

# COVID-19

In challenging times, we must pull together. The COVID-19 pandemic has fundamentally changed our everyday lives. By working together and harnessing our creativity, we will overcome the challenges it presents.

## ADAPTING IN THE PANDEMIC CLIMATE

The COVID-19 pandemic and responses to its outbreak dramatically impacted the personal and professional lives of individuals and communities across the globe. How companies conduct business changed in a matter of weeks.

At Burberry, we immediately recognised the need to adapt our ways of working, making sure the safety of our people, customers and communities remained our highest priority. The Group's response is being managed through five key workstreams chaired by the CEO. We are pushing boundaries and coming together to find new ways to adapt our day-to-day business practices. Since January 2020, we have temporarily closed sites across Asia, EMEA and the Americas, ahead or in line with government restrictions in order to protect our employees, our customers and our communities. This included the closure of our head office in London as well as internal manufacturing sites across the UK and Italy. At time of writing, many of our teams are still working remotely. The continuing spread of COVID-19 and the associated restrictions on public life are expected to significantly impact our business. The impact and timing of a return to normality and growth are uncertain. Although it is impossible to determine the precise course of the pandemic and its economic consequences, we are well prepared for a range of potential outcomes.

The potential impact on Burberry and beyond has been estimated by modelling various scenarios. In order to limit the impact of the outbreak on our business, we implemented mitigating actions to contain costs and protect our financial position. These included prioritising capital expenditure, renegotiating rents, restricting recruitment and reducing travel and discretionary spending. We have also leveraged our digital platform to continue to connect with customers that are unable to visit our stores. This has included bringing our products to our clients through remote selling and roadshows and live streaming events.

Both the Board and Executive Committee are connecting with our stakeholders, keeping them abreast of our actions. As mentioned on page 29, COVID-19 could delay the

implementation of some aspects of our strategy, however the strategy has not fundamentally changed.

In addition to adapting our own business, we have sought meaningful ways to support relief efforts both through external contributions and by mobilising employees within our organisation.

## Internal ways of working

We closely monitored the escalating situation as it impacted different countries to varying degrees over time. In corporate offices, employees were asked to work remotely, with teams quickly adapting to not being on site together. Alongside regular virtual check-ins, we have come together in less formal ways to share advice on working remotely and maintaining wellbeing. This has helped our teams and the wider Burberry community to remain connected during this period of uncertainty. The work we have done over the past two years allowed us to respond quickly to the challenges presented by COVID-19, adapting our business and diverting resources as needed. Our enhanced brand and product offering, as well as digital strength, has also made the business more resilient in these times.

## Our commitments

As the COVID-19 crisis unfolded in the UK, it was clear that mutual support and innovative thinking would be the cornerstones of Burberry's response, both as a business and a member of the broader global community. Our founder, Thomas Burberry, collaborated with the communities around him to support progress, empower others and give back to those in need. Burberry has always been fuelled by the power of creativity and operated in ways that support our communities. When it came to understanding how we could best assist relief efforts, our priorities were to support medical and care workers, help communities struggling to access basic food supplies and participate in funding scientific research into finding a long-term solution.

## Bringing people together

Alongside our external commitments, many of our employees around the world looked to Burberry for guidance



on how they could help the COVID-19 relief efforts. Burberry teams around the world volunteered their time generously, mobilising to help local communities and charities by preparing care packages, delivering meals, stocking food banks and supporting vulnerable neighbours. In a short space of time, The Burberry Foundation also launched a global COVID-19 community appeal, which offered employees a way of supporting emergency response efforts by donating to the community fund. All funds raised by The Burberry Foundation's COVID-19 community fund appeal are supporting emergency response efforts, including the procurement and distribution of personal protective equipment (PPE) and other medical materials, contributions to foodbanks, donations to healthcare charities and additional support for those working to tackle the pandemic.

#### **SUPPORTING MEDICAL AND CARE WORKERS**

We retooled our trench coat factory in Castleford to manufacture non-surgical gowns for medical and care workers and sourced surgical masks through our global supply chain. By the end of May, we had donated more than 150,000 pieces of personal protective equipment to the UK's National Health Service and healthcare charities, and this number has continued to grow.

#### **PROVIDING RESOURCES FOR OTHER COMPANIES TO HELP WITH PPE PROCUREMENT AND PRODUCTION**

Burberry engaged with industry and governmental organisations on coordinated responses to the pandemic. In support of the UK Government, we also produced a document, which provided information on adapting operations to procure and/or manufacture PPE. This document was designed to be shared with companies across sectors looking to respond to the COVID-19 pandemic.

**SUPPORTING FOOD CHARITIES**

We donated to registered charities, including FareShare, The Trussell Trust and The Felix Project, which are dedicated to tackling food poverty across the UK.

With pressure mounting on food supplies, the charities expanded their efforts to help those struggling as a result of the outbreak. This included setting up community produce hubs, delivering food to young people reliant on free school meals and providing more pre-packed food parcels to help foodbanks cope with increased demand.

Burberry's donation to The Felix Project funded the delivery of food equating to 495,000 meals across London, going to those who could not access basic nutrition.

**SUPPORTING RESEARCH INTO A SOLUTION**

We helped to fund research undertaken by the University of Oxford into the development of a single-dose vaccine. The university has one of the world's best track records in emergency vaccine development, with past success in fighting Ebola and Middle East Respiratory Syndrome (MERS).

**SUPPORTING CREATIVE COMMUNITIES**

To support creatives, artists and photographers facing greater uncertainty during the COVID-19 pandemic, we have commissioned works to showcase on our Instagram news feed. Riccardo Tisci started this initiative as a way to celebrate and support members of the creative community. Burberry has always believed in the power of craft and creativity. In a twist on our heritage of discovery and exploration, we asked artists to respond to the theme of "Inside Nature" and offer their take on an outdoor world from within.

More information on COVID-19 can be found on the following pages:

Chairman's Letter	See page 7
CEO's Letter	See page 11
Risk	See page 92
Strategy	See page 28
Strategy outlook	See page 30
Corporate Governance Report	See page 129
Directors' Remuneration Report	See page 151

