



GERRY MURPHY
Chairman

CHAIRMAN'S LETTER

DEAR SHAREHOLDER,

Our world is experiencing a period of unprecedented turmoil. The COVID-19 pandemic is a painful moment in history that is testing us not only as individuals, but also as families, communities, businesses, nations and as a global society.

How we respond to these challenges speaks to the essence of who we are. I am particularly proud of Burberry's response to the pandemic. Under Marco Gobbetti's leadership, the resilience and fortitude of our employees shows a strength of purpose that is rooted deep in the Company's heritage and values.

PURPOSE

Before the outbreak of COVID-19, work was already underway to articulate Burberry's purpose. In today's increasingly complex world, we wanted to be able to express in a few simple words our reason for being. After extensive research involving almost half of our employees, we agreed that the simple phrase "Creativity Opens Spaces" is the perfect way to express Burberry's longstanding commitment to innovative thinking and the endless possibilities offered by that mindset. Our purpose is our North Star which connects all our employees around the world. We know that companies with a strong sense of purpose perform better, uniting everyone in common values. Therefore, underpinning our purpose, we have four core values: creatively driven; open and caring; proud of our heritage; and forward thinking. We believe in the power of creativity and we are passionate about what we do. In a virtuous circle, our teams at Burberry find inspiration in our history and archive as they create our future.

Today, ingenuity is needed more than ever as we come to terms with new realities. We are currently adapting to respond to a global crisis while staying true to our purpose and relying on our ability to devise creative solutions to challenges that were previously unimaginable. Looking through this crisis, I am certain that our creativity and agility will be fundamental to our growth and development as we navigate the dynamic potential of the global luxury market in the years to come and that creativity will continue to open spaces for the Burberry of the future.

COVID-19

In line with our purpose, we continue to explore new ways of making a positive impact on the health and wellbeing of our employees and other stakeholders. This could not be more pressing during these uncertain times. As Marco mentions in his letter, and also referenced in detail on pages 56 to 58, I'm very proud that Burberry responded quickly to the developing crisis and re-tooled our historic Castleford factory in Yorkshire to produce personal protective equipment for frontline healthcare workers.

PROGRESS

At the time of the initial COVID-19 outbreak in early 2020, we were approaching the successful conclusion of the first two-year phase of our strategy. We had made significant inroads in aligning our distribution network with our luxury ambitions and the energy and momentum in all parts of Burberry was palpable, as I had the pleasure to witness during my visits to our stores, offices and logistics hubs across Europe, the Americas and Asia. We can be proud of those achievements and we continue to believe that our strategy is the right one. Given today's uncertain global outlook, however, we will be as agile and flexible as we need to be to ensure we safeguard our business and protect our stakeholders wherever possible.

REMUNERATION

Our new Remuneration Policy, which will be presented to shareholders for approval at the Annual General Meeting in July 2020, is set out on pages 161-171.

Orna NiChionna, Chair of our Remuneration Committee, conducted an extensive engagement programme, engaging with shareholders controlling around 60% of our issued share capital. We are very grateful for their feedback, which is reflected in our latest proposals which also take into account the current environment. Orna's letter on pages 151 to 158 provides more detail regarding our proposed policy and the consultation process and we look forward to receiving your support.

BOARD CHANGES

Stephanie George and Ian Carter retired from the Board in July 2019. On behalf of the Board, I thank them for their service and wise counsel and wish them well in all their future endeavours. It is my pleasure to welcome Debra Lee and Sam Fischer, who joined the Board as Independent Non-Executive Directors in October and November 2019, respectively. Debra and Sam bring to our Board new perspectives and experiences that I'm certain will add to our diversity of thought as we navigate the many challenges and opportunities ahead.

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Jeremy Darroch has informed the Board that he will not stand for re-election at the Company's forthcoming Annual General Meeting. On behalf of the Board I would like to thank him for his dedication and wish him well for the future. Dame Carolyn McCall will assume the role of Senior Independent Director with effect from the Company's Annual General Meeting on 15 July 2020.

As always, I am very grateful to my fellow Board members for their wisdom and steadfastness, especially during this extraordinary period. I would also like to thank the entire Burberry management team, our employees, our investors and the wider Burberry community for their commitment and determination. We remain confident in our direction and, guided by a newly re-imagined sense of our purpose, we will continue to work together to deliver the potential of our iconic brand.

GERRY MURPHY
Chairman