

BURBERRY

LONDON ENGLAND

GENDER PAY GAP REPORT 2020/2021



ERICA BOURNE
Chief People Officer

FOREWORD

We believe diversity, equity and inclusion are essential to our success as a creative business. We are firmly committed to fostering a culture of openness and belonging, where everyone feels they can be their authentic selves at work and is supported to reach their full potential. This commitment extends beyond colleagues to our customers, communities, and industry, and we work closely with all these groups to create change.

In this report, we outline our UK gender pay gap data for the fourth year. We have also introduced ethnicity pay gap reporting for the first time. We believe transparency drives accountability and allows us to better determine where we need to improve.

In the reporting period, our median gender pay gap increased from 8.5% to 9.8% while our mean decreased from 33.4% to 33%. Our median gender bonus gap decreased from 40.8% to 31.9% and our mean increased from 58.1% to 60.1%. With the data available from our UK population, our median ethnicity pay gap is at -12.7% in favour of ethnically diverse colleagues, meaning the median hourly pay rate is higher for that group. Our mean ethnicity pay gap is at 7.5%.

The composition of our workforce remains the main driver of our pay gaps. We continue to have a higher proportion of women in the lower quartiles and a lower proportion of ethnically diverse colleagues across quartiles.

As we continue to improve the breadth of our diversity information, we will be able to provide a more complete picture of our colleague population and take further meaningful action.

Alongside reviewing our gender and ethnicity pay gap data, we perform a pay analysis annually to ensure we meet our commitment to equal pay. In this report, we detail the initiatives we have put in place to significantly narrow the gaps, which remains a priority for us. These include diversifying hiring practices, providing meaningful development opportunities, and enhancing our policies.

We have received welcome recognition of our efforts, such as inclusion in the Bloomberg Gender-Equality Index for a second consecutive year and featuring as a best performer in the inaugural FTSE Women Leaders report.

However, we recognise there is still more to do and we are committed to realising our ambition to be the best workplace for women in the industry. We remain focused on continuous improvement to drive positive change both within Burberry and beyond.

We confirm that the information in this report is accurate and published in accordance with the UK gender pay gap reporting guidelines and regulations.

ERICA BOURNE
CPO

ABOUT THE GENDER PAY GAP REPORT

Since 2017, the UK Government has required public and private sector employers with 250 or more employees to publish key data on the gender pay gap in their UK businesses.

We have reported gender pay gap figures annually in that period for our UK colleague population, which makes up about a third of our global workforce. This report provides a snapshot of Burberry's gender pay gap in the UK as of 5th April 2021 and the actions we are taking to significantly narrow the gap.

Although current reporting guidelines require us to segment the population by men and women, we recognise that gender identity is not binary, and some individuals may identify differently. You can find out more on how we approach diversity, equity and inclusion [here](#).

Gender pay is measured through a median and mean percentage. The median data shows the percentage difference between the hourly pay of the 'middle' man and woman, if all were assembled in a row according to salary. The mean is calculated as the percentage difference between average hourly earnings for men and women across UK-based roles at Burberry. A negative percentage indicates a gap in favour of women, meaning hourly pay rates are higher for women than men on a median or mean basis.

REPORTING ETHNICITY PAY GAP DATA

For this report, we have also voluntarily disclosed ethnicity pay gap data for the first time, building on our commitment to transparency and monitoring our progress to create lasting change.

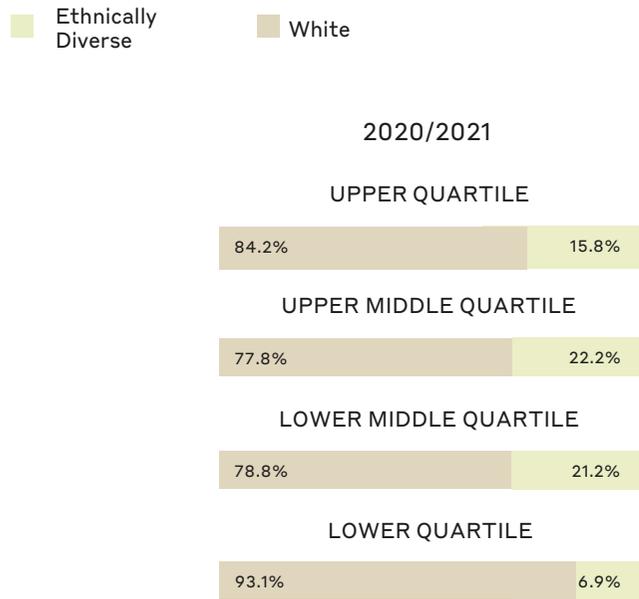
While UK colleagues are able to share their ethnicity data, it is not mandatory to do so. We currently hold data for 64.3% of our UK workforce. Based on the information available at this time, we have split the data into two segments for this year's report, white and ethnically diverse colleagues.

Our approach to measurement is consistent with the methodology we use to calculate the gender pay gap. The median data shows the percentage difference between the hourly pay of the 'middle' ethnically diverse and white colleague if all were assembled in a row according to salary, while the mean is the percentage difference between average hourly earnings for white and ethnically diverse colleagues across Burberry in the UK. A negative percentage indicates a gap in favour of ethnically diverse colleagues, meaning hourly pay rates are higher for ethnically diverse colleagues than white colleagues on a median or mean basis.

OUR COMMITMENT TO EQUAL PAY

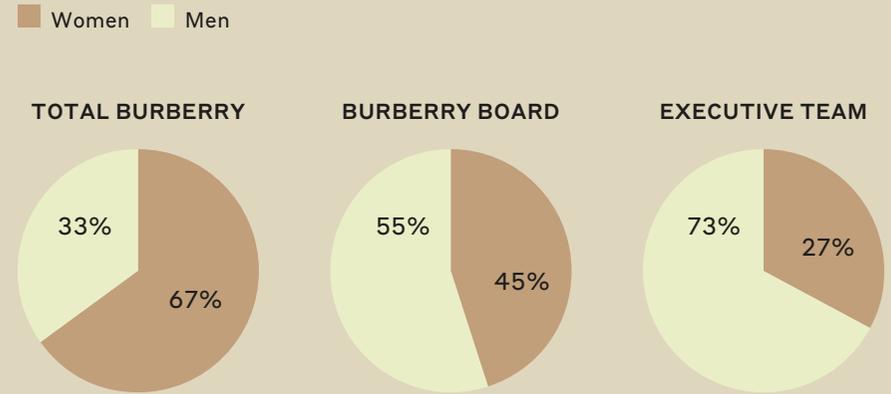
The gender and ethnicity pay gaps are distinct from equal pay, which is a comparison of the pay of men and women carrying out the same or equivalent roles. Our reward policy is to pay all colleagues in line with their level and experience and at a market competitive level. We undertake a pay analysis process annually, ensuring we meet our commitment to equal pay.

ETHNICITY DATA FROM OUR UK POPULATION*



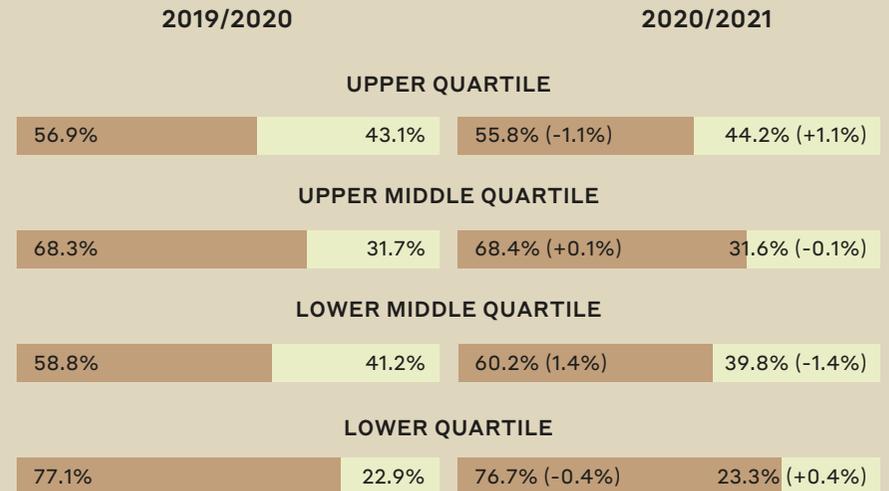
* UK data representing 64.3% of the colleague population

GENDER DIVERSITY AT BURBERRY



¹Global data

PROPORTION OF MEN AND WOMEN IN EACH PAY QUARTILE²



²UK data



GENDER PAY GAP BY QUARTILE

UK PAY QUARTILE	2020/2021		2019/2020	
	MEDIAN PAY GAP	MEAN PAY GAP	MEDIAN PAY GAP	MEAN PAY GAP
Upper Quartile	12.4%	29%	16%	28.5%
Upper Middle Quartile	-1.3%	-0.7%	-1.4%	-0.5%
Lower Middle Quartile	-0.1%	-0.1%	-2%	-0.6%
Lower Quartile	2.2%	3.4%	0.5%	4%

**MEDIAN PAY GAP
2020/2021**

9.8%

2019/2020: 8.5%

**MEAN PAY GAP
2020/2021**

33%

2019/2020: 33.4%

UNDERSTANDING OUR GENDER PAY GAP

Burberry's UK gender pay gap at 5th April 2021 increased by 1.3% on a median basis and decreased by 0.4% on a mean basis compared to the previous year.

Our gender pay gap continues to be driven by the composition of our workforce. The highest proportion of men at Burberry in the UK is found in the upper quartile of the organisation, while there has been an increase in the proportion of women making up the lower quartiles.

While over half of our overall leadership population consists of women, the majority of roles at the highest leadership level continue to be performed by men. Although the median pay gap for the upper quartile has decreased and the mean has increased by less than a percent, this still represents our greatest pay gap. A factor impacting the gender pay gap data is that it reflects the end of a pay reduction taken by senior leaders from April 2020 to June 2020. The beginning of the reduction was seen in the data captured for our last report. The equivalent amount was donated to The Burberry Foundation COVID-19 Community Fund. The fund, established in April 2020 for our employees to support communities in need globally, has supported procuring and distributing PPE, foodbanks, and healthcare charities around the world.

The remaining quartiles continue to have either a small gap or a percentage in favour of women and we continue to have a gap in favour of women across our retail teams, illustrating the median and mean hourly pay rates are higher for women.

UNDERSTANDING OUR GENDER BONUS GAP

Our gender bonus gap data captures bonus pay as defined in the reporting requirements over a 12-month period up until 5th April 2021. This includes any bonus, commissions, incentives, and proceeds from shares that were paid out during that period. The bonus gap is calculated using actual payments received by colleagues, which means that pro-rated amounts (rather than full-time equivalents) are used for part-time colleagues.

In this reporting period, the median bonus gap decreased by 8.9% while the mean bonus gap increased by 2%. The gap continues to be driven by a higher proportion of men in senior positions, as well as a substantially higher proportion of women in part-time roles. Across Burberry in the UK, the proportion of women and men receiving bonuses increased for the second consecutive year.

**MEDIAN BONUS GAP
2020/2021**

31.9%

2019/2020: 40.8%

**MEAN BONUS GAP
2020/2021**

60.1%

2019/2020: 58.1%

**WOMEN RECEIVING
BONUSES 2020/2021**

88.4%

2019/2020: 81.7%

**MEN RECEIVING
BONUSES 2020/2021**

88.6%

2019/2020: 83.6%

OUR ETHNICITY PAY GAP

Although the regulations require pay gap data to be analysed by gender, we believe it's important to assess our pay gap across other diversity metrics, including ethnicity. As we build a more complete picture of our colleague population, we will be able to segment data in more detail.

The ethnicity pay and bonus gap data is based on 64.3% of colleagues in the UK disclosing their ethnicity data. We are working to gain a greater understanding of our colleague population and remain committed to increasing the accuracy of this information through raising awareness around voluntary disclosure.

In our first year of reporting, we have a median ethnicity pay gap of -12.7% and a mean ethnicity pay gap of 7.5%. The demographics of our workforce drive the mean pay gap, with fewer ethnically diverse colleagues being in senior leadership roles within the upper quartile of the business.

Focusing on the lower quartile information, 7% of colleagues are ethnically diverse at this level based on current data. There is a 1% pay gap at the median and a gap of 13.6% at the mean, which is driven by a higher number of white colleagues at the top end of the lower pay quartile.

**MEDIAN PAY GAP
2020/2021**

-12.5%

**MEAN PAY GAP
2020/2021**

7.5%

ETHNICITY PAY GAP BY QUARTILE

PAY QUARTILE	MEDIAN PAY GAP	MEAN PAY GAP
Upper Quartile	12.3%	22.5%
Upper Middle Quartile	1.2%	2.7%
Lower Middle Quartile	-3.4%	-2.0%
Lower Quartile	1.0%	13.6%

OUR ETHNICITY BONUS GAP

Consistent with the methodology we use to calculate our gender bonus gap, the ethnicity bonus gap captures the 12-month period up until 5th April 2021. This includes any bonus, commissions, incentives, and proceeds from shares that were exercised during that period.

In this reporting period, we had a median ethnicity bonus gap of -27.6% in favour of ethnically diverse colleagues in the UK, with a mean gap of 33.1%. The composition of our workforce, particularly in the upper quartiles, impacts the ethnicity bonus gap as well.

**MEDIAN BONUS GAP
2020/2021**

-27.6%

**MEAN BONUS GAP
2020/2021**

33.1%



OUR COMMITMENT TO CLOSING THE GAPS

Our ambition is to foster a truly inclusive culture where everyone has a voice and can succeed.

- We are firmly committed to closing the gender pay gap at Burberry, significantly narrowing it by 2025.
- As we better understand the diversity of our colleague population through measuring our ethnicity pay gap data, we aim to have a more complete disclosure rate by our next report. With greater insight, we can accurately set further goals to address the ethnicity pay gap.

OUR PROGRESS

We have made further progress to achieving our goals across our D&I strategy pillars, with key initiatives detailed within the following sections:

- Attracting new talent
- Developing top diverse talent
- Education and awareness
- Fostering an open and inclusive culture

Further information on our broader strategic programmes can be viewed [here](#).

ATTRACTING NEW TALENT

Broadening how we attract and retain top diverse talent is critical to fostering a culture of inclusion where different perspectives are valued.

- We continue to challenge where and how we find the best people. As well as working closely with organisations running diverse leadership networks around the world, we have focused on providing key tools and resources designed to help us find promising diverse talent. We've broadened the job boards we use and are harnessing technology, such as a gender decoder, to eliminate bias in job postings. We will continue to provide annual training

for hiring managers and engage with a range of different partners to ensure we're reaching a true variety of candidates.

- We aim to ensure all our hiring and internal succession planning shortlists are balanced from a gender perspective globally, and our new hires consist of at least 25% ethnically diverse candidates across the UK.
- We are implementing more inclusive hiring practices, such as anonymous CVs, standardised questions and diversity data monitoring forms.

DEVELOPING TOP DIVERSE TALENT

Providing opportunities for professional growth helps us develop both current and emerging leaders so we can support diverse talent through their careers at Burberry.

- Our New Manager Development Programme (NMDP) and Executive Development Programme (EDP) continue to equip leaders with tools to enable an open and inclusive culture aligned to our purpose and values. We consistently aim for each cohort to be representative of the diversity of our workforce.

- We have created a framework of mentoring resources to enable all colleagues to create and build successful mentoring partnerships, centered around principles of trust, inclusivity, openness, and communication. This is supported by regular career and development conversations to identify specific experiences, exposure, and education to support growth – along with access to a mentoring community and mentoring champions. Engagement with our mentoring framework is driven through our Employee Resource Groups and local D&I working groups to further support the development of diverse and underrepresented talent.





EDUCATION AND AWARENESS

Mitigating bias and encouraging meaningful allyship enables all our people to make more inclusive decisions around hiring, recognition and reward reviews.

- We are currently rolling out Demonstrating Allyship training to all colleagues following senior leadership completing the programme. The interactive workshops, delivered virtually, encourage colleagues to be active allies within the workplace and beyond.
- Training programmes on unconscious bias, mitigating bias in recruitment and reward reviews continue to be mandatory for colleagues.
- Over the past year, teams across the Burberry network have come together to embed bespoke, localised D&I action plans across each of our key regions and functions. As part of their work, many have committed to raising awareness on key D&I issues they have pledged to address. Examples include enhanced talent acquisition approaches, mentoring frameworks to foster informal development and progression and localised education moments.

FOSTERING AN OPEN AND INCLUSIVE CULTURE

Creating a truly inclusive culture within Burberry and beyond is critical to the long-term success of our business. We want everyone at Burberry to feel their unique perspectives and backgrounds are valued. This year, we will be focusing on increasing diversity data disclosure to improve our understanding of our workforce, maintaining our commitment to benchmarking our progress against peers, highlighting our Employee Resource Groups (ERGs) and continuing to embed inclusive policies which provide meaningful support to our colleagues.

DIVERSITY DATA

We are engaging with teams across Burberry, starting in the UK, to raise awareness of how colleagues may voluntarily provide certain diversity information in a confidential manner. This includes data on ethnicity, gender identity, visible and non-visible disabilities.

Where diversity information is provided, this is used to create aggregated, anonymised reports for internal diversity and inclusion monitoring purposes. With more information on the diversity of our colleagues, we can design programmes and policies to best support our people.

INCLUSIVE POLICIES

Our industry-leading Global Parental Leave Policy continues to help all new parents feel supported as they

take care of their families and when they return to work. The policy offers all colleagues who become parents 18 weeks of parental leave at full pay and the opportunity to work 80% of their normal hours at full pay for a further four weeks on their return.

In 2021, we introduced a new policy and resources for those affected by domestic abuse. Our policy sets out our commitment to supporting colleagues who experience domestic abuse, from paid leave through to direct support from the company. Alongside this, we provided manager training with an accompanying support guide and created a new section on our internal site with links to external organisations providing help and expertise in each of our markets. Viewing this new section of the site will not appear in any individual's browsing history, and there is a safe button which will quickly close the site if necessary.

We have also launched our first Global Bereavement Policy to support anyone impacted by bereavement, including pregnancy loss, again with an accompanying support site and managers' guide. All colleagues who suffer a bereavement are entitled to paid leave and the support outlined in the policy, regardless of how long they have been with the organisation.





BENCHMARKING

To chart our progress and opportunities for continuous improvement, we maintain our commitment to transparency and benchmarking. This year, Burberry has been recognised by the Bloomberg Gender-Equality Index (GEI) for the second consecutive year. We scored well above the company average across the female leadership and talent pipeline, inclusive culture and pro-women brand categories. We will use the results to inform areas where we can implement meaningful change. Burberry was also recognised in the European Women on Boards Gender Equality Index as a Best

Practice Leader and named a best performer in the inaugural FTSE Women Leaders report.

EMPLOYEE RESOURCE GROUPS (ERGS)

In 2021, we expanded some of our ERGs globally, reaching over 650 colleagues across our regions. Each ERG arranges events and celebrates cultural moments throughout the year, educating others and raising awareness. Our networks include the Black Heritage and Culture Cooperative, LGBTQ+, Women Empowered and the Working Parents Group.

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