26
Burberry Qatar W.L.L[3]	Qatar	Ordinary shares	49	27
Burberry Korea Limited	Republic of Korea	Common stock	100	28
Burberry Retail LLC [4]	Russian Federation	Participatory share	100	29
Burberry Saudi Company Limited	Kingdom of Saudi Arabia	Ordinary shares	100	30
Burberry (Singapore) Distribution Company PTE Ltd	Singapore	Ordinary shares	100	31
Burberry (Spain) Retail S.L.	Spain	Ordinary shares	100	32
Burberry (Suisse) SA[2]	Switzerland	Ordinary shares	100	33
Burberry (Taiwan) Co., Ltd	Taiwan Area, China	Common shares	100	34
Burberry (Thailand) Limited	Thailand	Common shares	100	35

31. Subsidiary undertakings and investments continued

Company name	Country of incorporation	Interest	Holding (%)	Registered office
Burberry Turkey Giyim Toptan Ve Perakende Satış Limited Şirketi	Turkey	Ordinary shares	100	36
Burberry FZ-LLC	United Arab Emirates	Ordinary shares	100	37
Burberry Middle East LLC[3]	United Arab Emirates	Ordinary shares	49	38
Burberry (Espana) Holdings Limited	United Kingdom	Ordinary shares	100	39
Burberry (No. 7) Unlimited	United Kingdom	Ordinary shares	100	39
Burberry (UK) Limited	United Kingdom	Ordinary shares	100	39
Burberry Europe Holdings Limited[2]	United Kingdom	Ordinary shares	100	39
Burberry Finance Limited[5]	United Kingdom	Ordinary shares	100	39
Burberry Haymarket Limited[2]	United Kingdom	Ordinary shares	100	39
Burberry Holdings Limited	United Kingdom	Ordinary shares	100	39
Burberry International Holdings Limited[2]	United Kingdom	Ordinary shares	100	39
Burberry Latin America Limited	United Kingdom	Ordinary shares	100	39
Burberry Limited	United Kingdom	Ordinary shares	100	39
Burberry London Limited	United Kingdom	Ordinary shares	100	39
Burberrys Limited[1]	United Kingdom	Ordinary shares	100	39
Sweet Street Developments Limited	United Kingdom	Ordinary shares	100	39
The Scotch House Limited[2]	United Kingdom	Ordinary shares	100	39
Thomas Burberry Holdings Limited[2]	United Kingdom	Ordinary shares	100	39
Thomas Burberry Limited[2, 5]	United Kingdom	Ordinary shares	100	39
Woodrow-Universal Limited[2, 5]	United Kingdom	Ordinary shares	100	39
Woodrow-Universal Pension Trustee Limited[2, 5]	United Kingdom	Ordinary shares	100	39
Burberry (Wholesale) Limited	United States	Class X common stock Class Y common stock	100 100	40
Burberry Limited	United States	Class X common stock Class Y common stock	100 100	40
Burberry North America, Inc.	United States	Common stock	100	41

1. The Group has an indirect holding of 100% of the issued share capital through a nominee.
2. Held directly by Burberry Group plc.
3. The Group has a 100% share of profits of Burberry Middle East LLC as well as a 100% and majority share of profits in Burberry Middle East LLC's subsidiaries in Kuwait and Qatar respectively. The Group has the power to control these companies under the agreements relating to Burberry Middle East LLC.
4. Burberry Retail LLC's stores have been closed since March 2022.
5. This subsidiary will take the audit exemption allowed under Section 479A of the Companies Act 2006 for the year ended 30 March 2024.

31. Subsidiary undertakings and investments continued

Ref	Registered office address
1	Level 5, 343 George Street, Sydney NSW 2000, Australia
2	Kohlmarkt 2, A1010 Wien, Austria
3	Building 2758, Flat no. 1081, Road 4650, Block 346, Manama/Sea Front, Bahrain
4	Waterloolaan 16, 1000, Brussel, Belgium
5	City of São Paulo, State of São Paulo, at Rua do Rocio, 350, 3rd Pavement of Condominium Atrium IX, suites No. 32, 28th subdistrict, Vila Olímpia, CEP 04552-000, Brazil
6	100 King Street West, 1 First Canadian Place, Suite 1600, Toronto ON M5X 1G5, Canada
7	60th Floor (Actual Floor No.53), Wheelock Square, No. 1717 Nanjing West Road, Jing'an Districts, Shanghai 200040, People's Republic of China
8	Praha 1, Pařížská 11/67, PSČ 11000, Czech Republic
9	56A rue du Faubourg Saint-Honoré, 75008, Paris, France
10	Königsallee 50, 40212, Düsseldorf, Germany
11	Flat /RM 2201-02 & 09-14, 22/F Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
12	RM 01-02 & 09-14, 22/F Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
13	H-1068 Budapest Dózsa György út 84. B, Hungary
14	10th Floor, International Trade Tower, Nehru Place, New Delhi, South East Delhi, Dehli 110019
15	Suite 9, Bunkilla Plaza, Bracetown Business Park, Clonee, Co. Meath., D15 XR27, Ireland
16	Suite 9, Bunkilla Plaza, Bracetown Office Park, Clonee, Co. Meath., D15 XR27, Ireland
17	Via Manzoni n.20, CAP, 20121, Milano, Italy
18	Via Italia 6/A, 10093 Collegno (TO), Italy
19	Via delle Fonti n.10, 50018 Scandicci, Italy
20	5-14 Ginza 2-chome, Chuo-ku, Tokyo, Japan
21	Hawally, Block 8, Street 276, Plot 9301, Unit No 12, Floor 7, Kuwait
22	Avenida Dr. Sun Yat Sen, One Central Building, 1st floor, Shops 125-127, Macau
23	43-2, Plaza Damansara, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia
24	Edgar Allan Poe 85-B, Col. Polanco, Delg. Miguel Hidalgo, Mexico City, 11560, Mexico
25	Pieter Cornelisz. Hooftstraat 50 H, 1071CA Amsterdam
26	Level 20, HSBC Tower, 188 Quay Street, Auckland, 1010, New Zealand
27	First Floor, Building No. 660, Street no. 364, Al Waab, Zone No.54, Al Marikh, Al Rayyan Municipality, Qatar
28	459, Dosan-daero, Gangnam-gu, Seoul, Republic of Korea
29	Ulitsa Petrovka, 16, floor 3, Premise I, rooms 47-53, 127051, Moscow, Russian Federation
30	1st Floor, The Plaza Building, P.O. Box 2392, Riyadh 12244, Kingdom of Saudi Arabia
31	391B Orchard Road, #15-02/03, Ngee Ann City, 238874, Singapore
32	Passeig de Gràcia, 56, 08007, Barcelona
33	Route de Chêne 30A, c/o L&S Trust Services SA, 1208 Genève, Switzerland
34	5F. No 451 Changchun Rd, Songshan Dist, Taipei City 10547, Taiwan
35	No.127 Office 25.03; Level 25; Gaysorn Tower; Ratchadamri Road, Lumpini Sub-District; Pathumwan District; 10330 Bangkok; Thailand
36	Reşitpaşa Mahallessi Eski Büyükdere Cad. Windowist Tower Sit. No: 26/1 Sariyer/Istanbul, Turkey
37	Dubai Design District, Premises:, 312, 313, 314 & 315, Floor: 03, Building: 08, Dubai Design District, United Arab Emirates
38	Dubai Design District, Building 8, Level 3, Unit no 314 and 315 PO Box 83916, Dubai
39	Horseferry House, Horseferry Road, London, SW1P 2AW, United Kingdom
40	Corporation Service Company, 80 State Street, Albany, NY, 12207-2543, USA
41	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, USA

32. Contingent liabilities

The Group is subject to claims against it and to tax audits in a number of jurisdictions which arise in the ordinary course of business. These typically relate to Value Added Taxes, sales taxes, customs duties, corporate taxes, transfer pricing, payroll taxes, various contractual claims, legal proceedings and other matters. Where appropriate, the estimated cost of known obligations has been provided in these financial statements in accordance with the Group's accounting policies. The Group does not expect the outcome of current similar contingent liabilities to have a material effect on the Group's financial position.

FIVE-YEAR SUMMARY (UNAUDITED)

To end of year **Revenue by channel**	2020 £m	2021 £m	2022 £m	2023 £m	**2024** **£m**
Retail	2,110	1,910	2,273	2,501	**2,400**
Wholesale	476	396	512	543	**506**
Retail/Wholesale	2,586	2,306	2,785	3,044	**2,906**
Licensing	47	38	41	50	**62**
Total revenue	2,633	2,344	2,826	3,094	**2,968**
Profit by channel	£m	£m	£m	£m	**£m**
Retail/Wholesale[1]	390	361	486	587	**359**
Licensing	43	35	37	47	**59**
Adjusted operating profit[1]	433	396	523	634	**418**
Segmental analysis of adjusted profit[1]	%	%	%	%	**%**
Retail/Wholesale gross margin	66.8	69.5	70.2	70.0	**67.0**
Retail/Wholesale operating expenses as a percentage of sales	51.7	53.8	52.7	50.7	**54.6**
Retail/Wholesale operating margin	15.1	15.7	17.5	19.3	**12.4**
Licensing operating margin	91.9	90.8	90.2	91.9	**94.0**
Adjusted operating profit margin	16.4	16.9	18.5	20.5	**14.1**
Summary profit analysis	£m	£m	£m	£m	**£m**
Adjusted operating profit[1]	433	396	523	634	**418**
Net finance income/(expense)[1]	(19)	(30)	(31)	(21)	**(35)**
Adjusted profit before taxation[1]	414	366	492	613	**383**
Adjusting items	(245)	124	19	21	**–**
Profit before taxation	169	490	511	634	**383**
Taxation	(47)	(114)	(114)	(142)	**(112)**
Non-controlling interest	–	–	(1)	(2)	**(1)**
Attributable profit	122	376	396	490	**270**
Retail/Wholesale revenue by product division	£m	£m	£m	£m	**£m**
Accessories	948	841	1,017	1,125	**1,055**
Women's	796	653	784	867	**860**
Men's	715	668	807	868	**842**
Children's/Other	127	144	177	184	**149**
Retail/Wholesale revenue by destination	£m	£m	£m	£m	**£m**
Asia Pacific	1,040	1,203	1,276	1,297	**1,286**
EMEIA[2]	961	628	813	1,004	**1,017**
Americas	585	475	696	743	**603**
Financial KPIs	%	%	%	%	**%**
Total revenue growth[3]	-4	-10	+23	+5	**–**
Comparable store sales growth[3]	-3	-9	+18	+7	**-1**
Adjusted operating profit growth[1,3]	-1	-8	+38	+8	**-25**
Adjusted operating profit margin[1]	16.4	16.9	18.5	20.5	**14.1**
Adjusted diluted EPS growth[1]	-4	-14	+40	+30	**-40**
Adjusted Group return on invested capital (ROIC)[1]	20.0	17.0	24.6	28.6	**15.3**

1. Excludes the impact of adjusting items. Refer to note 2r for the Group's policy on adjusting items.
2. EMEIA comprises Europe, Middle East, India and Africa.
3. Growth rate is year-on-year underlying change, i.e. at constant exchange rates.

To end of year **Earnings and dividends**	2020 pence per share	2021 pence per share	2022 pence per share	2023 pence per share	**2024 pence per share**
Adjusted earnings per share – diluted[1]	78.7	67.3	94.0	122.5	**73.9**
Earnings per share – diluted	29.8	92.7	97.7	126.3	**73.9**
Diluted weighted average number of ordinary shares (millions)	409.0	405.1	404.8	388.0	**366.2**
Dividend per share					
Interim	11.3	–	11.6	16.5	**18.3**
Final	–	42.5	35.4	44.5	**42.7**

To end of year **Net cash flow**	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Adjusted profit before taxation	414	366	492	613	**383**
Adjusting items	(245)	124	19	21	**–**
Profit before taxation	169	490	511	634	**383**
Depreciation and amortisation	331	277	313	344	**379**
Employee share scheme costs	3	12	16	19	**16**
Net finance expense	20	31	32	23	**35**
Decrease/(increase) in inventories	27	21	(22)	(10)	**(57)**
Decrease/(increase) in receivables	(10)	(39)	(5)	(17)	**(32)**
Increase/(decrease) in payables and provisions	(84)	(7)	81	(49)	**(77)**
Other cash items	–	(1)	–	–	**–**
Other non-cash items	169	(107)	(17)	(32)	**18**
Cash flow from operations	625	677	909	912	**665**
Net interest	(19)	(27)	(30)	(22)	**(20)**
Tax paid	(150)	(58)	(180)	(140)	**(139)**
Net cash flow from operations	456	592	699	750	**506**
Capital expenditure	(149)	(115)	(161)	(179)	**(208)**
Proceeds from disposal of non-current assets	3	27	8	32	**–**
Payment of lease principal and related cash flows	(244)	(155)	(206)	(210)	**(235)**
Free cash flow	66	349	340	393	**63**
Acquisitions	(3)	(4)	(10)	(6)	**(19)**
Dividends	(175)	–	(219)	(203)	**(233)**
Purchase of shares through share buyback	(151)	–	(153)	(404)	**(402)**
Proceeds from borrowings	300	595	–	–	**–**
Repayment of borrowings	–	(600)	–	–	**–**
Other	4	2	(4)	2	**1**
Exchange difference	9	(13)	7	2	**(9)**
Total movement in net cash	50	329	(39)	(216)	**(599)**
Net cash	887	1,216	1,177	961	**362**

1. Excludes the impact of adjusting items. Refer to note 2r for the Group's policy on adjusting items.

At end of year **Balance Sheet**	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Intangible assets	247	237	240	248	**267**
Property, plant and equipment	295	280	322	376	**406**
Right-of-use assets	834	818	880	950	**1,013**
Inventories	451	402	426	447	**507**
Trade and other receivables	306	322	328	359	**392**
Trade and other payables	(550)	(492)	(572)	(553)	**(502)**
Lease liabilities	(1,126)	(1,020)	(1,058)	(1,123)	**(1,188)**
Taxation (including deferred taxation)	214	148	221	229	**243**
Net cash	887	1,216	1,177	961	**362**
Borrowings	(300)	(297)	(298)	(298)	**(299)**
Other net assets	(39)	(54)	(49)	(57)	**(47)**
Net assets	1,219	1,560	1,617	1,539	**1,154**

Reconciliation of Adjusted Group ROIC	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Adjusted operating profit[1]	433	396	523	634	**418**
Adjusted profit effective tax rate[1]	22.3%	25.4%	22.2%	22.2%	**29.2%**
Adjusted net operating profit after tax[1]	336	295	407	493	**296**
Net assets	1,219	1,560	1,617	1,539	**1,154**
Deduct cash net of overdrafts	(887)	(1,216)	(1,177)	(961)	**(362)**
Add back borrowings	300	297	298	298	**299**
Add back lease debt	1,126	1,020	1,058	1,123	**1,188**
Deduct net tax assets	(214)	(148)	(221)	(229)	**(243)**
Operating assets	1,544	1,513	1,575	1,770	**2,036**
Add back net liabilities related to adjusting items:					
Deferred consideration	18	17	8	5	**5**
Restructuring liabilities/other	253	127	63	30	**23**
Adjusted operating assets	1,815	1,657	1,646	1,805	**2,064**
Average adjusted operating assets	1,686	1,736	1,651	1,726	**1,935**
Adjusted Group ROIC	20.0%	17.0%	24.6%	28.6%	**15.3%**

1. Excludes the impact of adjusting items. Refer to note 2r for the Group's policy on adjusting items.

COMPANY BALANCE SHEET

	Note	As at 30 March 2024 £m	As at 1 April 2023 £m
Fixed assets			
Investments in subsidiaries	D	**1,572**	1,553
		1,572	1,553
Current assets			
Trade and other receivables – amounts falling due after more than one year	E	**655**	301
Trade and other receivables – amounts falling due within one year	E	**–**	288
Derivative assets maturing within one year		**–**	3
Cash at bank and in hand		**1**	–
		656	592
Creditors – amounts falling due within one year	F	**(102)**	(67)
Derivative liabilities maturing within one year		**(1)**	–
Net current assets		**553**	525
Total assets less current liabilities		**2,125**	2,078
Creditors – amounts falling due after more than one year	F	**(61)**	(129)
Borrowings	G	**(299)**	(298)
Net assets		**1,765**	1,651
Equity			
Called up share capital	I	**–**	–
Share premium account		**231**	230
Capital reserve		**1**	1
Profit and loss account		**1,533**	1,420
Total equity		**1,765**	1,651

Profit for the year was £732 million (last year: £572 million). The Directors consider that, at 30 March 2024, £732 million (last year: £718 million) of the profit and loss account is non-distributable.

The financial statements on pages 212 to 220 were approved and authorised for issue by the Board on 14 May 2024 and signed on its behalf by:

Jonathan Akeroyd

Chief Executive Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Called up share capital £m	Share premium account £m	Capital reserve £m	Profit and loss account £m	Total equity £m
Balance as at 2 April 2022		–	227	1	1,437	1,665
Profit for the year		–	–	–	572	572
Total comprehensive income for the year		–	–	–	572	572
Employee share incentive schemes						
Equity share awards		–	–	–	19	19
Exercise of share options		–	3	–	–	3
Purchase of own shares						
Share buyback		–	–	–	(404)	(404)
Held by ESOP trusts		–	–	–	(1)	(1)
Dividends paid in the year		–	–	–	(203)	(203)
Balance as at 1 April 2023		–	230	1	1,420	1,651
Profit for the year		–	–	–	732	732
Total comprehensive income for the year		–	–	–	732	732
Employee share incentive schemes						
Equity share awards		–	–	–	16	16
Exercise of share options		–	1	–	–	1
Purchase of own shares						
Share buyback	I	–	–	–	(402)	(402)
Dividends paid in the year	J	–	–	–	(233)	(233)
Balance as at 30 March 2024		**–**	**231**	**1**	**1,533**	**1,765**

A. Basis of preparation

Burberry Group plc (the Company) is the parent Company of the Burberry Group. Burberry Group plc is a public company which is limited by shares and is listed on the London Stock Exchange. The Company's principal business is investment and it is incorporated and domiciled in the UK. The Company is registered in England and Wales and the address of its registered office is Horseferry House, Horseferry Road, London, SW1P 2AW. The Company is the sponsoring entity of The Burberry Group plc ESOP Trust and The Burberry Group plc SIP Trust (collectively known as the ESOP trusts). These financial statements have been prepared by including the ESOP trusts within the financial statements of the Company. The purpose of the ESOP trusts is to purchase shares of the Company in order to satisfy Group share-based payment arrangements.

Burberry Group plc and its subsidiaries (the Group) is a global luxury goods manufacturer, retailer and wholesaler. The Group also licenses third parties to manufacture and distribute products using the 'Burberry' trademarks. All of the companies which comprise the Group are controlled by the Company directly or indirectly. The consolidated financial statements of the Group have been prepared in accordance with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards. These consolidated financial statements have been prepared for public use and can be obtained at Horseferry House, Horseferry Road, London, SW1P 2AW.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by derivative financial assets and derivative financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own Income Statement.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (refer to note C).

Financial Reporting Standard 101 – reduced disclosure exemptions

The Company has taken advantage of the applicable disclosure exemptions permitted by FRS 101 in the financial statements, which are summarised below:

Standard	Disclosure exemption
IFRS 2, 'Share-based Payments'	• Para 45(b) – disclosure of number and weighted average exercise price of share options • Para 46–49 – disclosure of valuation techniques and inputs used for fair value measurement of options • Para 50–52 – disclosure of the effect of share-based payment transactions on the entity's profit and loss for the period.
IFRS 7, 'Financial Instruments: Disclosures'	• Full exemption
IFRS 13, 'Fair Value Measurement'	• para 91-99 – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities
IAS 1, 'Presentation of the Financial Statements'	• para 10(d) – statement of cash flows • para 10(f) – a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective statement of items in its financial statements, or when it reclassifies items in its financial statements • para 16 – statement of compliance with all IFRS • para 38 – present comparative information in respect of paragraph 79(a)(iv) of IAS 1 • para 38A – requirement for minimum of two primary statements, including cash flow statements • para 38B-D – additional comparative information • para 111 – cash flow statement information • para 134-136 – capital management disclosures
IAS 7, 'Statement of Cash Flows'	• Full exemption
IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'	• para 30-31 – requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective
IAS 24, 'Related Party Disclosures'	• para 17 – key management compensation • The requirements to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
IAS 36, 'Impairment of Assets'	• para 134(d)-134(f) and 135(c)-135(e)

A. Basis of preparation continued

Going concern

The Company financial statements are prepared on a going concern basis as set out in note 1 of the Group consolidated financial statements of Burberry Group plc.

New standards, amendments and interpretations adopted in the period

A number of new amendments to standards are effective for the financial period commencing 2 April 2023 but they do not have a material impact on the financial statements of the Company.

Standards not yet adopted

Certain new accounting standards and amendments to standards have been published that are not mandatory for the 52 weeks to 30 March 2024 and have not been early adopted by the Company as set out in note 1 of the Group consolidated financial statements of Burberry Group plc.

B. Accounting policies

The following material accounting policies have been applied in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated:

Share schemes

The Group operates a number of equity-settled share-based compensation schemes under which services are received from employees (including Executive Directors) as consideration for equity instruments of the Company. Instruments used include awards and options. The cost of the share-based incentives is measured with reference to the fair value of the equity instruments awarded at the date of grant. Appropriate option pricing models, including Black-Scholes, are used to determine the fair value of the option awards made.

The fair value takes into account the impact of any market performance conditions, but the impact of non-market performance conditions is not considered in determining the fair value on the date of grant. Vesting conditions which relate to non-market conditions are allowed for in the assumptions used for the number of share awards or options expected to vest. The estimate of the number of options expected to vest is revised at each balance sheet date.

In some circumstances, employees may provide services in advance of the grant date. The grant date fair value is estimated for the purpose of recognising the expense during the period between the service commencement period and the grant date.

The grant by the Company of share awards or options over its equity instruments to employees of subsidiary undertakings in the Group is treated as a capital contribution. In the Company's financial statements, the cost of the share-based incentives is recognised over the vesting period of the awards as an increase in investment in subsidiary undertakings, with a corresponding increase in equity. Where amounts are received from Group companies in relation to equity instruments granted to the employees of the subsidiary undertaking, the amount is derecognised from investments in Group companies.

When share awards or options are exercised, they are settled either via issue of new shares in the Company, or through shares held in the ESOP trusts, depending on the terms and conditions of the relevant scheme. For new shares issued, the proceeds received from the exercise of share options, net of any directly attributable transaction costs, are credited to share capital and share premium accounts. When ESOP shares are used, any difference between the exercise price and their cost is recognised in retained earnings.

Dividend distribution

Dividend distributions to Burberry Group plc's shareholders are recognised as a liability in the year in which the dividend becomes a committed obligation. Final dividends are recognised when they are approved by the shareholders. Interim dividends are recognised when paid.

Investments in subsidiaries

Investments in subsidiaries are stated at cost, less any provisions to reflect impairment in value.

Impairment of investments in subsidiaries

Investments in subsidiaries are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Investments for which an impairment has been previously recognised are reviewed for possible reversal of impairment at each reporting date.

B. Accounting policies continued

Taxation

Tax expense represents the sum of the current tax expense and the deferred tax charge.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit because it excludes items of income or expense which are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The current tax liability is calculated using tax rates which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences, no deferred tax will be recognised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Financial instruments

A financial instrument is initially recognised at fair value on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flow expire or substantially all risks and rewards of the asset are transferred. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, all financial liabilities are stated at fair value. Subsequent to initial recognition, all financial liabilities are stated at amortised cost using the effective interest rate method, except for derivatives which are held at fair value and which are classified as fair value through profit and loss. Financial assets are classified as either amortised cost or fair value through profit and loss depending on their cash flow characteristics. Assets with cash flows that represent solely payments of principal and interest are measured at amortised cost. The fair value of the financial assets and liabilities held at amortised cost approximate their carrying amount due to the use of market interest rates.

The Company classifies its instruments in the following categories:

Financial instrument category	Note	Classification	Measurement
Cash and cash equivalents		Amortised cost	Amortised cost
Trade and other receivables	E	Amortised cost	Amortised cost
Trade and other payables	F	Other financial liabilities	Amortised cost
Borrowings	G	Other financial liabilities	Amortised cost
Equity swap contracts		Fair value through profit and loss	Fair value through profit and loss

The Company's primary categories of financial instruments are listed below:

Cash at bank and in hand

On the Balance Sheet, cash at bank and in hand comprises cash held with banks. Cash at bank and in hand held at amortised cost is subject to impairment testing each period end.

Trade and other receivables

Trade and other receivables are included in current assets. Trade and other receivables with maturities greater than 12 months after the balance sheet date are classified in trade and other receivables amounts falling due after more than one year. The assessment of maturities of loan receivables takes into consideration any intention to renew the loan, where the loan is provided under a facility which has a maturity of more than 12 months from the balance sheet date. Most receivables are held with the objective to collect the contractual cash flows and are therefore recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the expected loss on receivables is established at inception. This is modified when there is a change in the credit risk. The amount of the movement in the provision is recognised in the Income Statement.

Trade and other payables

Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

B. Accounting policies continued

Financial instruments continued

Borrowings

Borrowings are recognised initially at fair value, inclusive of transaction costs incurred. Borrowings are subsequently stated at amortised cost and the difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest rate method. Borrowings are classified in creditors amounts falling due within one year unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative instruments

The Company uses equity swap contracts to economically hedge its exposure to fluctuations in the Company's share price which impacts the social security costs payable by Group companies in relation to share-based compensation schemes.

The equity swap contracts are initially recognised at fair value at the trade date and classified as fair value through profit and loss. All subsequent changes in fair value are recognised in the Income Statement up to the maturity date.

Cash settled equity swaps are classified as fair value through profit and loss.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in sterling which is the Company's functional and presentation currency.

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are held at the year end, are translated into the functional currency at the exchange rate ruling at the balance sheet date (closing rate). Exchange differences on monetary items are recognised in the Income Statement in the period in which they arise.

Called up share capital

Called up share capital is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to owners of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

C. Key sources of estimation uncertainty and judgements

Key sources of estimation uncertainty

Preparation of the financial statements in conformity with FRS 101 requires that management make certain estimates and assumptions that affect the reported revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best estimates at the date of the financial statements, deviate from actual circumstances, the original estimates and assumptions will be updated as appropriate in the period in which the circumstances change.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no key sources of estimation uncertainty for the 52 weeks to 30 March 2024 and 1 April 2023.

Key judgements in applying the Company's accounting policies

Judgements are those decisions made when applying accounting policies which have a significant impact on the amounts recognised in the Company's financial statements. Further details of the Company's accounting policies are provided in note B. There were no key judgements arising in the current year or prior year that have a significant impact on the amounts recognised in the Company's financial statements for the 52 weeks to 30 March 2024 and 1 April 2023.

D. Investments in subsidiaries

	£m
As at 1 April 2023	1,553
Additions	22
Impairment charges	(3)
As at 30 March 2024	**1,572**

The Company has reviewed the recoverable value of its investments to identify if there is any indication of impairment of the carrying value. Where applicable, the value in use has been estimated using management's best estimates of future cash generation of its investments.

The Company has not impaired the carrying value of its investments, apart from a £3 million impairment charge in relation to Burberrys Limited, as their cash generation in the long-term is considered sufficient to support the carrying value. The subsidiary undertakings and investments of the Burberry Group are listed in note 31 of the Group financial statements.

E. Trade and other receivables

	As at 30 March 2024 £m	As at 1 April 2023 £m
Amounts owed by Group companies	654	300
Prepayments	1	1
Trade and other receivables – amounts falling due after more than one year	655	301
Amounts owed by Group companies	–	288
Trade and other receivables – amounts falling due within one year	–	288
Total trade and other receivables	655	589

All amounts owed by Group companies are interest bearing and unsecured.

Included within amounts owed by Group companies falling due after more than one year are interest bearing loans receivable of £300 million with a facility maturity date of 21 September 2025, and £354 million with a facility maturity date of 22 February 2029. The interest rates applied to these loans are 1.125% and SONIA +0.9%, respectively.

The Company's impairment policies and the calculation of the loss allowances under IFRS 9 are detailed in note H.

F. Creditors

	As at 30 March 2024 £m	As at 1 April 2023 £m
Amounts owed to Group companies	61	129
Creditors – amounts falling due after more than one year	61	129

	As at 30 March 2024 £m	As at 1 April 2023 £m
Amounts owed to Group companies	102	66
Other payables	–	1
Creditors – amounts falling due within one year	102	67
Total creditors	163	196

Amounts owed to Group companies falling due after more than one year include interest bearing loans of £61 million (last year: £129 million). The interest rate earned is set annually and was based on EURIBOR. The loan is unsecured and repayable on 17 June 2025.

Amounts owed to Group companies falling due within one year include interest bearing loans of £73 million repayable on 17 June 2024 (last year: £nil). The interest rate earned is set annually and was based on SONIA plus adjustment spread of +0.9% at the most recent update. The remaining amounts of £29 million are unsecured, interest free and repayable on demand (last year: £66 million).

G. Borrowings

On 21 September 2020, Burberry Group plc issued medium term notes with a face value of £300 million and 1.125% coupon maturing on 21 September 2025 (the sustainability bond). Proceeds from the sustainability bond have been used by the Group to finance projects which support the Group's sustainability agenda. There are no financial penalties for not using the proceeds as anticipated. Interest on the sustainability bond is payable semi-annually. The carrying value of the bond at 30 March 2024 is £299 million (last year: £298 million); all movements on the bond are non-cash. The fair value of the bond at 30 March 2024 is £281 million (last year: £273 million).

H. Credit risk

The Company's principal financial instruments comprise cash, borrowings, trade and other receivables and trade and other payables arising directly from operations.

Trade and other receivables

The trade and other receivables balance comprises intercompany loans with companies within the Group. These Group companies are assessed at each reporting date as to their ability to repay outstanding balances. The amounts owed by Group companies at 30 March 2024 comprise £654 million owed by Burberry Limited, and £nil owed by other Group companies (last year: £587 million owed by Burberry Limited, and £1 million owed by other Group companies).

The counterparty credit risk of trade and other receivables is reviewed on a regular basis and assessed for impairment as follows:

At inception the receivable is recorded net of expected 12-month credit losses. If a significant increase in the credit risk occurs during the life, credit losses are recorded in the profit and loss account and the effective interest is calculated using the gross carrying amount of the asset. If a loss event occurs, the effective interest is calculated using the amortised cost of the asset net of any credit losses.

The Company's most significant debtor, Burberry Limited, is the holder of the Burberry brand and the main operating company of the Group. Based on its liquidity and expected cash generation, the expected 12 months credit loss for Burberry Limited trade and other receivables is not considered to be significant. As a result, no impairment has been recorded for amounts owed by Group companies as at 30 March 2024.

Other financial assets

With respect to credit risk arising from other financial assets, which comprise cash and certain other receivables, the Company's exposure to credit risk arises from the default of the counterparty with a maximum exposure equal to the carrying value of these instruments. The Company has policies that limit the amount of credit exposure to any financial institution and only deposits funds with independently rated financial institutions with a minimum rating of 'A', other than where required for operational purposes.

I. Called up share capital

Allotted, called up and fully paid share capital	Number	£m
Ordinary shares of 0.05p (last year: 0.05p) each		
As at 1 April 2023	384,267,928	0.2
Allotted on exercise of options during the year	51,904	–
Cancellation of shares	(20,504,089)	–
As at 30 March 2024	**363,815,743**	**0.2**

The Company has a general authority from shareholders, renewed at each Annual General Meeting, to repurchase a maximum of 10% of its issued share capital. During the 52 weeks to 30 March 2024, the Company entered into agreements to purchase, at fair value, a total of £400 million of its own shares, excluding stamp duty and fees, through two share buyback programmes of £200 million each (last year: two share buyback programmes of £200 million each). Both programmes were completed during the year.

The cost of own shares purchased by the Company, as part of a share buyback programme, is offset against the profit and loss account, as the amounts paid reduce the profits available for distribution by the Company. When shares are cancelled, a transfer is made from the profit and loss account to the capital reserve, equivalent to the nominal value of the shares purchased and subsequently cancelled. In the 52 weeks to 30 March 2024, 20.5 million shares were cancelled (last year: 21.1 million shares).

As at 30 March 2024, the Company held 5.2 million treasury shares (last year: 6.1 million), with a market value of £63 million (last year: £157 million) based on the share price at the reporting date. The treasury shares held by the Company are related to the share buyback programme completed during the 53 weeks to 2 April 2022. During the 52 weeks to 30 March 2024, 0.9 million treasury shares were transferred to ESOP trusts (last year: 2.3 million). During the 52 weeks to 30 March 2024, no treasury shares were cancelled (last year: none).

I. Called up share capital continued

The cost of shares purchased by ESOP trusts are offset against the profit and loss account, as the amounts paid reduce the profits available for distribution by the Company. As at 30 March 2024, the cost of own shares held by ESOP trusts and offset against the profit and loss account is £34 million (last year: £42 million). As at 30 March 2024, the ESOP trusts held 1.9 million shares (last year: 2.3 million) in the Company, with a market value of £23 million (last year: £60 million). In the 52 weeks to 30 March 2024 the ESOP trusts and the Company have waived their entitlement to dividends.

J. Dividends

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Prior year final dividend paid 44.5p per share (last year: 35.4p)	167	140
Interim dividend paid 18.3p per share (last year: 16.5p)	66	63
Total	233	203

A final dividend in respect of the 52 weeks to 30 March 2024 of 42.7p (last year: 44.5p) per share, amounting to £151 million, has been proposed for approval by the shareholders at the Annual General Meeting subsequent to the balance sheet date. The final dividend has not been recognised as a liability at the year end and will be paid on 2 August 2024 to the shareholders on the register at the close of business on 28 June 2024. The ex-dividend date is 27 June 2024 and the final day for dividend reinvestment plan (DRIP) elections is 12 July 2024.

K. Financial guarantees

On 26 July 2021, the Group entered into a £300 million multi-currency sustainability-linked revolving credit facility (RCF) with a syndicate of banks, maturing on 26 July 2026. There were no drawdowns or repayments of the RCF during the current or previous year and, at 30 March 2024, there were no outstanding drawings.

The Group is in compliance with the financial and other covenants within the facility and has been in compliance throughout the financial period.

The companies acting as guarantor to the facility consist of Burberry Group plc, Burberry Limited, Burberry Asia Limited, Burberry (Wholesale) Limited (US) and Burberry Limited (US). Based on the liquidity and expected cash generation of Burberry Limited, the expected credit loss in respect of these financial guarantees, as at 30 March 2024, is not considered to be significant. As a result, no liability has been recorded (last year: £nil).

A potential liability may arise in the future if one of the Group members defaults on these loan facilities. Each guarantor, including Burberry Group plc, would be liable to cover the amounts outstanding, including principal and interest elements.

L. Audit fees

The Company has incurred audit fees of £0.1 million for the current year which are borne by Burberry Limited (last year: £0.1 million).

M. Employee costs

The Company has no employees and therefore no employee costs are included in these financial statements for the 52 weeks to 30 March 2024 (last year: £nil).

SHAREHOLDER INFORMATION

General shareholder enquiries

Enquiries relating to shareholdings, such as the transfer of Shares, change of name or address, lost Share certificates or dividend cheques, should be referred to the Company's registrar at:

Equiniti
Aspect House
Spencer Road, Lancing, West Sussex, BN99 6DA
Website: www.shareview.co.uk

American Depositary Receipts

We have a sponsored Level 1 American Depositary Receipt (ADR) programme to enable US investors to purchase ADRs in US Dollars. Each ADR represents one Share.

For queries relating to ADRs in Burberry, please use the following contact details:

BNY Mellon Shareowner Services
P.O. BOX 43006 Providence, RI 02940-3078, USA
Tel: toll free within the USA: +1 888 269 2377
Tel: international: +1 201 680 6825
Email enquiries: shrrelations@cpushareownerservices.com
Website: www.mybnymdr.com

Managing your shares online

Shareholders and employees can manage their Burberry holdings online by registering with Shareview, a secure online platform provided by Equiniti. Registration is a straightforward process and allows shareholders to:

- access information on their shareholdings, including Share balance and dividend information
- sign up for electronic shareholder communications
- buy and sell Shares
- update their records following a change of address
- have dividends paid into their bank account
- vote by proxy online in advance of general meetings of the Company

Burberry encourages shareholders to sign up for electronic communication as it allows information to be disseminated quickly and efficiently and also reduces paper usage, which makes a valuable contribution to our global footprint.

Website

The investor section of Burberry Group plc's website, Burberryplc.com, contains a wide range of information including:

- regulatory news
- Share price information
- dividend history, Share analysis and an investment calculator
- financial results announcements
- frequently asked questions
- financial calendar

It is also possible to sign up to receive email alerts for RNS news and press releases relating to Burberry Group plc at www.burberryplc.com/en/alerts.html.

Duplicate accounts

Shareholders who have more than one account due to inconsistency in account details may avoid duplicate mailings by contacting Equiniti and requesting the amalgamation of their Burberry Share accounts.

Burberry Share dealing

Burberry Shares can be traded through most banks, building societies or stockbrokers. Equiniti offers a telephone and internet dealing service. Terms and conditions and details of the commission charges are available on request.

For telephone dealing, please telephone 0345 603 7037 between 8.00am and 4.30pm, Monday to Friday, and for internet dealing visit www.shareview.co.uk/dealing.

Shareholders will need their reference number, which can be found on their Burberry Share certificate.

Annual General Meeting (AGM)

Our AGM will be held at 10:30am on Tuesday 16 July 2024 at Conrad London St. James, 22-28 Broadway, London SW1H 0BH. The Notice of Meeting, which includes details of the business to be conducted at the meeting, is available on our Company website, Burberryplc.com.

The voting results for the 2024 AGM will also be accessible on Burberryplc.com shortly after the meeting.

Our privacy policy

Please see the privacy policy on https://www.burberryplc.com/en/investors/shareholder-centre/shareholder-privacy-notice.html for details on how Burberry collects and uses shareholder personal information.

Dividends

An interim dividend for FY 2023/24 of 18.3p per Share was paid on 26 January 2024. A final dividend of 42.7p per Share has been proposed and, subject to approval at the AGM on 16 July 2024, will be paid according to the following timetable:

Ex-dividend date:	27 June 2024
Final dividend record date:	28 June 2024
Deadline for return of Dividend Reinvestment Plan (DRIP) mandate forms:	12 July 2024
Final dividend payment date:	2 August 2024

The ADR local payment date will be approximately five business days after the proposed dividend payment date for ordinary shareholders.

Dividends can be paid by BACS directly into a UK bank account, with the dividend confirmation being sent to the shareholder's address. This is the easiest way for shareholders to receive dividend payments and avoids the risk of lost or out-of-date cheques. A dividend mandate form is available from Equiniti or online at www.shareview.co.uk/info/directdividends. If you are a UK taxpayer, please note that you are eligible for a tax-free dividend allowance in each tax year (£500 in the tax year from 6 April 2024 to 5 April 2025). See: https://www.gov.uk/government/publications/reduction-of-the-dividend-allowance/income-tax-reducing-the-dividend-allowance

Any dividends received above this amount will be subject to taxation. Dividends paid on Burberry Shares held within pensions and Individual Savings Accounts (ISAs) will continue to be tax-free. Further information can be found at www.gov.uk/tax-on-dividends.

Dividends payable in foreign currencies

Equiniti is able to pay dividends to shareholder bank accounts in over 30 currencies worldwide through the Overseas Payment Service. An administrative fee will be deducted from each dividend payment. Further details can be obtained from Equiniti or online at www.shareview.co.uk/info/ops.

Dividend Reinvestment Plan (DRIP)

The DRIP enables shareholders to use their dividends to buy further Burberry Shares. Full details of the DRIP can be obtained from Equiniti or online at www.shareview.co.uk/info/drip.

Electronic communication

Shareholders may at any time choose to receive all shareholder documentation in electronic form via the internet, rather than in paper format. Shareholders who decide to register for this option will receive an email each time a shareholder document is published on the internet. Shareholders who wish to receive documentation in electronic form should register online at www.shareview.co.uk.

Equiniti offers a range of shareholder information and services online at www.shareview.co.uk.

Financial calendar

AGM:	16 July 2024
First quarter trading update:	19 July 2024
Interim results announcement:	November 2024
Third quarter trading update:	January 2025
Preliminary results announcement:	May 2025

Registered office

Burberry Group plc
Horseferry House
Horseferry Road
London SW1P 2AW

Registered in England and Wales
Registered number 03458224

ShareGift

Shareholders with a small number of shares, the value of which makes them uneconomical to sell, may wish to consider donating their shares to charity through ShareGift, a donation scheme operated by The Orr Mackintosh Foundation. A ShareGift donation form can be obtained from Equiniti. Further information is available at www.sharegift.org or by telephone on 020 7930 3737.

Tips on protecting your information

- Keep any documentation that contains your shareholder reference number in a safe place and shred any unwanted documentation
- Inform our registrar, Equiniti, promptly when you change address
- Be aware of dividend payment dates and contact Equiniti if you do not receive your dividend cheque or, better still, make arrangements to have the dividend paid directly into your bank account
- Consider holding your shares electronically in a CREST account via a nominee

Unauthorised brokers (boiler room scams)

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free company reports. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares. These operations are commonly known as boiler rooms.

If you receive any unsolicited investment advice, obtain the correct name of the person and organisation, and check that they are properly authorised by the FCA before getting involved. This can be done by visiting www.fca.org.uk/register/.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong.

If you think you have been approached by an unauthorised firm, you should contact the FCA consumer helpline on 0800 111 6768 from the UK, or +44 207 066 1000 from outside the UK.

More detailed information can be found on the FCA website at www.fca.org.uk/consumers/protect-yourself/unauthorised-firms.

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