

# 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 EMEA 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



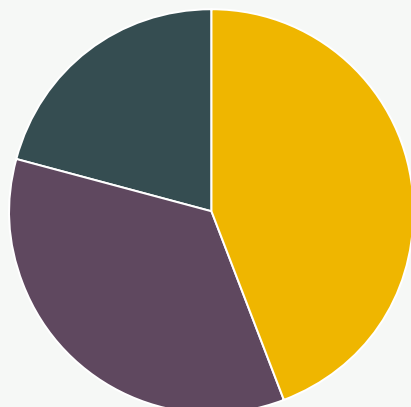
# FY 2023/24 HIGHLIGHTS

## Total revenue

**£2,968m**

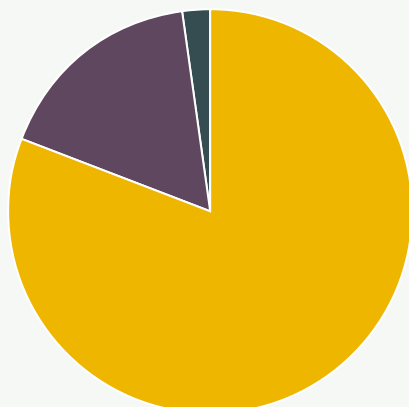
(FY 2022/23: £3,094m)

### Revenue by region (£m)



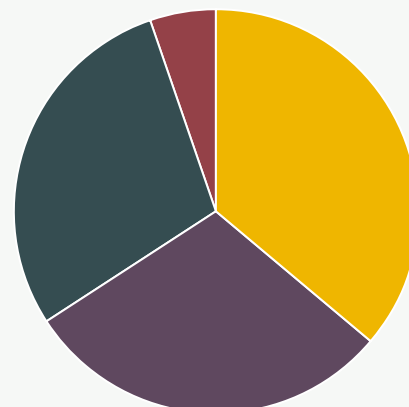
	2023/24 £m	2022/23 £m
Asia Pacific 239 stores	1,286	1,297
EMEIA 100 stores	1,017	1,004
Americas 83 stores	603	743

### 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



# 422

Directly operated stores



# 45.9<sup>^</sup>%

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

# 55<sup>^</sup>%

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

# 219,377

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

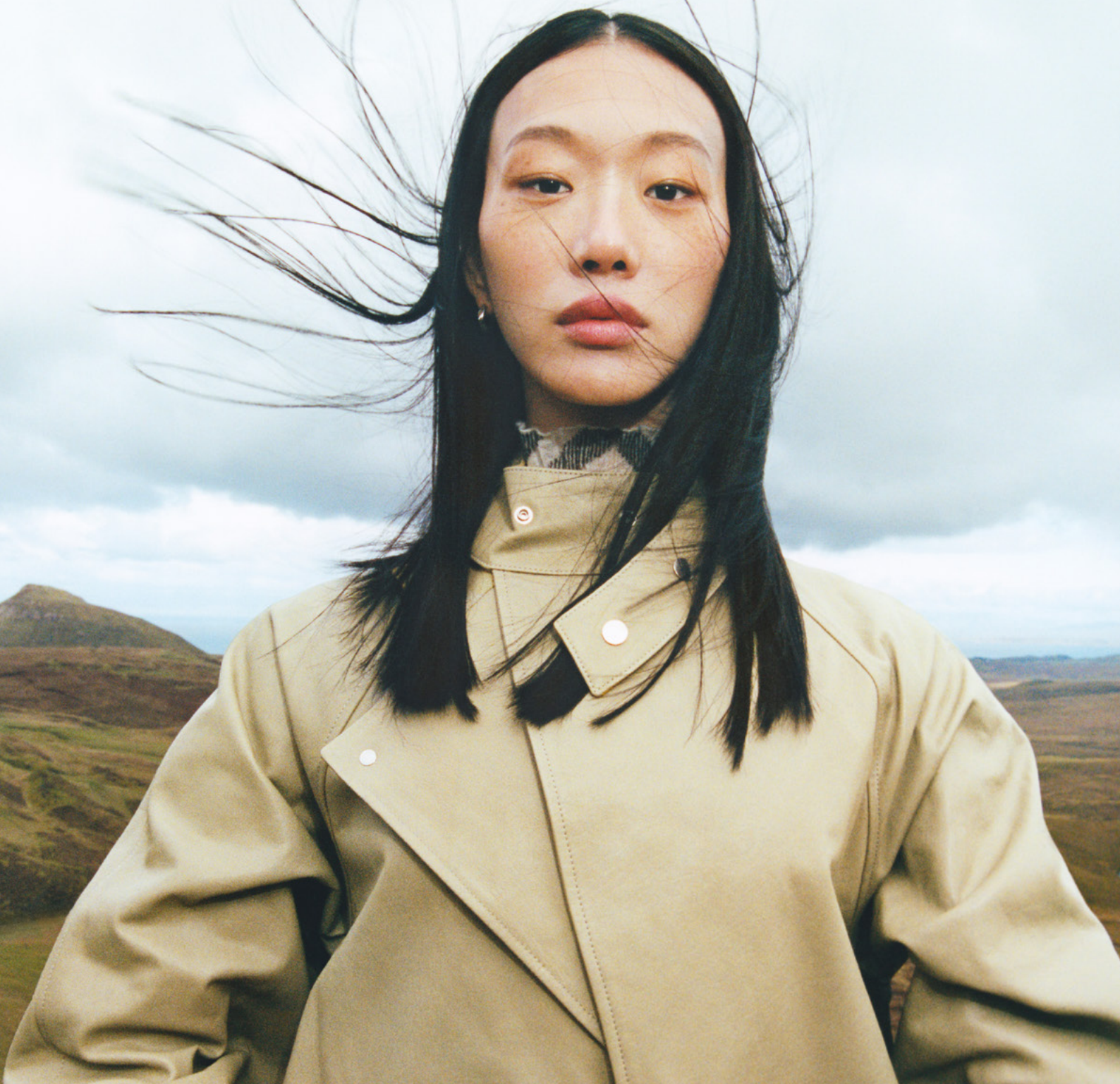
<sup>^</sup> This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC). For the results of that assurance, see PwC's Independent Limited Assurance Report and Burberry's Responsibility Basis of Reporting FY 2023/24 on [Burberryplc.com/impact/Resource-Hub](https://www.burberryplc.com/impact/Resource-Hub).



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](#)

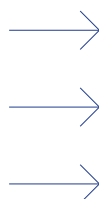






With his invention of gabardine, Thomas Burberry raised the bar for performance outerwear. Weather resistant and breathable, the fabric opened opportunities for everyone from city dwellers to Arctic adventurers to explore the outdoors.

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](#)







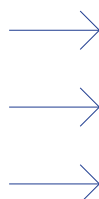
Target for  
**100%**

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](#)





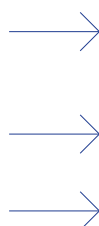


Throughout its history, Burberry has been inextricably linked to exploration of the great outdoors. The environment continues to be our inspiration today, and we are playing our part in protecting it for future generations by factoring sustainability considerations into our business decisions.

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.

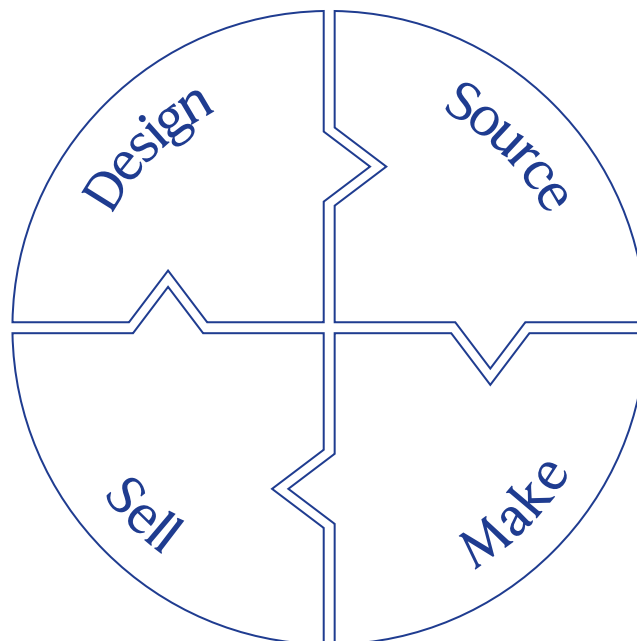
## Our values

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.

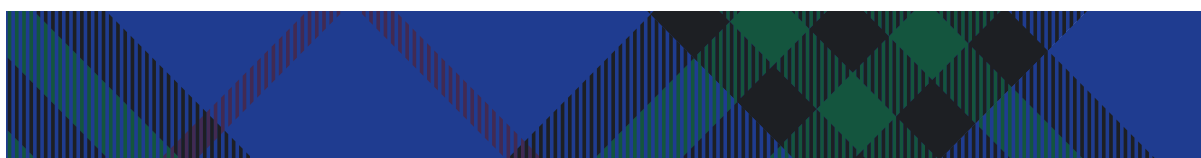
We design products which are elevated by our house codes. Our teams collaborate to innovate and deliver on our common goals so that we continually inspire and delight our customers.



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<sup>1</sup> 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<sup>2</sup>. 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 Attagamma 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





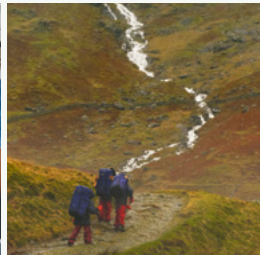
The personal luxury market saw continued price elevation across categories at both the entry and top end of the range, while volumes also contracted. Brands are revisiting their value propositions to cover the positioning gap and broadening their offers to ensure they have compelling entry-price products. 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:

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

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

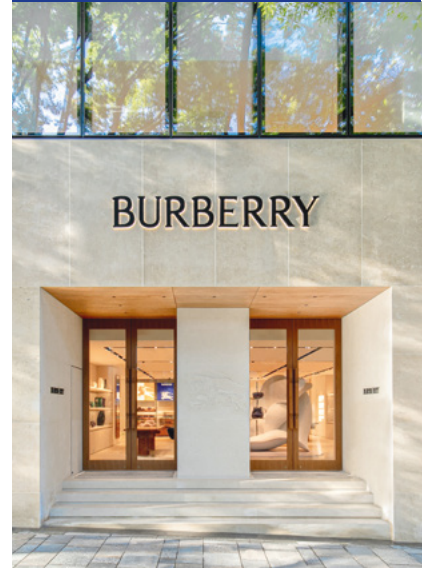
Harness the power of our brand



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 175<sup>th</sup> 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*	Comparable sales growth*	Adjusted operating profit growth*
<p>This measures the appeal of the Burberry brand to customers through all of our sales channels.</p>	<p>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.</p>	<p>This measure tracks our ongoing operating profitability and reflects the combination of revenue growth and cost management.</p>

Measured by																																										
<p>CER Revenue growth %</p> <p><b>flat</b></p> <table border="1"> <tr><th>Year</th><th>Revenue (m)</th><th>Change (%)</th></tr> <tr><td>2024</td><td>£2,968m</td><td>flat</td></tr> <tr><td>2023</td><td>£3,094m</td><td>+5%</td></tr> <tr><td>2022</td><td>£2,826m</td><td>+23%</td></tr> <tr><td>2021</td><td>£2,344m</td><td>-10%</td></tr> </table>	Year	Revenue (m)	Change (%)	2024	£2,968m	flat	2023	£3,094m	+5%	2022	£2,826m	+23%	2021	£2,344m	-10%	<p>CER Comparable store sales growth %</p> <p><b>-1%</b></p> <table border="1"> <tr><th>Year</th><th>Growth (%)</th></tr> <tr><td>2024</td><td>-1%</td></tr> <tr><td>2023</td><td>+7%</td></tr> <tr><td>2022</td><td>+18%</td></tr> <tr><td>2021</td><td>-9%</td></tr> </table>	Year	Growth (%)	2024	-1%	2023	+7%	2022	+18%	2021	-9%	<p>CER Adjusted operating profit growth %</p> <p><b>-25%</b></p> <table border="1"> <tr><th>Year</th><th>Profit (m)</th><th>Change (%)</th></tr> <tr><td>2024</td><td>£418m</td><td>-25%</td></tr> <tr><td>2023</td><td>£634m</td><td>+8%</td></tr> <tr><td>2022</td><td>£523m</td><td>+38%</td></tr> <tr><td>2021</td><td>£396m</td><td>-8%</td></tr> </table>	Year	Profit (m)	Change (%)	2024	£418m	-25%	2023	£634m	+8%	2022	£523m	+38%	2021	£396m	-8%
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Performance		
<p>FY 2023/24 revenue was flat at constant exchange rates.</p>	<p>FY 2023/24 comparable sales decreased by 1% in the year.</p>	<p>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.</p>

\* At constant exchange rates and adjusted for the 53<sup>rd</sup> 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%

2024



2023



2022



2021



## Adjusted diluted EPS growth %

# -40%

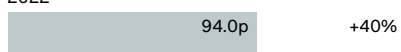
2024



2023



2022



2021



## Adjusted Group ROIC %

# 15.3%

2024



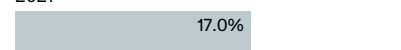
2023



2022



2021



## 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 single 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
<b>The impact of COVID-19</b>		
Inventory provisions	–	1
Rent concessions	–	13
Store impairments	–	6
Government grants	–	2
<b>COVID-19 adjusting items**</b>	–	22
Restructuring costs	–	(16)
Profit on sale of property	–	19
Revaluation of deferred consideration liability	–	(2)
<b>Adjusting operating items</b>	–	23
<b>Adjusting financing items</b>	–	(2)
<b>Adjusting items</b>	–	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
<b>Cash generated from operating activities</b>	<b>665</b>	<b>912</b>
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)
<b>Free cash flow</b>	<b>63</b>	<b>393</b>

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
<b>Net Debt*</b>	<b>1,125</b>	<b>460</b>
<b>Net Debt/Adjusted EBITDA</b>	<b>1.4x</b>	<b>0.5x</b>

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

## Store portfolio by region\*

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

\* 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																					
<b>Constant Exchange Rates (CER)</b>	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																					
<b>Comparable Sales</b>	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: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Period ended YoY%</th> <th>52 weeks ended 30 March 2024</th> <th>52 weeks ended 1 April 2023</th> </tr> </thead> <tbody> <tr> <td>Comparable sales</td> <td>(1%)</td> <td>7%</td> </tr> <tr> <td>Change in space</td> <td>2%</td> <td>(1%)</td> </tr> <tr> <td>CER retail</td> <td>1%</td> <td>6%</td> </tr> <tr> <td>53<sup>rd</sup> week</td> <td>–</td> <td>(2%)</td> </tr> <tr> <td>FX</td> <td>(5%)</td> <td>6%</td> </tr> <tr> <td>Retail revenue</td> <td>(4%)</td> <td>10%</td> </tr> </tbody> </table>	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%	53 <sup>rd</sup> week	–	(2%)	FX	(5%)	6%	Retail revenue	(4%)	10%
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%																					
53 <sup>rd</sup> week	–	(2%)																					
FX	(5%)	6%																					
Retail revenue	(4%)	10%																					
<b>Adjusted Profit</b>	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.																					

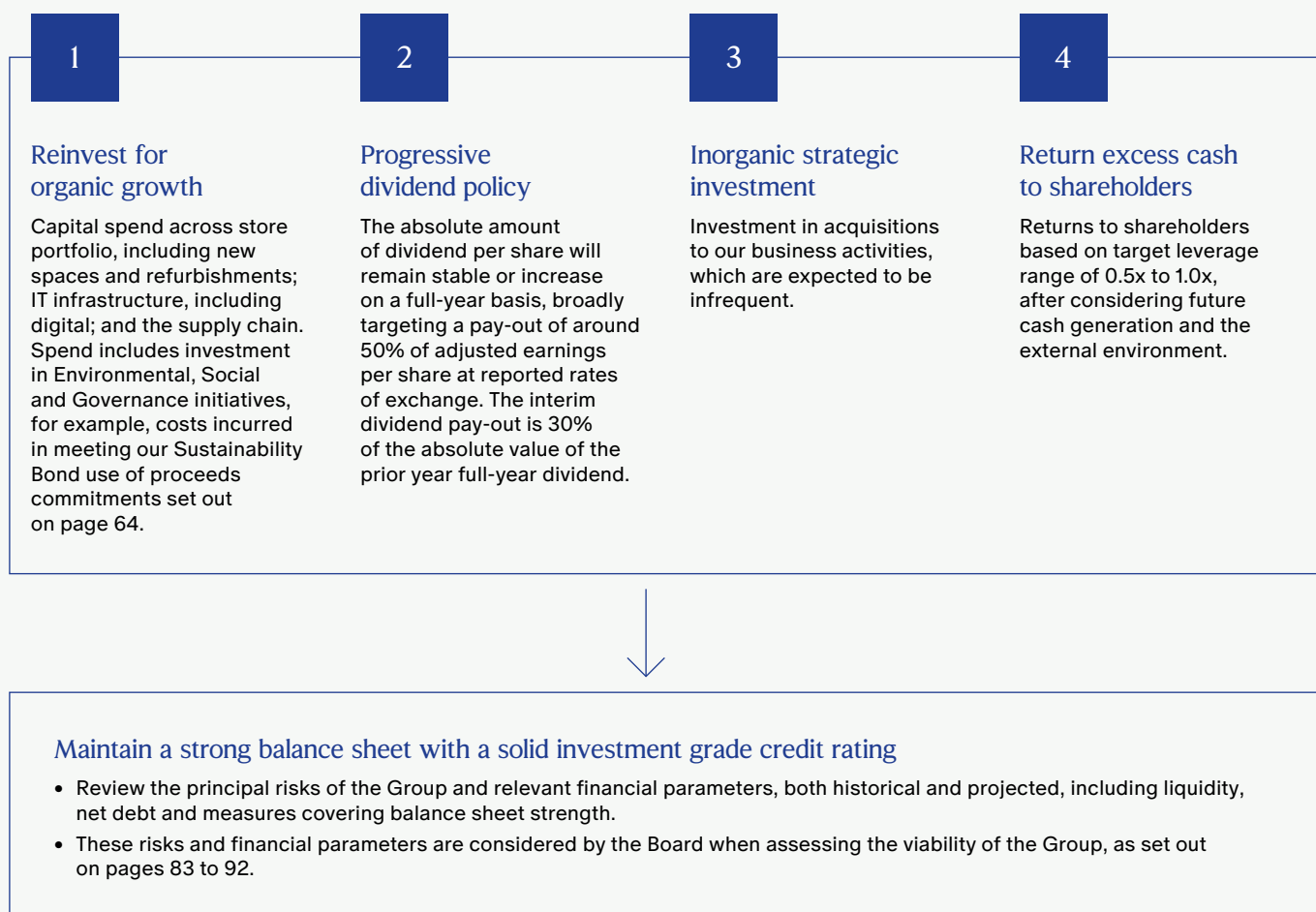
APM	Description and purpose	GAAP measure reconciled to																					
<b>Free Cash Flow</b>	Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets and including cash outflows for lease principal payments and other lease related items.	<p>Net cash generated from operating activities:</p> <table border="1"> <thead> <tr> <th>Period ended £m</th> <th>52 weeks ended 30 March 2024</th> <th>52 weeks ended 1 April 2023</th> </tr> </thead> <tbody> <tr> <td>Net cash generated from operating activities</td> <td>506</td> <td>750</td> </tr> <tr> <td>Capex</td> <td>(208)</td> <td>(179)</td> </tr> <tr> <td>Lease principal and related cash flows</td> <td>(235)</td> <td>(210)</td> </tr> <tr> <td>Proceeds from disposal of non-current assets</td> <td>–</td> <td>32</td> </tr> <tr> <td>Free cash flow</td> <td>63</td> <td>393</td> </tr> </tbody> </table>	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			
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<b>Net Debt</b>	Net debt is defined as the lease liability recognised on the balance sheet plus borrowings less cash net of overdrafts.	<p>Cash net of overdrafts:</p> <table border="1"> <thead> <tr> <th>Period ended £m</th> <th>As at 30 March 2024</th> <th>As at 1 April 2023</th> </tr> </thead> <tbody> <tr> <td>Cash net of overdrafts</td> <td>362</td> <td>961</td> </tr> <tr> <td>Lease liability</td> <td>(1,188)</td> <td>(1,123)</td> </tr> <tr> <td>Borrowings</td> <td>(299)</td> <td>(298)</td> </tr> <tr> <td>Net debt</td> <td>(1,125)</td> <td>(460)</td> </tr> </tbody> </table>	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)						
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<b>Adjusted EBITDA</b>	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.	<p>Reconciliation from operating profit to adjusted EBITDA:</p> <table border="1"> <thead> <tr> <th>Period ended £m</th> <th>52 weeks ended 30 March 2024</th> <th>52 weeks ended 1 April 2023</th> </tr> </thead> <tbody> <tr> <td>Operating profit</td> <td>418</td> <td>657</td> </tr> <tr> <td>Adjusting operating items</td> <td>–</td> <td>(23)</td> </tr> <tr> <td>Amortisation of intangible assets</td> <td>42</td> <td>37</td> </tr> <tr> <td>Depreciation of property, plant and equipment</td> <td>103</td> <td>95</td> </tr> <tr> <td>Depreciation of right-of-use assets*</td> <td>234</td> <td>209</td> </tr> <tr> <td>Adjusted EBITDA</td> <td>797</td> <td>975</td> </tr> </tbody> </table>	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
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\* 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.



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)
<b>Net debt/EBITDA</b>	<b>1.4x</b>	<b>0.5x</b>



# 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
<b>Product</b>		
<b>Procure certified and responsibly sourced key raw materials</b> 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)	<ul style="list-style-type: none"> <li>Percentage of key raw materials in our products certified or responsibly sourced (as defined in our Sustainable Raw Materials Portfolio) in FY 2023/24</li> </ul>	<ul style="list-style-type: none"> <li>55%<sup>A</sup> of key raw materials in our products were certified or responsibly sourced (as defined in our Sustainable Raw Materials Portfolio) in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of certified or responsibly sourced cotton</li> </ul>	<ul style="list-style-type: none"> <li>56% of cotton certified or responsibly sourced in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of certified or responsibly sourced synthetics</li> </ul>	<ul style="list-style-type: none"> <li>53% of synthetics certified or responsibly sourced in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of certified or responsibly sourced viscose</li> </ul>	<ul style="list-style-type: none"> <li>100% of viscose certified or responsibly sourced in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of certified or responsibly sourced wool</li> </ul>	<ul style="list-style-type: none"> <li>27% of wool certified or responsibly sourced in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of leather from certified tanneries</li> </ul>	<ul style="list-style-type: none"> <li>100% of leather from certified tanneries in FY 2023/24, an increase from 96% in FY 2022/23</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of certified or responsibly sourced feather and down</li> </ul>	<ul style="list-style-type: none"> <li>100% of feather and down certified or responsibly sourced in FY 2023/24</li> </ul>
<b>Embed circular business models</b> Continue to evolve aftercare offer and trial new circular business models	<ul style="list-style-type: none"> <li>Progress against aftercare offer</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>

<sup>A</sup> 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
<b>Product</b>		
<p><b>Eliminate plastic packaging</b></p> <p>Eliminate plastic from our consumer packaging by FY 2025/26</p>	<ul style="list-style-type: none"> <li>Progress against consumer packaging target</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>100% of consumer paper-based packaging procured in FY 2023/24 was FSC® certified<sup>1</sup></li> </ul>
<p>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</p>	<ul style="list-style-type: none"> <li>Progress against operational packaging target</li> </ul>	<ul style="list-style-type: none"> <li>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)</li> <li>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</li> </ul>
<b>Planet</b>		
<p><b>Reach net zero greenhouse gas (GHG) emissions across our value chain by FY 2039/40</b></p> <p>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</p> <p>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)</p>	<ul style="list-style-type: none"> <li>% reduction of scope 1 and scope 2 (market-based) emissions, relative to FY 2016/17 base year</li> <li>% reduction of scope 3 emissions, relative to FY 2018/19 base year</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>In FY 2023/24, our total energy consumption decreased by 36% from a FY 2016/17 baseline and by 3% from FY 2022/23</li> <li>45.9%<sup>A</sup> reduction in scope 3 emissions from a FY 2018/19 base year, and a 0.8% reduction from FY 2022/23</li> <li>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</li> </ul>

<sup>A</sup> 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
<b>Planet</b>		
<p><b>Embed sustainable manufacturing processes across our supply chain</b></p> <p>Extend our sustainable manufacturing initiatives, covering energy, water and waste, both within our own manufacturing and across our supply chain</p>	<ul style="list-style-type: none"> <li>Percentage of products delivered by key supply chain partners<sup>1</sup> assessed against the ZDHC Supplier to Zero (S2Z) programme requirements</li> </ul>	<ul style="list-style-type: none"> <li>89% of products delivered by key supply chain partners<sup>1</sup> assessed against the ZDHC S2Z programme requirements in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of products delivered by key supply chain partners<sup>1</sup> assessed against our water conservation framework</li> </ul>	<ul style="list-style-type: none"> <li>83% of products delivered by key supply chain partners<sup>1</sup> assessed against our water conservation framework</li> </ul>
	<ul style="list-style-type: none"> <li>Volume of raw material donations</li> </ul>	<ul style="list-style-type: none"> <li>Over 360,000 metres of fabric donated to a variety of global non-profit organisations in FY 2023/24</li> </ul>
<p><b>Protect nature</b></p> <p>Contribute to sustainable management of natural forests and support zero deforestation across our products and supply chain by FY 2025/26</p>	<ul style="list-style-type: none"> <li>Percentage of Canopy 'Green Shirt' rated viscose</li> </ul>	<ul style="list-style-type: none"> <li>100% of our viscose is Canopy 'Green Shirt' rated in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of our leather from certified tanneries</li> </ul>	<ul style="list-style-type: none"> <li>100% of our leather was procured from certified tanneries in FY 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of paper-based packaging procured that is FSC<sup>®</sup> certified</li> </ul>	<ul style="list-style-type: none"> <li>96% of all paper-based packaging procured in FY 2023/24 was FSC<sup>®</sup> certified<sup>2</sup></li> </ul>
<b>People</b>		
<p><b>Support inclusion</b></p> <p>Achieve a 95% completion rate globally for episodes 1 and 2 of our online Diversity, Equity and Inclusion learning journey</p>	<ul style="list-style-type: none"> <li>Percentage of colleagues who have completed episodes 1 and 2 of the online training</li> </ul>	<ul style="list-style-type: none"> <li>89% of colleagues have completed episode 1 and 90% of colleagues have completed episode 2</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of female candidates shortlisted</li> </ul>	<ul style="list-style-type: none"> <li>In FY 2023/24, shortlists across all recruitment campaigns consisted of 57% female, 41% male and 2% 'other' candidates<sup>3</sup></li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of ethnic minority candidates in the UK</li> </ul>	<ul style="list-style-type: none"> <li>In FY 2023/24, hiring representation in the UK consisted of 31% ethnic minority candidates<sup>3</sup></li> </ul>
<ul style="list-style-type: none"> <li>Percentage of Black/African-American candidates in the USA</li> </ul>	<ul style="list-style-type: none"> <li>In FY 2023/24, hiring representation in the USA consisted of 10% Black/African-American candidates<sup>3</sup></li> </ul>	
<p><b>Cultivate engagement</b></p> <p>Create a workplace where all our colleagues are engaged with our brand, purpose and values to drive positive business outcomes</p>	<ul style="list-style-type: none"> <li>Colleague engagement score as measured by our Glint survey</li> </ul>	<ul style="list-style-type: none"> <li>Colleague engagement score of 74 points<sup>4</sup></li> </ul>
	<ul style="list-style-type: none"> <li>Number of women globally in Director and above roles, divided by the total number of Director and above roles</li> </ul>	<ul style="list-style-type: none"> <li>Women account for 57% of the leadership population</li> </ul>

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<sup>®</sup> 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
<b>People in our supply chain</b>		
<p><b>Advance ethical trading in our supply chain</b></p> <p>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)</p>	<ul style="list-style-type: none"> <li>Number of onsite social compliance audits carried out in the year</li> <li>Number of desktop social compliance assessments carried out in the year</li> <li>Percentage of finished goods supply chain partners undergoing a social compliance audit or remaining in scope from previous audit</li> </ul>	<ul style="list-style-type: none"> <li>495<sup>A</sup> onsite social compliance audits carried out in FY 2023/24</li> <li>100<sup>A</sup> desktop social compliance assessments carried out in FY 2023/24</li> <li>71% of our finished goods supply chain partners have had a social compliance audit or remained in scope from previous audit</li> </ul>
<p><b>Extend wellbeing across our supply chain</b></p> <p>Extend our Supply Chain Engagement Programmes to further advance wellbeing, livelihoods, inclusivity and worker voice across our supply chain</p>	<ul style="list-style-type: none"> <li>Number of finished goods suppliers participating in our Wellbeing Programme</li> <li>Number of finished goods supply chain workers covered by the Wellbeing Programme</li> <li>Number of calls to Burberry-sponsored hotlines in the last year</li> <li>Number of workers covered by hotlines</li> </ul>	<ul style="list-style-type: none"> <li>Nine finished goods suppliers participated in the Wellbeing Programme</li> <li>11,650 workers in the finished goods supply chain covered by the Wellbeing Programme, an increase from over 5,000 in FY 2022/23</li> <li>473 calls made to Burberry-sponsored worker hotlines, compared to 502 in FY 2022/23</li> <li>Approximately 33,350 workers covered by Burberry-sponsored hotlines, a 22% increase from FY 2022/23</li> </ul>
<b>Communities</b>		
<p><b>Inspire young people to create better futures</b></p> <p>Positively impact 500,000 people between FY 2022/23 and FY 2025/26, particularly young people hailing from underserved communities</p>	<ul style="list-style-type: none"> <li>Number of people positively impacted through community programmes supported by Burberry Group plc and The Burberry Foundation in FY 2023/24</li> <li>Number of people positively impacted cumulatively through community programmes supported by Burberry Group plc and The Burberry Foundation since FY 2022/23</li> </ul>	<ul style="list-style-type: none"> <li>219,377 people positively impacted through community programmes supported by Burberry Group plc and The Burberry Foundation in FY 2023/24</li> <li>380,162 people positively impacted cumulatively through community programmes supported by Burberry Group plc and The Burberry Foundation since FY 2022/23</li> </ul>
<p><b>Increase volunteering opportunities for colleagues</b></p> <p>25% of Burberry colleagues actively engaged in volunteering and fundraising activities by FY 2025/26</p>	<ul style="list-style-type: none"> <li>Percentage of colleagues engaged in volunteering and fundraising activities</li> <li>Number of volunteering and fundraising projects supported by Burberry colleagues</li> <li>Number of charities supported through volunteering, match funding and in-kind donations</li> </ul>	<ul style="list-style-type: none"> <li>8%<sup>1</sup> of colleagues engaged in volunteering and fundraising activities in FY 2023/24</li> <li>139 volunteering and fundraising projects were supported by Burberry colleagues in FY 2023/24</li> <li>92 charities were supported through volunteering, match funding and in-kind donations</li> </ul>

<sup>A</sup> 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	Planet	People	Communities
<p><b>Responsible craftsmanship</b></p> <ol style="list-style-type: none"> <li>1. Procure certified and responsibly sourced key raw materials</li> <li>2. Embed circular business models</li> <li>3. Eliminate plastic packaging</li> </ol>	<p><b>Climate Positive</b></p> <ol style="list-style-type: none"> <li>4. Reach net zero greenhouse gas emissions across our value chain by FY 2039/40</li> <li>5. Embed sustainable manufacturing processes across our supply chain</li> <li>6. Protect nature</li> </ol>	<p><b>Champion Diversity, Equity and Inclusion and people in our supply chain</b></p> <ol style="list-style-type: none"> <li>7. Support inclusion</li> <li>8. Increase representation</li> <li>9. Advance ethical trading in our supply chain</li> <li>10. Extend wellbeing across our supply chain</li> </ol>	<p><b>Positively impact young people</b></p> <ol style="list-style-type: none"> <li>11. Inspire young people to create better futures</li> <li>12. Increase volunteering opportunities for colleagues</li> </ol>
Read more from page 37	Read more from page 41	Read more from page 48	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](https://www.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](https://www.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%<sup>A</sup> 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](http://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](http://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](http://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.

<sup>A</sup> 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](http://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®)<sup>1</sup> 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](https://www.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.

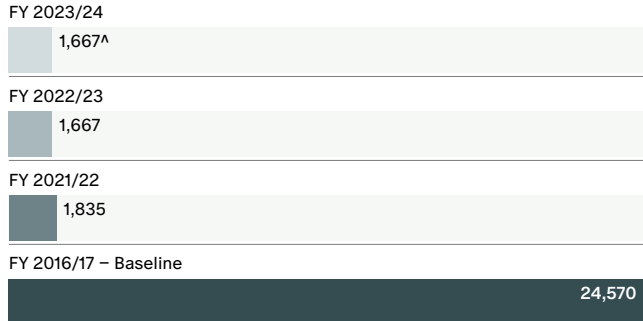
Delivering our Net Zero by 2040 target will require short-, medium- and long-term solutions driven by a broad range of teams across the business. In FY 2023/24, we began conducting cross-functional strategy "sprints" to identify feasible and effective solutions to our biggest blockers to achieving net 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<sub>2</sub>e).

<sup>^</sup> 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 <sup>A</sup>	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 <sub>2</sub> e)	1,545 <sup>A</sup>	1,056	1,585	1,082	1,768	1,311
Scope 1 – Combustion of fuel from owned or leased transport (Tonnes CO <sub>2</sub> e)	122	3	82	2	67	1
Scope 2 – Electricity purchased and used for operations (location based) (Tonnes CO <sub>2</sub> e)	17,308 <sup>A</sup>	1,998	17,692	1,872	25,866	2,390
Scope 1 and 2 – Total emissions (location based) (Tonnes CO <sub>2</sub> e)	18,975 <sup>A</sup>	3,057	19,359	2,956	27,701	3,702
Scope 2 – Electricity purchased and used for operations (market based) (Tonnes CO <sub>2</sub> e)	0 <sup>A</sup>	0	0	0	0	0
Scope 1 and 2 – Total emissions (market based) (Tonnes CO <sub>2</sub> e)	1,667 <sup>A</sup>	1,059	1,667	1,084	1,835	1,312
Total emissions offset by Verified Emissions Reduction Certificates (Tonnes CO <sub>2</sub> e)	1,667	1,059	1,667	1,084	1,835	1,312
Scope 1 and 2 intensity (location-based) (Tonnes CO <sub>2</sub> e 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% <sup>A</sup>	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.

<sup>A</sup> 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](https://www.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 Burberrypc.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 Burberrypc.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 Burberrypc.com.

Overall, in FY 2023/24, our scope 3 GHG emissions decreased by 0.8% from FY 2022/23 and by 45.9%<sup>^</sup> 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 is 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 Burberrypc.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.

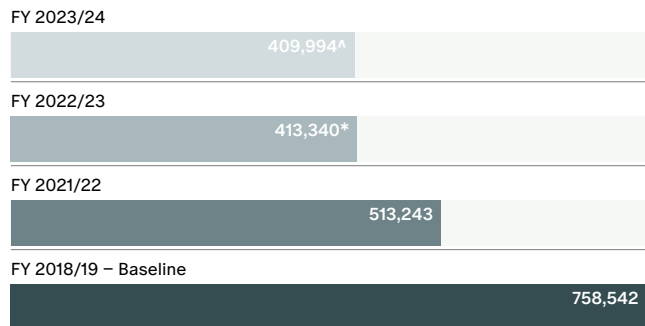
As cashmere contributes significantly towards our raw material emissions, we are part of a cross-industry Life Cycle Assessment coordinated by Textile Exchange with the aim of improving our understanding of its environmental impact. This builds on actions we are already taking to reduce emissions associated 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<sub>2</sub>e).

<sup>^</sup> 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 Burberrypc.com/impact/Resource-Hub.

<sup>\*</sup> 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 Burberrypc.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 Burberrypc.com.

<sup>^</sup> 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 Burberrypc.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<sup>1</sup> 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<sup>1</sup>, 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<sup>1</sup> 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).

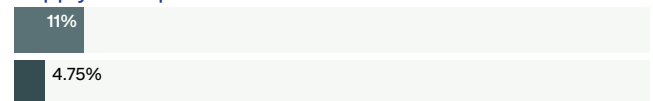
We report on our approach to managing water-related climate risks, such as water stress and flooding, in our Task Force on Climate-related Financial Disclosures (TCFD) on pages 66 to 79.

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.

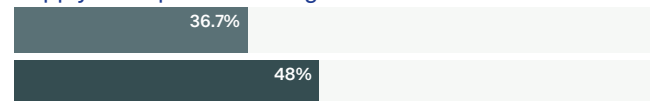
#### Key supply chain partners assessed in FY 2023/24



#### Supply chain partners with low levels of water resilience



#### Supply chain partners with good levels of water resilience



Legend: ■ FY 2023/24 ■ FY 2022/23

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 2023/24 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<sup>1</sup>.

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

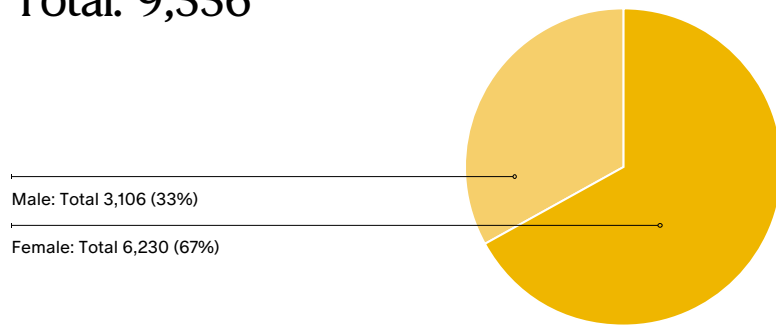
Implementing a global approach

### Diversity in our workforce

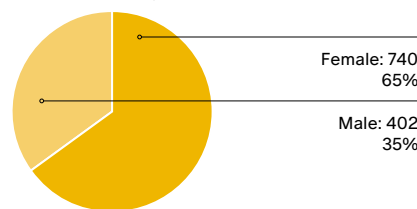
Understanding the diversity in our workforce enables us to leverage the strengths and experiences of our people to deliver our business strategy.

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.

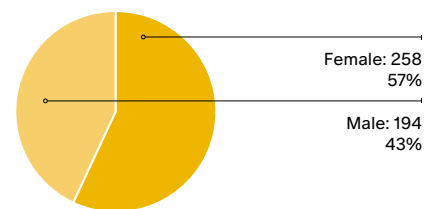
### All workforce<sup>1</sup> Total: 9,336



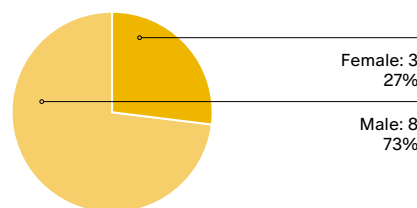
### Junior Managers Total: 1,142



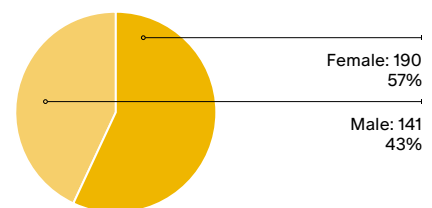
### Senior Managers Total: 452



### Executive Committee Total: 11



### Leadership (Director and above)<sup>2</sup> 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<sup>3</sup>

**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<sup>3</sup>

**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<sup>3</sup>

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.

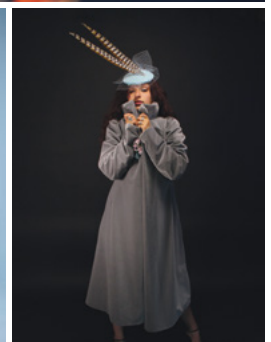
## The BRIT School

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% completion of Episode 1 Mitigating Bias

90% 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



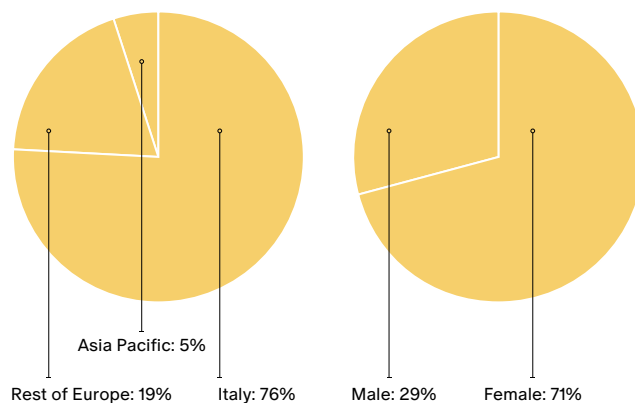


Finished goods  
production sites

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 Burberrypc.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<sup>1</sup> 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<sup>2</sup> 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	Finished goods supply chain partners that have had a social compliance audit or remained in scope from previous audit
<b>495<sup>^</sup></b>	<b>71%</b>
Desktop social compliance assessments	
<b>100<sup>^</sup></b>	

#### Vendor Ownership Programme FY 2023/24

<b>24</b>	<b>310</b>
vendors participating in the VOP	subcontractors
Over <b>20,500</b>	Covering <b>52%</b>
workers impacted by the VOP	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.

<sup>^</sup> 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 [burberrypc.com/impact/Resource-Hub](https://www.burberrypc.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](https://www.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<sup>1</sup> 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

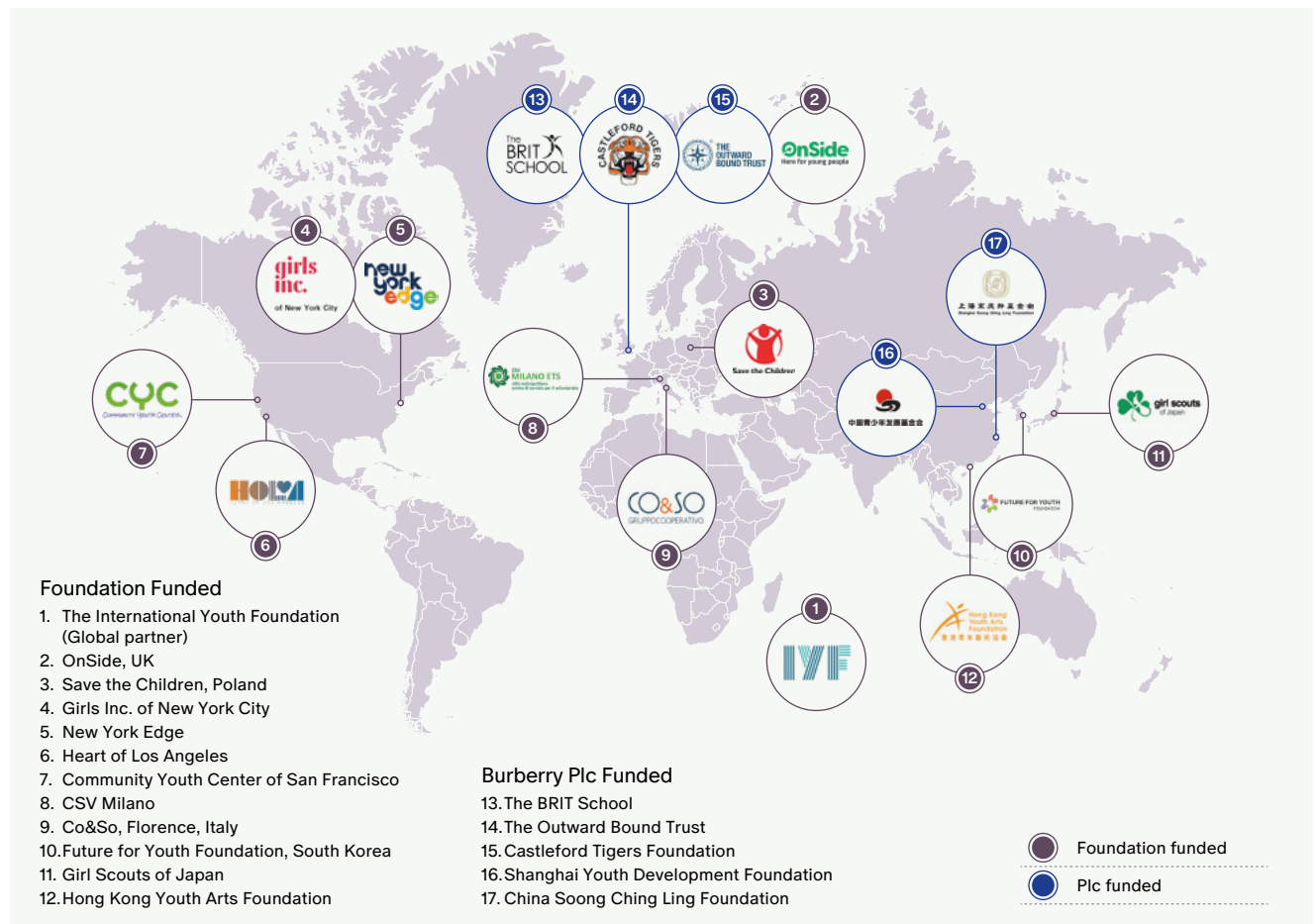
Burberry Inspire is a global programme dedicated to providing safe spaces for young people to explore their creativity, develop new skills and build a more positive future.

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 EMEA, Americas and Asia Pacific.



### 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% 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.

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## 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).

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## 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.

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## 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.

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## 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.

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## 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.

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## 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.

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## 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<sup>1</sup> (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:

- LEED: Platinum or Gold level
- 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<sup>®</sup>)<sup>2</sup> 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](https://www.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
<b>Total</b>	<b>300.0<sup>v</sup></b>	

1. The Framework can be found at: <https://www.burberryplc.com/en/investors/debt.html>.

2. In order to calculate the percentage of FSC<sup>®</sup> 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.

<sup>v</sup> 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](https://www.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
<b>Environmental matters</b>	<ul style="list-style-type: none"> <li>• Global Environmental Policy</li> <li>• Responsible Sourcing Policy</li> <li>• Chemical Management Standards</li> <li>• Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental and Social Responsibility section, pages 35 to 62</li> <li>• Impact section on Burberryplc.com</li> <li>• Task Force on Climate-related Financial Disclosures (TCFD), pages 66 to 79</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Our Culture and Values</li> <li>• Global Health and Safety Policy</li> <li>• Ethical Trading Code of Conduct</li> <li>• Global Diversity, Equity and Inclusion Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Directors' Report, pages 143 to 146</li> <li>• Directors' Remuneration Report, pages 125 to 142</li> <li>• Our Purpose and Values, page 14</li> <li>• Stakeholder Engagement, pages 80 to 82</li> <li>• Gender and Ethnicity Pay Gap Report on Burberryplc.com</li> <li>• Environmental and Social Responsibility section, pages 35 to 62</li> </ul>
<b>Respect for human rights</b>	<ul style="list-style-type: none"> <li>• Human Rights Policy</li> <li>• Ethical Trading Code of Conduct</li> <li>• Child Labour and Young Worker Policy</li> <li>• Migrant Worker Policy</li> <li>• Data Protection Policies</li> <li>• Information Security Policies</li> <li>• Model Wellbeing Policy</li> <li>• Global Diversity, Equity and Inclusion Policy</li> <li>• Partner Non-Compliance Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Impact section on Burberryplc.com</li> <li>• Transparency in the Supply Chain and Modern Slavery Statement on Burberryplc.com</li> </ul>
<b>Social matters</b>	<ul style="list-style-type: none"> <li>• Ethical Trading Code of Conduct</li> <li>• Local Stakeholder Engagement Policy</li> <li>• Volunteering and Match Funding</li> </ul>	<ul style="list-style-type: none"> <li>• Impact section on Burberryplc.com</li> </ul>
<b>Anti-corruption and anti-bribery</b>	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption Policy</li> <li>• Cash Acceptance Policy</li> <li>• Fraud Risk Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Reflecting the needs of our stakeholders, People, page 80</li> <li>• Reflecting the needs of our stakeholders, Customers, page 80</li> </ul>
<b>Additional disclosure</b>		<ul style="list-style-type: none"> <li>• Our Business Model, page 14 to 15</li> <li>• Environmental and Social Measures (Non-financial KPIs), pages 30 to 33</li> <li>• Risk and Viability Report, pages 83 to 90</li> <li>• Our Purpose and Values, page 14</li> </ul>

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



## 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%<sup>A</sup> 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](https://www.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](https://www.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.

<sup>A</sup> 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](https://www.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



**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.

**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.

### Transition Risks



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.

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

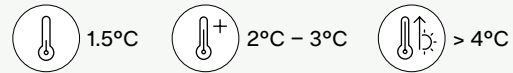
The impact of physical and transition risks has been considered over a range of emission trajectories and global average temperatures. This is in line with the recommendations of the TCFD to select a set of scenarios that cover a reasonable variety of future outcomes, both favourable and unfavourable. 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



### Scenario description



The world takes immediate and substantial action in line with the Paris Agreement to lower emissions.



The world partially implements policies to lower emissions with no further actions taken.



The world takes limited or no actions to limit emissions.

### Global impact of climate-related risks over time

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.

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.

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

Medium



2°C – 3°C

Medium



1.5°C

Medium

Impact

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

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



> 4°C

Low\*



2°C – 3°C

Low



1.5°C

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%<sup>A</sup> 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.

<sup>A</sup> 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

Impact	> 4°C	2°C – 3°C	1.5°C
	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



> 4°C

Low



2°C – 3°C

Medium



1.5°C

High

### 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
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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
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**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%<sup>A</sup>

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.

<sup>A</sup> 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](https://www.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](https://www.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 <sup>^</sup> 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](https://www.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.

<sup>^</sup> 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](https://www.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.

<b>Why they matter to us</b>	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.	
<b>What matters to them</b>	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Wellbeing</li> <li>• Fostering a diverse, equitable and inclusive culture</li> </ul>
<b>Board engagement</b>	Meaningful two-way communication between the Board and our workforce is crucial. How the Board has engaged: <ul style="list-style-type: none"> <li>• The Global Workforce Advisory Forum (see page 103 for more detail)</li> <li>• Colleague surveys</li> <li>• Attending and participating in global town halls covering a variety of topics</li> <li>• 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</li> </ul>	

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

<b>Why they matter to us</b>	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.	
<b>What matters to them</b>	<ul style="list-style-type: none"> <li>• Product design, craftsmanship, innovation and newness</li> <li>• Customer service and brand experience</li> <li>• Sustainability and circularity</li> </ul>	<ul style="list-style-type: none"> <li>• Addressing evolving customer habits and changes in buying patterns in the context of the macroeconomic climate</li> <li>• Environmental and social impact</li> </ul>
<b>Board engagement</b>	Understanding our customers and what they are looking for is key to the success of our brand. How the Board has engaged: <ul style="list-style-type: none"> <li>• Customer insights provided through presentations from our CEO and senior management team</li> <li>• Presentations from regional presidents and their markets</li> <li>• 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</li> <li>• CEO visits to Mainland China, the USA, Japan, South Korea, Southeast Asia and Australia</li> <li>• Personal customer experience across all of our channels</li> </ul>	



## 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 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.

## 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

## 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
①	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.

<a href="#">Risk movement</a>	<a href="#">Risk tolerance</a>	<a href="#">Link to strategy</a>
	Low	

### 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.

<a href="#">Risk movement</a>	<a href="#">Risk tolerance</a>	<a href="#">Link to strategy</a>
	Moderate	

### 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



### 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



### 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



### 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



### 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 

### 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 

### 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 

#### 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 

#### 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 EMEA.

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