CORPORATE GOVERNANCE STATEMENT

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BURBERRY

"AS WE NAVIGATED THROUGH ANOTHER UNCERTAIN YEAR, THE BOARD AND BOARD COMMITTEES REMAINED AGILE TO ENSURE OUR PROCESSES ALLOWED US TO OPERATE EFFECTIVELY."

CHAIR'S INTRODUCTION

Dear Shareholder,
On behalf of the Board I am pleased to present the Corporate Governance Report for the year ended 2 April 2022. This report describes Burberry's corporate governance framework and procedures, and summarises the work of the Board and its Committees to illustrate how we have discharged our responsibilities this year.

As Chair, I am responsible for leading and ensuring the effectiveness of the Board. As we navigated through another uncertain year, the Board and Board Committees remained agile to ensure our processes allowed us to operate effectively. Taking into consideration social distancing guidelines and travel restrictions, our meetings were held virtually with Directors attending in person where possible. We continued to adapt the timing and length of meetings to accommodate the various time zones of our Board members globally. I would like to thank my Board colleagues for their continued flexibility and support particularly where, due to their location, meeting attendance was required at very unsociable hours. We all miss the richer debate we enjoy when we meet physically and we look forward to returning to more in-person meetings in the year ahead.

In addition to our formal Board and Committee meetings, the Board was updated regularly by management on the Group's dynamic response to the humanitarian crisis in Ukraine and evolving national guidelines on COVID-19 across the territories in which we operate.

Stakeholder engagement
The Board recognises its duties and responsibilities to our shareholders and other stakeholders and, during

FY 2021/22, continued to partner closely with management to safeguard our colleagues, customers, communities and our business. More detail regarding the actions the Board has taken to support our stakeholders and consider their interests in its strategic planning and decision-making processes is set out on pages 99 to 106.

The Global Workforce Advisory Forum met twice during FY 2021/22. I attended both meetings with Matthew Key, Chair of our Audit Committee and Orna NíChionna, Chair of our Remuneration Committee each attending one meeting. At the first meeting, we discussed workplace culture and methods of raising concerns. The second meeting focused mainly on remuneration topics which are discussed in more detail on page 191 of the Directors' Remuneration Report. We also sought members' views on expectations and priorities for our new CEO. The Board very much appreciates the honest conversations, constructive feedback and valuable insights received from colleagues across the world through the Forum which help inform our discussions and decision making.

Purpose and values

Inspired by our founder Thomas Burberry, we believe that creativity opens spaces. Our purpose is to unlock the power of imagination to push boundaries and open new possibilities for our people, our customers and our communities. We aspire to be creatively driven, open and caring, proud of our heritage and forward thinking. Our purpose and values inform our strategy, decision-making, our relationships with stakeholders, and shape our culture.

During the year, we have continued to work on bringing our purpose and values to life as explained on pages 20 to 21. As a Board we received updates on the development and implementation of Leadership Standards throughout the business that articulate Burberry's values and provide clear and actionable measures for colleagues. We also reviewed the Jeju Island activation as an example of bringing our purpose and values to life in South Korea.

Monitoring culture

At Burberry, we foster an open and inclusive culture where everyone feels they belong, have a voice and can reach their full potential. Through our Global Workforce Advisory Forum and interactions with Burberry colleagues, the Board plays an active role in creating a more open and understanding culture within the workplace. For more information on how the Board monitors corporate culture, see page 161.

Board changes during FY 2021/22

Board succession planning has continued to be an important area of focus during FY 2021/22. During the year, Marco Gobbetti and Dame Carolyn McCall retired from the Board in December 2021 and April 2022, respectively. During her tenure, Carolyn was Senior Independent Director and a Member of the Audit and Nomination committees. I have greatly valued her contributions and partnership since joining the Board. Orna NíChionna was appointed as Senior Independent Director to succeed Carolyn. After nearly five years at Burberry, Marco made the decision to step down as CEO. Marco's leadership in the transformation of Burberry's brand and business has been instrumental in establishing Burberry's purpose and strategy. It has been a privilege working with both Marco and Carolyn and I would like to thank them for their exceptional contributions to Burberry.

Following a recruitment process led by the Nomination Committee, we welcomed our new CEO, Jonathan Akeroyd to the business in March 2022. We also welcomed Danuta Grey who was appointed to the Board on 1 December 2021. More information on the recruitment process and on Danuta and Jonathan's induction programmes can be found in the Nomination Committee Report on pages 174 to 177.

Board effectiveness

The Board undertook an internal review of its effectiveness during the year. An explanation of the process undertaken and the findings of the review can be found on pages 172 to 173, together with an update on our progress in addressing the actions identified following the FY 2020/21 review.

Compliance with the UK Corporate Governance Code

Burberry complied with the requirements of the UK Corporate Governance Code during FY 2021/22 with the exception of Provision 38, which refers to Executive Directors' pensions compared to the wider workforce. As explained in the Directors' Remuneration Report, our new CEO's pension arrangements are in line with those of the majority of our UK workforce. We will align the pension contribution levels for our CO&FO with the maximum rate available to the majority of our UK workforce by 1 January 2023.

As a Board, we have continued to adapt to reflect the challenging times we have all experienced. We would like to thank our colleagues, shareholders, customers and partners for their continued support during what has been another uncertain year. Looking forward, I believe that your Board has the right balance of skills and expertise to continue to support and challenge management as we work together to deliver the next chapter of Burberry's evolution as the world's leading British luxury brand.

Gerry Murphy
Chair

BOARD OF DIRECTORS

As a Board we have collective responsibility for the long-term success of Burberry and are accountable to Burberry's stakeholders.

Committee Key
Chair | R Remuneration Committee | N Nomination Committee | A Audit Committee

Dr Gerry Murphy (66)
Chair
Appointed: 17 May 2018
Nationality: Irish

Committees: N

Key skills
Gerry has substantial international and senior management experience, including of transforming businesses. He has an in-depth understanding of UK corporate governance requirements and extensive experience in the retail sector. Gerry's skills and experience enable him to provide the Board with highly relevant and valuable leadership as Burberry continues to focus on delivering long-term sustainable value for all our stakeholders.

Experience
Gerry joined the Board as an Independent Non-Executive Director and Chair Designate on 17 May 2018 and was appointed as Chair on 17 July 2018. He is also Chair of Tate & Lyle plc. Gerry previously served as Chair of The Blackstone Group International from 2009 to 2019 and was a partner in the firm's private equity investment unit from 2008 to 2017. Gerry has held Chief Executive roles at Kingfisher plc, Carlton Communications plc (now ITV), Exel plc and Greencore Group plc. He spent his early career with Grand Metropolitan plc (now Diageo plc) and also served as a Non-Executive Director on the Boards of British American Tobacco plc; Merlin Entertainments plc; Reckitt Benckiser plc; Abbey National plc and Novar plc. Gerry is also a Trustee of The Burberry Foundation.

Jonathan Akeroyd (55)
Chief Executive Officer
Appointed: 15 March 2022
Nationality: British

Key skills
Jonathan is an experienced leader with a strong track record of building luxury brands and driving profitable growth. He has extensive experience across the fashion and luxury goods sector, with a focus on brand and product elevation, strategic development and global expansion. He shares our values and our ambition to build on Burberry's unique British creative heritage, and his deep expertise and strong leadership will be pivotal in advancing the next phase of Burberry's evolution.

Experience
Prior to joining Burberry on 15 March 2022, Jonathan was Chief Executive of Gianni Versace SpA where he reorganised and accelerated growth at the Italian fashion house, building on the brand's rich heritage to elevate product, communications and the customer experience. As President and Chief Executive Officer of Alexander McQueen (2004-2016) he led a turnaround of the British luxury brand, successfully steering the company's growth and strategic development into a luxury powerhouse. Jonathan's early career was spent at Harrods (1988–2004) where he gained a strong understanding of luxury retail, brands and products.

Julie Brown (60)
Chief Operating and Financial Officer
Appointed:
18 January 2017
Nationality: British

Key skills
Julie has a strong track record of leading change and delivering sustainable, long-term value for shareholders. Her extensive experience in financial, commercial and strategic roles and leading major transformational growth programmes continues to be highly relevant to Burberry in the next phase of our strategy. Julie is committed to implementing initiatives that support our sustainability goals and is a passionate champion of diversity and women in business.

Experience
Prior to joining Burberry Julie was Group CFO of Smith & Nephew (2013-2017). Prior to this, she was Interim Group CFO of AstraZeneca where she also held a number of positions covering Group and Business Finance, Strategy and Commercial positions, including Regional and Country President. Julie is a Non-Executive Director and Audit Chair of Roche Holding Limited, a member of the UK Prime Minister's Business Council and the 100 Group Main Committee. She is co-Chair of The Prince's Accounting for Sustainability Project's CFO Leadership Network, a member of the Mayor of London's Business Advisory Board and Patron of Oxford University Women in Business. She qualified with KPMG and is a Fellow of the Institute of Chartered Accountancy and a Chartered Tax Advisor.

Orna NíChionna (66)
Senior Independent Director
Appointed:
3 January 2018
Nationality: Irish

Committees: R N

Key skills
Orna has strong UK plc and international business experience spanning the consumer and retail markets, and brings to the Board significant financial, strategic and governance expertise. Orna is a committed environmentalist and campaigner for sustainable land use and farming, and was Chair of the Soil Association for six years. Her passion for the environment is an asset to Burberry as we continue to drive positive change and build a more sustainable future through our Responsibility agenda.

Experience
Orna is currently Senior Independent Director at Saga plc and a Trustee of the Institute for Fiscal Studies. Her previous appointments include Interim Chair of the National Trust and Chair of digital innovation consultancy, Founders Intelligence. She has also served on the Boards of Royal Mail, Bupa, HMV, Northern Foods and Bank of Ireland UK. Orna began her career at McKinsey & Company, where she became the first female Partner in the London office, co-leading its European Retail Practice.

Fabiola Arredondo (55)
Independent Non-Executive Director
Appointed: 10 March 2015
Nationality: American

Committees: R N

Key skills
Fabiola has extensive international strategic and operational experience in the digital and media sectors, having previously built and led a major division of Yahoo! Inc. She also has a deep understanding of sustainability and the environment through her engagement at the World Wildlife Fund. Her highly relevant digital and consumer background as well as her wealth of international Non-Executive Director experience, make Fabiola a valued member of the Board.

Experience
Fabiola is Managing Partner of Siempre Holdings, a private investment firm based in the USA. She is a Non-Executive Director of Campbell Soup Company and Fair Isaac Corporation, which are both listed on the New York Stock Exchange. Fabiola is also a National Council Member of the World Wildlife Fund for Nature (WWF) and Member of the Council on Foreign Relations. She has previously served as a Non-Executive Director at FTSE 100 companies Experian plc and BOC Group plc (now Linde Group), Saks Incorporated (now Hudson's Bay Company) and Ibex 35 company Bankinter S.A. She has also held Non-Executive Directorships at National Public Radio, Rodale Inc., Intelsat Inc., Sesame Workshop and the World Wildlife Fund UK and USA. Fabiola also held senior operating roles at Yahoo! Inc., the BBC and Bertelsmann AG.

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

Ron Frasch (73)
Independent
Non-Executive Director
Appointed:
1 September 2017
Nationality: American

Committees: A R N

Key skills
Ron has spent over 30 years working in the retail industry. He has clear strategic acumen, strong leadership skills and wide-ranging experience of working with luxury fashion brands. As the former President of Saks, he was the instrumental driving force behind developing the company's private-label collections. Ron's wealth of fashion experience and his well-established merchandising skills play an important role as Burberry continues to focus on delivering long-term sustainable growth in the luxury fashion market.

Experience
Ron is currently CEO of Ron Frasch Associates LLC. He is also a Non-Executive Director of Crocs Inc, Aztech Mountain and MacKenzie Childs. Between 2004 to 2007, Ron served as Vice Chairman of Saks Fifth Avenue Inc. and from 2007 to 2013 he was President, with responsibility for fashion buying, merchandise planning, store planning, stores and visual. Prior to Saks, Ron spent four years as President and CEO of Bergdorf Goodman. He has also served as President of the Americas for an Italian licensing company of luxury fashion brands.

Matthew Key (59)
Independent
Non-Executive Director
Appointed:
1 September 2013
Nationality: British

Committees: A R N

Key skills
Matthew has significant strategic, regulatory and operational experience in the e-commerce and technology sectors. He brings a wealth of experience of managing dynamic and fast-moving international companies and has an extensive understanding of the consumer market. Matthew is a qualified chartered accountant and his deep financial knowledge and expertise are important to the Board, as reflected in his appointment as Chair of the Audit Committee.

Experience
Matthew is a Non-Executive Director of BT Group plc, is Chair of its Audit and Risk Committee and a member of BT's Nominations and Remuneration Committees. He was a member of the advisory Board of Samsung Europe between 2015 and 2017 and from 2007 to 2014, he held various positions at Telefonica, including Chair and CEO of Telefonica Europe plc and Chair and CEO of Telefonica Digital, the global innovation arm of Telefonica. Matthew qualified as a chartered accountant with Arthur Young (now EY). In his early career, he held various financial positions at Grand Metropolitan plc (now part of Diageo plc), Kingfisher plc, Coca-Cola and Schweppes.

Danuta Gray (63)
Independent
Non-Executive Director
Appointed:
1 December 2021
Nationality: British

Committees: R N

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

Experience
Danuta is currently Chair of Direct Line Insurance Group, Chair of the Board of North SP Limited and is a member of the Employ Autism Development Board. Her previous appointments include Chair of St Modwen Property plc and Senior Independent Director of Aldermore Bank plc. She has also served on the Boards of Old Mutual plc, Page Group plc, Paddy Power plc and Aer Lingus plc and as a Non-Executive member of the Board at the UK Ministry of Defence. Danuta's executive career includes spending nine years as CEO of Telefónica O2 in Ireland and as an Executive Director of Telefónica Europe plc.

Debra Lee (67)
Independent
Non-Executive Director
Appointed:
1 October 2019
Nationality: American

Committees: A N

Key skills
Debra is one of the most influential female voices in the entertainment industry and has a deep understanding of the American consumer and culture. She is the former Chairman and CEO of BET Networks, which under her leadership became the largest global provider of entertainment for the African-American audience and consumers of black culture. Debra is a passionate advocate of women and people from ethnically diverse backgrounds.

Experience
Debra is the CEO and founder of Leading Women Defined, Inc., a foundation supporting black female leadership. She is a Non-Executive Director of Warner Bros. Discovery, Inc., Marriott International, Inc. and The Proctor & Gamble Company. From 2006 to 2018, Debra served as Chairman and Chief Executive Officer at Black Entertainment Television LLC (BET), a division of Viacom, Inc. Prior to joining BET in 1986, Debra was an attorney with the Washington, DC-based law firm Steptoe & Johnson. She was formerly a Non-Executive Director of Twitter, Inc. from May 2016 to July 2019 and of AT&T Inc. from 2019 until April 2022.

Sam Fischer (54)
Independent
Non-Executive Director
Appointed:
1 November 2019
Nationality: Australian

Committees: N R

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

Experience
Sam is currently President, Asia Pacific and Global Travel, Diageo plc and is a member of its Global Executive Committee. Since joining Diageo in 2007, Sam has held several senior roles, including Managing Director of Greater China and Managing Director for South East Asia. Prior to joining Diageo, Sam held a number of commercial and general management roles at Colgate-Palmolive between 1991 to 2006, culminating in a role as Managing Director of Central Europe. He will be joining Lion Group as CEO in July 2022.

Committee Key
Chair | R Remuneration Committee | N Nomination Committee | A Audit Committee

Antoine de Saint-Affrique (57)
Independent
Non-Executive Director
Appointed: 1 January 2021
Nationality: French

Committees: A N

Key skills
Antoine has a wealth of experience in the consumer sector, having led a number of global brands throughout his career. As CEO of Barry Callebaut, Antoine put sustainability at the heart of the company's strategy, setting ambitious targets that addressed the most pertinent challenges in the chocolate supply chain. His strong understanding of sustainability and of the consumer market makes him a valued asset to our Board as we continue to focus on positively impacting the environment and our communities.

Experience
Antoine is currently CEO and a Director of Danone, a world leading food and drink company, which is listed on the Euronext Paris Stock Exchange and is included in the CAC 40 stock market index. He is also a Non-Executive Director of Barry Callebaut having previously served as CEO from October 2015 to September 2021. From 2000 to 2015, Antoine held a number of senior executive positions at Unilever plc, including as President of Unilever Foods and member of Unilever's Group Executive Committee from September 2011 to September 2015. From 2009 to 2020, he served as a Non-Executive Director of Essilor International, which prior to its merger with Luxottica Group Spa, was listed on Euronext Paris and included in the CAC 40 index.

Gemma Parsons
Company Secretary
Appointed:
1 October 2018

Experience
Gemma is a fellow of the Chartered Governance Institute and has more than twenty-five years' company secretarial experience. Her previous roles include Company Secretary of The Berkeley Group Holdings plc, Deputy Company Secretary at TSB Banking Group plc and Deputy Company Secretary of Smith & Nephew plc. She is a member of the Chartered Governance Institute's Company Secretaries' Forum and of the Association of General Counsel and Company Secretaries of FTSE 100 companies.

Directors whose tenure ceased during FY 2021/22
Marco Gobbetti stepped down from the Board on 31 December 2021.

Dame Carolyn McCall stepped down from the Board on 2 April 2022.

EXECUTIVE COMMITTEE

Jonathan Akeroyd
Chief Executive Officer

Julie Brown
Chief Operating and Financial Officer

Adrian Ward-Rees
Head of Ready to Wear and Shoes

Edward Rash
General Counsel

Erica Bourne
Chief People Officer

CP Duggal
Chief Digital and Analytics Officer

Gianluca Flore
Chief Commercial Officer

Jérôme Le Bleis
Chief Supply Chain Officer

Leonie Brantberg
Senior Vice President Strategy

Mark McClennon
Chief Information Officer

Rod Manley
Chief Marketing Officer

Changes to the Executive Committee during the year
CP Duggal and Jonathan Akeroyd joined the Executive Committee on 30 September 2021 and 15 March 2022, respectively.

Gianluca Flore's role changed from President of Americas and Global Retail Excellence to Chief Commercial Officer.

Marco Gobbetti and Gavin Haig were members of the Executive Committee until 31 December 2021 and 31 August 2021, respectively.

CORPORATE GOVERNANCE REPORT

UK Corporate Governance Code compliance

The 2018 UK Corporate Governance Code (the Code) sets out the framework of governance for premium listed companies within the UK. The Code is published by the Financial Reporting Council (FRC) and can be found on its website www.frc.org.uk. It enhances governance practices in relation to board leadership and company purpose, division of responsibilities, composition, succession and evaluation, audit, risk and internal control and remuneration. As a premium listed company, we describe in this Annual Report Burberry's corporate governance from two points of view: the first dealing generally with the application of the Code's main principles, and the second dealing specifically with non-compliance with any of the Code's provisions.

Together with the Directors' Remuneration Report on pages 186 to 213, this report sets out the Board's approach to governance and the work undertaken during FY 2021/22. We have complied with the provisions of the Code during FY 2021/22 with the exception of Provision 38 to align all Executive Directors' pension payments with the wider workforce. Existing Executive Directors pension arrangements will be aligned to the maximum rate available to the majority of the UK workforce by 1 January 2023, as set out on page 192 of the Directors' Remuneration Report. Jonathan Akeroyd's pension arrangements comply with Provision 38 from the date of his appointment to the Board. Further information on how the Company has applied the principles of the Code is set out in this Corporate Governance Statement. Key highlights of the Company's compliance with the Code along with cross references to other sections of the Annual Report are detailed below.

Governance structure and division of responsibilities

The Board (supported by its Committees) is collectively responsible for how Burberry is directed and controlled. Its responsibilities include:

- promoting Burberry's long-term success
- setting its strategic aims and values
- supporting leadership in delivering strategy
- supervising and constructively challenging leadership on the operational running of the business
- ensuring a framework of prudent and effective controls
- reporting to shareholders on the Board's stewardship

More information on the Company's governance structure can be found on page 167.

ESG

Sustainability is an essential element of Burberry's strategy for which the Board is responsible. Accordingly, the Board is also responsible for ensuring its approach to sustainability is integrated into and implemented across the business, reflecting the increasing importance of these topics to the Group and society as a whole. The governance framework of Committees and advisory forums (as shown in the diagram on page 167) provide regular updates and key information to the Board, to ensure that it is able to make informed decisions. For more information on the Group's ESG priorities see pages 52 to 97.

Stakeholder engagement

As highlighted by the Code, the Board recognises the importance of identifying its key stakeholders and understanding their perspectives and values. Through regular dialogue and communication, the Board are mindful of all of Burberry's stakeholders when planning or making decisions of strategic significance. Further information on how the Board has engaged with its key stakeholder groups can be found on pages 99 to 106.

Our Investor Relations team participated in over 200 investor meetings and events during the financial year. Meetings were also held with a combination of our Chair, the Chair of the Remuneration Committee, Executive Directors and other members of senior management, totalling over 50 meetings. This engagement included presentations to institutional shareholders and analysts following the release of the Group's half- and full-year results (available on the Group's website Burberryplc.com), as well as meetings with the Group's 20 largest investors. Topics discussed in investor meetings included China, Marco's resignation, Jonathan's appointment and US growth sustainability.

Our Investor Relations and Company Secretariat departments act as the centre for ongoing communication with shareholders, investors and analysts. The Board receives regular updates about the views of the Group's major shareholders and stakeholders from these departments as well as via direct contact.

MONITORING OUR CORPORATE CULTURE

In FY 2021/22 we launched Burberry's Leadership Standards and updated our Code of Conduct, building on the organisation's purpose by providing a common framework for how we operate and the expectations we have of our colleagues. As a Board we recognise the critical importance of ensuring that Burberry's workplace culture is aligned with our purpose, values and strategy, and the opportunities created when our colleagues bring this purpose to life.

How we measure culture

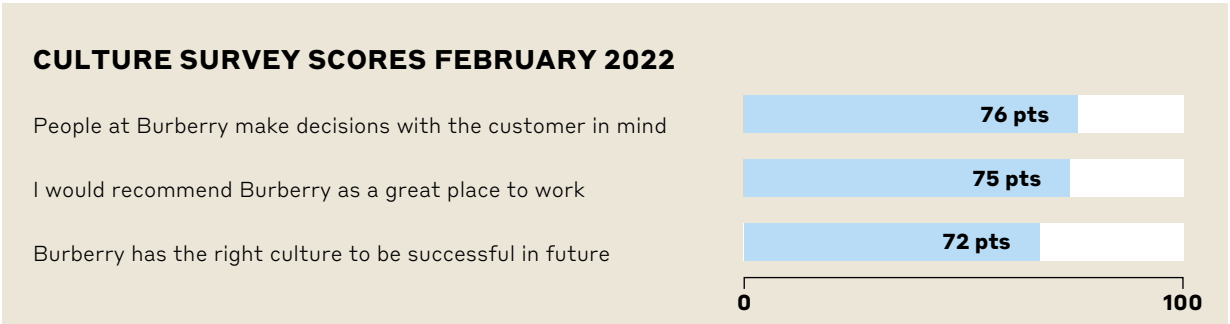
Assessing culture is a continuous process requiring many touchpoints. The Board has continued its programme of day-to-day interactions with Burberry colleagues, through site and store visits together with receiving management presentations supplemented by opportunities for meaningful discussions with colleague representatives created through our Global Workforce Advisory Forum. This forum brings together colleague representatives to meet with members of the Board to discuss key topics. This year, the forum has discussed remuneration, raising concerns, workplace culture and colleagues' expectations and hopes for Burberry's new CEO. The forum is chaired by our Chief People Officer with meetings attended by our Chair and one other Non-Executive Director. In creating this forum, we have ensured that we have proportionate representation from all areas of our business and the countries and territories in which we operate.

To provide additional insight into Burberry's workplace culture we ran a company-wide culture survey in February 2022, focusing on our colleagues' experiences of the behaviours they observe at work. Building on this survey, we have developed a framework tracking datapoints against six key cultural measures:

Measure	Description
Purpose	Creativity opens spaces and guides our interactions with each other, our customers and communities.
Collaboration	We listen, work well together and support each other to get things done.
Learning	We incorporate learning on critical topics into our work to remain safe and secure.
Humanity	We create safe environments for colleagues to work and care about their health and wellbeing.
Execution	We move quickly and reliably and create great experiences for our customers.
Integrity	We are fair and objective when dealing with colleague behaviour and create psychological safety for colleagues to speak up.

The Board will receive regular reports on our progress against these measures, together with the plans to address opportunity areas. The reports will include a combination of survey data and other relevant data-points, including attrition levels, Employee Relations and Health & Safety data, Learning and Development activity and customer experience data such as Net Promoter Scores.

CULTURE SURVEY SCORES FEBRUARY 2022



PRINCIPAL AREAS OF FOCUS FOR THE BOARD DURING FY 2021/22

The table below gives details of Directors' attendance at Board and Committee meetings during the year ended 2 April 2022. This is expressed as the number of meetings attended out of the number that each Director was eligible to attend.

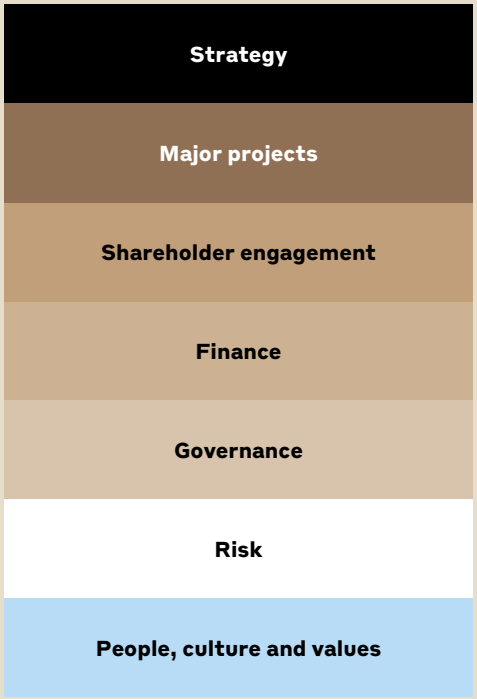
	Board	Audit	Nomination	Remuneration
Gerry Murphy	6/6	–	6/6	–
Marco Gobbetti[1]	4/4	–	–	–
Julie Brown	6/6	–	–	–
Dame Carolyn McCall[2]	6/6	5/5		–
Debra Lee	6/6	5/5	6/6	–
Fabiola Arredondo	6/6	–	6/6	4/4
Sam Fischer[3]	6/6	–	5/6	4/4
Matthew Key	6/6	5/5	6/6	4/4
Orna NíChionna	6/6	–	6/6	4/4
Ron Frasch	6/6	5/5	6/6	4/4
Antoine de Saint-Affrique[4]	6/6	4/5	6/6	–
Danuta Gray[5]	2/2	–	2/2	2/2
Jonathan Akeroyd[6]	–	–	–	–

1. Marco Gobbetti stepped down from the Board on 31 December 2021.
2. Dame Caroyln McCall stepped down from the Board on 2 April 2022.
3. Sam Fischer was unable to attend one Nomination Committee meeting which was convened at short notice.
4. Antoine de Saint-Affrique was unable to attend the March Audit Committee meeting due to an unavoidable diary clash.
5. Danuta Gray joined the Board on 1 December 2021.
6. Jonathan Akeroyd joined the Board on 15 March 2022. All of the meetings recorded in the table pre-date his appointment.

The Board met formally six times during the financial year, including an in-depth two-day session on strategy. At each meeting the Chair and Non-Executive Directors held a closed session without management being present. In addition, the Board met informally on a number of occasions to receive business updates and in connection with the change in CEO. Throughout the year, Directors also devoted time to meet with investors and interview candidates for both executive and non-executive roles. They also attended our in-person fashion show, town halls, brand events and meetings of the Global Workforce Advisory Forum.

The Board and Committee agendas were shaped to ensure that discussion was focused on our key strategies and responsibilities, as well as reviews of significant issues arising during the year, such as the ongoing impact of COVID-19 on our operations and changing economic conditions, including the immediate and wider effects of the conflict in Ukraine, and the search for a new CEO and Non-Executive Director. The Group's ongoing performance against the strategic priorities is reviewed at each scheduled meeting.

THE BOARD'S KEY ACTIVITIES DURING THE YEAR



Principal areas of focus for the Board during FY 2021/22

Topic	Activity	Outcome	Relevant stakeholders and s.172 duties considered
Strategy			
Strategic review	• Reviewing strategy to take stock of progress and prioritise areas of focus within the long-term strategic plan • Considering market trends and assessing the implications on areas of strategic focus • Reviewing the proposed ESG priorities and plans to embed them across the business	• Providing feedback, questions and challenge throughout the process • Support for the programmes undertaken	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships
Major projects			
COVID-19 pandemic	• Considering and approving Burberry's ongoing response to the pandemic across all areas of the business	• Refer to pages 109 to 110 for further detail	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships
Shareholder engagement			
Shareholder feedback, including activist themes	• Reviewing updates from the Investor Relations team on share price performance, register activity and analyst sentiment • Discussing specific issues raised by shareholders	• Inclusion of shareholder themes within the Board's strategic and/or other considerations	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships

Key: Relevant stakeholders

Customers **Communities** **Partners**

People **Shareholders** **Governments**

Topic	Activity	Outcome	Relevant stakeholders and s.172 duties considered
Finance			
Budget and capital allocation	• Approving the FY 2021/22 budget • Scrutinising financial performance • Considering capital structure, distributions and liquidity in the context of COVID-19 • Reviewing the quarterly financial results • Reviewing FY 2022/23 budget scenarios and three-year forward plan • Reviewing and approving capital expenditure projects	• Support in principle for the FY 2022/23 budget • Prior year (March and May 2021) baseline business plan delivered • Approving the refinancing of the Company's multicurrency revolving credit facility agreement • Approving a £150 million share buyback implemented in H2 FY 2021/22 • Approving the payment of a final dividend for FY 2020/21 and an interim dividend for FY 2021/22	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; and fairness between our shareholders
Governance			
Purpose and culture	• Reviewing the delivery of key areas of focus to embed our purpose and values • Discussing the results of the Employee Engagement Surveys, including trends, and receiving feedback following Global Workforce Advisory Forum meetings	• Supporting management's approach	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; reputation; and business relationships
Board evaluation	• Progress update against FY 2020/21 areas of focus • Discussing the results of the FY 2021/22 Board evaluation and reflecting on the effectiveness of the Board and its Committees	• Refer to pages 172 to 173 covering Board evaluation for further detail	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; and reputation

Key: Relevant stakeholders

Customers **Communities** **Partners**

People **Shareholders** **Governments**

Topic	Activity	Outcome	Relevant stakeholders and s.172 duties considered
Risk			
Risk appetite	• Considering the Board's appetite for risk • Considering emerging and principal risks, including changes to the risk profile	• Approval of the Group's risk appetite • Refer to the Risk and Viability Report on pages 107 to 149 for further detail	**Relevant stakeholders:** **s.172 duties:** Long-term results; and reputation
Risk deep dives	• Reviewing China market context • Risk reviews of cybersecurity, fraud risk and the impact of climate-related risks and opportunities by the Audit Committee	• Support for the programme to be undertaken	**Relevant stakeholders:** **s.172 duties:** Long-term results; and reputation
People, culture and values			
Diversity and Inclusion	• Discussing the Group's Diversity and Inclusion strategy and receiving progress updates on the agreed commitments	• Providing feedback and support for management's approach	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships
Responsibility	• Discussing the Community Investment strategy for FY 2021/22 • Reviewing and approving the Company's Modern Slavery Statement • Considering the proposed ESG priorities	• Approval in May 2021 to donate 1% of FY 2021/22 adjusted profit before tax to social and community causes worldwide • Approval of the response to the humanitarian crisis in Ukraine	**Relevant stakeholders:** **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships

Managing conflicts of interest

All Directors have a duty under the Companies Act 2006 to avoid a situation in which they have, or could have, a direct or indirect conflict of interest or possible conflict of interest with the Company and/or the Group.

Under the Company's Articles of Association, the Board has the authority to approve situational conflicts of interest. It has adopted procedures to manage and, where appropriate, approve such conflicts.

Authorisations granted by the Board are recorded by the Company Secretary in a register and are noted by the Board at its next meeting. A review of situational conflicts that have been authorised is undertaken by the Board annually.

Following the last review, the Board concluded that the potential conflicts had been appropriately authorised, no circumstances existed which would necessitate that any prior authorisation be revoked or amended, and the authorisation process continued to operate effectively.

Productivity

The Company continues to demonstrate and develop improving levels of productivity, owing to strong human capital, training and development programmes, and focus on elevating the customer experience throughout our distribution and retail networks. Further information about these aspects of the business is provided on pages 30 to 38 and 84 to 91.

Other governance disclosures

The Group is committed to acting with integrity and transparency on all tax matters and complying fully with the letter and spirit of the relevant tax law. The Group will only engage in responsible tax planning aligned with our commercial and economic activity. We will not use tax structures or undertake artificial transactions, the sole purpose of which is to create a contrived tax result. For example, we exclude transactions with parties based in tax haven jurisdictions when the transactions are not in the ordinary course of the Group's business or which could be perceived as artificially transferring value to low tax jurisdictions. We are also committed to engaging in open and constructive relationships with tax authorities in the territories in which we operate. The Group Tax strategy directs our tax planning, reporting and compliance activities and is aligned with the Group's strategic objectives. Further information regarding the Group Tax strategy is provided on Burberryplc.com.

Tax governance framework

Our CO&FO is responsible for the Group Tax strategy, the effectiveness of corporate tax processes and transparency of disclosures. The Group Tax strategy is implemented by the global Tax team with the assistance of the finance leadership team. Compliance with the Group Tax strategy is reviewed on an ongoing basis as part of the regular financial planning cycle. The Group's tax status is reported regularly to the Audit Committee. The Audit Committee is responsible for reviewing the Group Tax strategy at least once a year and significant tax matters as they arise.

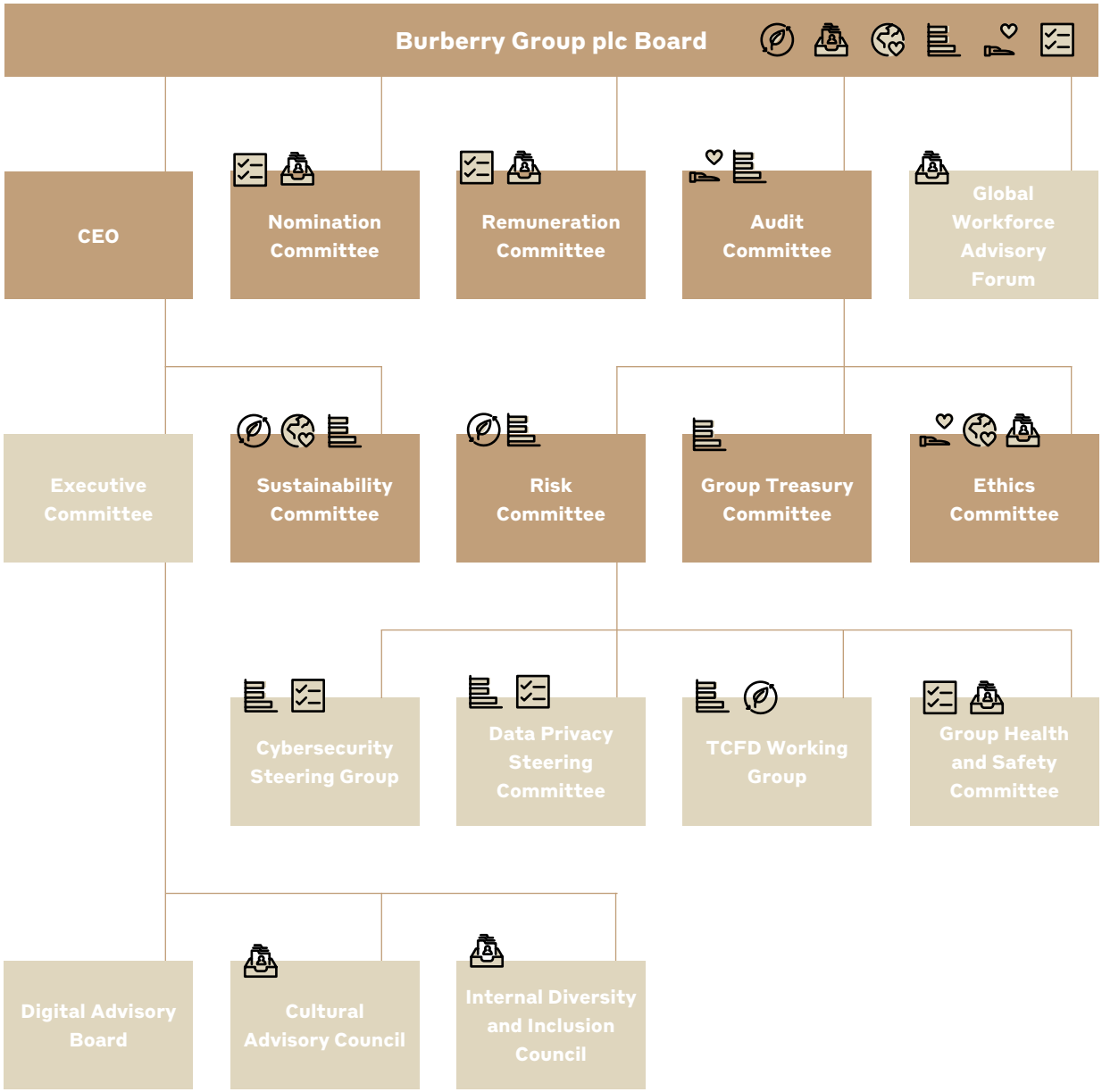
Share capital

Further information about the Company's share capital, including substantial shareholdings, can be found in the Directors' Report on page 214.

GOVERNANCE STRUCTURE AND DIVISION OF RESPONSIBILITIES

Governance structure for Burberry

The diagram below illustrates our governance structure of Committees and advisory forums and the key ESG topics within their scope. This structure allows information flow to the Board to enable them to make informed decisions.



Key:
- Decision making
- Advisory

ESG topics covered:
- Environment
- Communities
- Ethics
- People
- Finance & Risk
- Legal/compliance

Roles and responsibilities

Board

The Board is responsible for promoting Burberry's long-term success. This is achieved through effective governance and keeping the interests of stakeholders at the fore when making decisions. The Board provides leadership by establishing the Group's purpose and values and setting the Group's strategy, including sustainability and climate goals, ensuring alignment with our culture, and overseeing its implementation by management.

The Board is also responsible for oversight of the Group's governance, internal control and risk management, including the Group's risk appetite. A full schedule of matters reserved for the Board's decision is available in the Corporate Governance section of Burberryplc.com.

The Board has established Committees to assist with exercising its authority.

Audit Committee

Chaired by Matthew Key

Responsible for monitoring the integrity of Financial Statements, including disclosures associated with the TCFD recommendations and reviewing the Group's internal financial controls and risk management systems, the Internal Audit function, and the Group's relationship with the external auditor. The Audit Committee is supported by the Ethics Committee, Risk Committee and the Group Treasury Committee.

The Audit Committee Report can be read on pages 178 to 185.

Remuneration Committee

Chaired by Orna NíChionna

Determines the policy for Executive Director remuneration and sets the remuneration for the Chair, Executive Directors and senior management.

Oversight of wider employee reward policies.

The Directors' Remuneration Report can be read on pages 186 to 213.

Nomination Committee

Chaired by Gerry Murphy

Reviews the composition of the Board, ensuring plans are in place for orderly succession for both Board and senior leadership positions, keeping in mind the importance of diversity in all its forms and balancing skills and experience when making appointments.

The Nomination Committee Report can be read on pages 174 to 177.

CEO and Executive Committee

The Board delegates the day-to-day responsibility for running the Group to the CEO, who is responsible for all commercial, operational, risk and financial elements. The CEO is also responsible for management and development of the strategic direction of the Group for consideration and approval by the Board. The Executive Committee assists the CEO to implement the strategy as approved by the Board.

The Board is responsible for supporting management in its strategic aims, which enable the Company to continue to perform successfully and sustainably for our shareholders and wider stakeholders. The Board is supported in its activities by the Audit Committee, the Nomination Committee and the Remuneration Committee. The terms of reference for each of these Committees can be viewed in the Corporate Governance section of Burberryplc.com. Pages 167 to 168 outline our governance structure as well as the roles and responsibilities within that framework.

The Committees may engage third-party consultants and independent professional advisors. They may also call upon other Group resources to assist them in discharging their respective responsibilities. In addition to the Committee members and the Company Secretary, external advisors and, on occasion, other Directors and members of our senior management team attend Committee meetings at the invitation of the Chair of the relevant Committee.

Board roles

Our Board currently consists of 11 members, the Chair, CEO, CO&FO, and eight independent Non-Executive Directors who are experienced and influential individuals, drawn from a wide range of industries and backgrounds with the right skills to promote the long-term sustainable success of the Group. The Board has determined that all Non-Executive Directors are independent and the Chair was also considered to be independent on appointment.

Directors' biographies, tenures, key skills and external appointments are set out on pages 154 to 158.

All Directors are appointed to the Board for an initial fixed three-year term, subject to annual re-election by shareholders at the Company's AGM. In accordance with the Code, at the 2022 AGM, the Chair and all Directors will retire and offer themselves for re-election with the exception of Danuta Gray and Jonathan Akeroyd, who will offer themselves for election having joined the Board since the last AGM on 1 December 2021 and 15 March 2022, respectively. Marco Gobbetti retired as an Executive Director and CEO on 31 December 2021 and Dame Carolyn McCall retired as a Non-Executive Director on 2 April 2022.

To ensure the Board performs effectively, there is a clear division of responsibilities between the leadership of the Board and the executive leadership of the business as set out below.

Our Chair

- Chairing Board meetings, Nomination Committee meetings and the AGM, and setting the Board agenda
- Ensuring there is effective communication between the Board, management, shareholders and the Group's wider stakeholders, while promoting a culture of openness and constructive debate
- Ensuring Directors receive accurate, timely and clear information
- Overseeing the annual Board evaluation and addressing any subsequent actions
- Promoting the highest standards of corporate governance
- Ensuring the views of stakeholders are taken into account when making decisions
- A full description of the Chair's role and responsibilities can be found in the Corporate Governance section of the Group's website Burberryplc.com

Our Senior Independent Director

- Acting as a sounding board for the Chair
- Acting as an intermediary for the other Directors, where necessary
- Chairing meetings in the absence of the Chair
- Being available to shareholders and stakeholders if they have any concerns, which they have been unable to resolve through normal channels
- Together with the Non-Executive Directors, assessing the performance of the Chair on an annual basis
- Leading the search and appointment process and recommendation to the Board of a new Chair, if necessary
- A full description of the Senior Independent Director's role and responsibilities can be found in the Corporate Governance section of the Group's website Burberryplc.com

Our Non-Executive Directors

- Providing effective and constructive challenge to the Board and scrutinising the performance of management
- Assisting in the development and approval of the Group's strategy
- Reviewing Group financial information and ensuring there are effective systems of governance, risk management and internal controls in place
- Ensuring there is regular, open and constructive dialogue with shareholders

Our CEO

- Day-to-day management of the Group
- Responsible for all commercial, operational, risk and financial elements of the Group
- Developing the Group's strategic direction and implementing the agreed strategy
- Ensuring effective communication and information flows to the Board and the Chair
- Representing the Group to external stakeholders
- Responsible for the oversight of the following key functions: Design, Marketing, Digital, Merchandising, Supply Chain, Corporate Affairs, Human Resources, Strategy and Global Commercial
- Responsible for oversight of climate change and sustainability agenda
- A full description of the CEO's role and responsibilities can be found in the Corporate Governance section of the Group's website Burberryplc.com

Our CO&FO

- Supporting the CEO in developing the Group's strategy and its implementation
- Overseeing the global Finance and Business Services functions and developing the Group's capital allocation framework
- Responsible for establishing financial planning and maintaining adequate internal controls over financial reporting
- Representing the Group to external stakeholders
- Responsible for the oversight of the following key functions: Investor Relations, Internal Audit and Risk Management, Business Continuity, Burberry Business Services, Finance, IT, Insurance, Responsibility, Tax, Treasury and Trade Compliance

Our Company Secretary

- Providing advice and support to the Chair and all Directors
- Ensuring the Board receives high-quality information and resources in a timely manner so that the Board can operate effectively at meetings
- Assisting in setting the agenda for Board and Committee meetings
- Advising and keeping the Board up to date with all matters of Corporate Governance
- Facilitating the induction programme for new Directors and, together with the Chair, assessing ongoing training needs for all Directors

External directorships

Our Board's Executive Directors are permitted to hold one external non-executive directorship. Details of the Directors' other directorships can be found in their biographies on pages 154 to 158.

Time allocation and independence

Each of our Non-Executive Directors has a letter of appointment, which sets out the terms and conditions of his or her directorship. The Non-Executive Directors are expected to devote the time necessary to perform their duties properly. This is expected to be approximately 20 days each year for basic duties.

The Chair and Senior Independent Director are expected to spend additional time over and above this to carry out their extra responsibilities. The Chair, Senior Independent Director and CEO also have clearly defined responsibilities, which delineate the scope of their roles. A full description of these roles can be found in the Corporate Governance section of the Group's website Burberryplc.com. The Board has noted changes to Non-Executive Directors' external appointments during the year and confirms that they were not perceived to impact their independence or responsibilities to the Company. The Board considers that the Chair and all Non-Executive Directors have fulfilled their required time commitments during FY 2021/22.

Information flow and professional development

Our Chair works closely with the Company Secretary in the planning of agendas and scheduling of Board and Committee meetings. Together, they ensure that information is made available to Board members on a timely basis and is of a quality appropriate to enable the Board to effectively carry out its duties.

The Board is kept up to date on legal, regulatory, compliance and governance matters through advice and regular papers from the General Counsel, the Company Secretary and other advisors.

In addition, Executive Committee members and other senior managers are invited, as appropriate, to Board and strategy meetings to inform and update the Board on their areas of responsibility. Regular attendees at Committee meetings included the CEO, the Chief People Officer and the Company Secretary.

Induction, training and business engagement

The Company Secretary assists the Chair in designing and facilitating a formal induction programme for new Directors and their ongoing training. Each newly appointed Director receives a formal and tailored induction programme to enable them to function effectively as quickly as possible, while building a deep understanding of the business. Each induction typically consists of meetings with both Executive and Non-Executive Directors and briefings from senior managers across our key business areas and operations. In addition, Non-Executive Directors are provided with opportunities to visit key stores, markets and facilities. This includes visits to our various operating facilities in the UK. Following the initial induction for Non-Executive Directors, an understanding of the business is developed through ongoing meetings and engagements as appropriate.

The Chair considers the training needs of individual Directors on an ongoing basis. During FY 2021/22, a number of Directors participated in the Group's Global Allyship training.

Details of the induction programme implemented for Danuta Gray and Jonathan Akeroyd's ongoing induction programme are set out in the Nomination Committee Report.

The Board has direct access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary is a matter reserved for the Board as a whole. To carry out their duties, Directors may also obtain independent professional advice, if necessary, at the Group's expense.

BOARD EVALUATION

Evaluating our performance

The Board undertakes a formal annual evaluation which is designed to help identify opportunities to improve and enhance its own performance and that of the Group. The evaluation process is led by the Chair and includes a review of the effectiveness of the Board as a whole, the Board's Committees and each individual Director. Every three years such evaluation is facilitated externally with the last external evaluation taking place in FY 2020/21.

Internal evaluation in FY 2021/22

In November 2021, the Board decided to conduct an internal questionnaire based review for FY 2021/22 with the support of Independent Audit's Thinking Board tool. Independent Audit Limited has no other connection with the Company. The Chair of the Board and the Chairs of each of the Board Committees worked with the Company Secretary to agree the questionnaires, which were circulated in February 2022. The results were evaluated and discussed at the March Board meeting, following which the Board confirmed its view that the Board continues to operate effectively within an inclusive and transparent environment and displays a number of strengths, including:

- operating on a basis of trust and openness
- assessing and monitoring the financial health of the business
- providing strategic oversight and support to the executive team

The questionnaires were supplemented by meetings between the Chair and each Director to discuss individual performance, seek additional feedback and to raise any issues or concerns regarding the management of the Company or the Board's performance. On resignation, Non-Executive Directors are also encouraged to provide a written statement of any concerns to the Chair. No such concerns were raised in FY 2021/22. These discussions, together with the Nomination Committee's considerations of independence, time commitment and tenure, are used as the basis for recommending the re-election of Directors by shareholders. The Board is satisfied that all its Non-Executive Directors bring robust, independent oversight and continue to remain independent.

The evaluation process also concluded that the Audit, Nomination and Remuneration Committees continue to operate well and provide effective support to the Board in carrying out its duties.

Areas of focus for FY 2022/23

Based on the feedback received during the assessment process, the Board has agreed on the following areas of focus which will be monitored during the year.

Area of development	Action
Strategy, purpose and values	• Reviewing Board agendas to enable more time to be spent considering emerging technology, megatrends and key markets • Considering ways to embed ESG further into strategy, purpose and values of the Company
Talent and succession planning	• Continued development and strengthening of the executive succession planning programme
Board ways of working	• Reviewing the Board's composition and advisory support to ensure appropriate and contemporary expertise across all relevant areas, including luxury • Increasing the opportunities for Board members to spend time with each other and the executive team

Separate to the formal Board evaluation process, the Senior Independent Director led a review of the Chair's performance taking into consideration the view of all the Directors. The unanimous view was that the Chair continued to perform effectively and had provided strong leadership through FY 2021/22. His management of the CEO recruitment process and transition between CEO's was particularly commended.

Progress update on focus areas identified following the FY 2020/21 Board evaluation

Action	
Purpose, ambition and branding	
• Continued focus on clearly articulating Burberry's purpose, ambition and brand vision in a coherent and consistent manner across all company communications, both internal and external	The Board received updates on Burberry's purpose in May 2021 and March 2022, which included a review of delivery against key priorities, a summary of key areas of focus for FY 2021/22 to deepen internal commitment and amplify external storytelling, and examples of purpose in action through the business. An update on brand positioning progress and opportunities was discussed with the Board in July 2021 and a brand strategy update in October 2021 provided an overview of brand communications and plans to sharpen and cement our brand story and build advocacy and community to support growth acceleration.
Talent and succession planning	
• Continued focus on management development and developing further bench strength as part of the executive succession planning programme, particularly at Executive Committee and level below	The Chief People Officer has led the development and introduction of Leadership Standards which have been deployed throughout the organisation to elevate and embed leadership expectations aligned to our purpose and values. The Chief People Officer is also working with the Executive Committee to develop succession plans for their leadership teams. The Chief Executive Officer and Chief People Officer updated the Nomination Committee in May 2021 on plans and progress from a talent and organisational perspective to enable us to realise our strategic goals.
Strategy	
• Re-energising the Board's focus on emerging technology, including understanding the risks and opportunities new technology brings	The October strategy meeting provided the Board with an update on investment areas which management had identified to support growth acceleration including initiatives to formalise innovation efforts across the business. Areas of innovation highlighted included new traceability and raw material sourcing targets, and a focus on securing access to tech capabilities that could materially enhance the delivery of our Digital ambition. A deep dive on Digital Strategy was presented to the Board in March 2022 by the new Chief Digital and Analytics Officer when the Board also received an update on the macro context from members of the external Digital Council.
• Considering ways to deepen the Board's understanding of the competitive environment, including independent expert views of the performance of Burberry and key competitors in navigating industry and consumer megatrends	Updates on key trends and developments across the luxury market and peer performance were provided as part of the October strategy meetings. The Americas strategy deep dive also included a live panel with independent experts to discuss the luxury landscape and consumer in the US and how brands can succeed in serving the modern US luxury consumer and integrating digital and physical journeys. The Board has also received regular updates from local advisors in Mainland China to strengthen our growth in the region.
Environmental, Social and Governance	
• Increasing the Board's oversight of environmental and social matters to reflect the increasing importance of these topics to the Group and society as a whole, with particular focus on diversity and inclusion, and sustainability	Management presented an update on climate and community priorities in October 2021, including recommendations to evolve governance over ESG topics to increase the Board's oversight of ESG priorities. The Board received an update on diversity and inclusion initiatives at the November 2021 and March 2022 meetings including the rollout of allyship training and the work of the diversity and inclusion councils.

REPORT OF THE NOMINATION COMMITTEE

"WE HAVE CONCENTRATED ON IDENTIFYING CANDIDATES WHO WOULD ADD TO THE COLLECTIVE SKILLS, EXPERIENCE AND DIVERSITY OF THE BOARD."

Gerry Murphy
Chair, Nomination Committee

MEMBERS

- Dr Gerry Murphy (Chair)
- Fabiola Arredondo
- Matthew Key
- Dame Carolyn McCall*
- Ron Frasch
- Orna NíChionna
- Debra Lee
- Sam Fischer
- Antoine de Saint Affrique
- Danuta Gray*

* Dame Carolyn McCall retired as a member of the Committee on 2 April 2022

* Danuta Gray was appointed to the Committee on 1 December 2021

Dear Shareholder,

On behalf of the Nomination Committee, I am pleased to present this report, which describes how we carried out our responsibilities during the year. We met six times during FY 2021/22, reflecting the important changes to Board membership.

Board succession planning has been an important area of focus for the Committee during FY 2021/22. The appointment of Jonathan Akeroyd as Chief Executive Officer was a key area of focus for the Committee. We also recommended the appointment of Danuta Gray as an additional Independent Non-Executive Director and the appointment of Orna NíChionna as the Senior Independent Director following Dame Carolyn McCall's retirement from the Board. In our consideration of Board composition, we have concentrated on identifying candidates who would add to the collective skills, experience and diversity of the Board to improve our ability to support and challenge management as Burberry develops and evolves.

During FY 2021/22, we also reviewed the talent pipeline for the Executive Committee and other senior management roles and completed our annual governance processes.

Gerry Murphy
Chair, Nomination Committee

AREAS OF FOCUS FOR FY 2021/22

Board composition

Talent and Executive Succession Planning

Corporate Governance

Principal role and responsibilities

As set out in the terms of reference, which are available on the Company's website, Burberryplc.com, the Nomination Committee is responsible for a number of areas across three main categories as listed below.

Board composition

- Reviewing the composition, size, skills and diversity of the Board and its Committees to maintain the relevant balance of skills and independence
- Identifying and making recommendations to the Board on suitable candidates to fill Board vacancies

Talent and executive succession planning

- Considering succession planning for the Executive Committee and other key senior management roles in line with the talent management framework

Corporate governance

- Considering the independence and time commitments of Non-Executive Directors
- Making recommendations to the Board on election and re-election of Directors at the AGM
- Implementing and reviewing the Board Composition and Diversity Principles

Board succession planning

Our proactive approach to succession planning ensures that the Board maintains the right mix of skills, experience, knowledge and tenure to effectively support and challenge. We believe that diverse boards with appropriate competencies and values are better boards. In line with the Board's Composition and Diversity Principles, all new Board appointments will continue to be made on merit. Our approach includes:

- Ensuring the search pool includes candidates from diverse backgrounds with experience and insights relevant to the Group's strategic priorities
- Taking into account Burberry's purpose, culture and values and the changing business needs, while also having regard to wider stakeholder needs and environmental factors
- Promoting diversity, including in terms of gender, social and ethnic backgrounds, cognitive and personal strengths.

Given the Board appointments during FY 2021/22, it is felt that there is a good balance of newer and longer serving Directors who provide consistency of Burberry knowledge and experience.

Board and Committee effectiveness

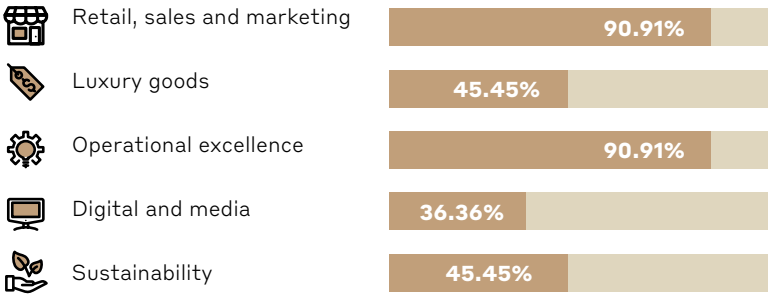
As part of the annual Board evaluation, all members of the Nomination Committee participated in an evaluation of the Committee's performance. The evaluation concluded that the Committee operates well and continues to provide effective support to the Board. Further details of the evaluation can be found on pages 172 to 173.

Senior management talent and succession planning

The Committee monitored changes to the talent landscape during the year and reviewed the talent pipelines for the Executive Committee and other key leadership roles. When considering the succession plans, the Committee reflected on the importance of building diversity of gender and ethnicity, as well as the core capabilities required to deliver the Group's strategic priorities.

BOARD SKILLS

We recognise that having the right individuals in the boardroom is critical. Directors need to have the skills and experience that align with the Company's long-term strategy. Diverse and fresh perspectives are also important. That is why the Committee makes refreshment and succession planning a priority. A Board skills matrix is used to identify current and expected skill gaps.



Board changes

The appointment of our new CEO, Jonathan Akeroyd, was a key area of focus for the Committee during FY 2021/22. In addition, we continued to focus on the evolution of the Board and, prior to the retirement of Dame Carolyn McCall on 2 April 2022, identified a need for an additional Non-Executive Director who would bring a strong understanding of the UK governance environment.

Recruitment of the CEO

When Marco Gobbetti notified us of his intention to step down as CEO, the Committee assisted by search firm EgonZehnder began the search for a new CEO. EgonZehnder was not engaged by the Company for any other purpose during FY 2021/22. A candidate profile was developed to ensure potential candidates would have the required balance of skills and experience relevant to Burberry. Candidates were shortlisted with preferred candidates interviewed by Committee members. Following conclusion of the process, the Committee recommended the preferred candidate to the Board. We are delighted to have appointed Jonathan Akeroyd to this position. Jonathan is an experienced leader with a strong track record in building global luxury fashion brands and driving profitable growth. He shares our values and our ambition to build on Burberry's unique British creative heritage and his deep luxury and fashion industry expertise will be key to advancing the next phase of Burberry's evolution.

A detailed induction plan has been created for Jonathan focused on building his understanding of the business, including our purpose and values. The plan includes providing opportunities for product immersion, meeting colleagues and travelling to key sites.

Non-Executive Director

To assist with the recruitment of a new Non-Executive Director, the Committee appointed the specialised search firm Lygon Group. Lygon Group was not engaged by the Company for any other purpose during FY 2021/22. A candidate profile was developed in line with the Board's Composition and Diversity Principles which would complement the needs of the business and the Board as a whole.

Having considered the shortlist, Committee members interviewed the preferred candidates and recommended the appointment of Danuta Gray to the Board for approval. The Committee further recommended that, on appointment to the Board, Danuta also be appointed as a member of the Remuneration and Nomination Committees.

Induction case study – Danuta Gray

Danuta Gray was appointed to the Board on 1 December 2021. The Company Secretary assisted the Chair with the preparation and delivery of a tailored and comprehensive induction programme, designed to give Danuta a thorough overview and understanding of our business with a focus on purpose, strategy and wider business objectives.

The induction sessions, which were almost entirely virtual, gave Danuta an opportunity to get to know the business and build an understanding of the key areas of focus for the Board and the Group. The induction programme will also be complemented by visits around the business to meet and connect with the wider workforce.

December 2021

- Appointment to the Board and Nomination and Remuneration Committees

December 2021 – March 2022

- Meetings with senior executives and functional heads to provide an understanding of the Group's operations, culture and values

January – March 2022

- Meetings with the external auditor and key advisors, including: Deloitte; Slaughter and May; brokers; and strategy consultants

Diversity

Diversity and inclusion are essential to fulfilling Burberry's purpose and inherent in our Company values. Our commitment to building a diverse and inclusive culture is a strategic imperative and we believe this creates more engaged colleagues and encourages better performance. We champion the development of everyone at Burberry and ensure all colleagues are treated equally. The Committee considers the importance of diversity when recommending candidates for appointment to the Board. In accordance with the Board's Composition and Diversity Principles, we are committed to ensuring women make up at least one-third of our Board and that at least one Board member is from an ethnic minority background, while continuing to ensure candidates are selected based on their merit and wide-ranging experience, backgrounds, knowledge, insights and skills.

We welcome the recommendations set by FTSE Women Leaders Review that build on the success of the Hampton-Alexander and Davies reviews that came before it. We are delighted that at the end of the review period we were recognised as being a top performer in the inaugural FTSE Women Leaders report, having again exceeded the recommendations with 45.5% of Board members and 53.7% of Executive Committee and Direct Reports, respectively, being female. We have two Directors from an ethnic minority background on the Board which is above the recommendation of the Parker Review report.

More information on diversity and inclusion can be found on pages 84 to 91.

Diversified Board

Gender

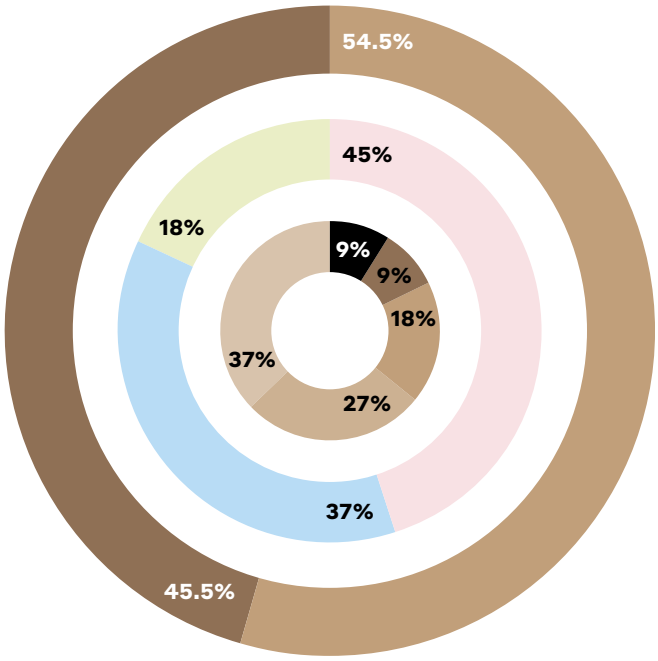
- Women – 45.5%
- Men – 54.5%

Tenure

- 0-3 years – 5 Directors
- 3-6 years – 4 Directors
- 6+ years – 2 Directors

Nationality

- Australian – 9%
- French – 9%
- Irish – 18%
- American – 27%
- British – 37%



REPORT OF THE AUDIT COMMITTEE

"IN ADDITION TO ITS USUAL WORK, THE COMMITTEE ADAPTED TO A RAPIDLY CHANGING ENVIRONMENT DUE TO THE CONTINUED IMPACT OF COVID-19"

Matthew Key
Chair, Audit Committee

MEMBERS

- Matthew Key (Chair)
- Antoine de Saint-Affrique
- Dame Carolyn McCall*
- Debra Lee
- Ron Frasch

* Dame Carolyn McCall retired as a member of the Committee on 2 April 2022

Dear Shareholder,
I am pleased to present the FY 2021/22 report of the Audit Committee. The purpose of this report is to describe how we carried out our responsibilities during the year.

The role of the Audit Committee is to monitor and review the integrity of financial information and to provide assurance to the Board that the Group's internal controls and risk management processes are appropriate and regularly reviewed. We also oversee the work of the external auditor, approve their remuneration and recommend their appointment. Details of how the Audit Committee has monitored EY's audit are available on page 182. In addition to the disclosure requirements relating to audit committees under the Code, the Committee's report sets out areas of significant and particular focus for the Committee.

In addition to its usual work, the Committee adapted to a rapidly changing environment due to the continued impact of COVID-19. We also focused on the accounting judgements relating to inventory provisioning and store impairments and management's consideration of uncertain tax positions.

Further information is provided in the significant matters set out in the table on pages 180 to 181.

The Committee reviewed and challenged management's approach, analysis and recommendations, taking into account input from the external auditor, in order to conclude on the appropriateness of the treatment in the Financial Statements. All matters reviewed were concluded to the satisfaction of the Committee.

In relation to the Group's risk management, we undertook an in-depth review of risk factors for sustainability and reviewed management's proposed approach to TCFD reporting. We also considered the risks associated with cybersecurity, including ransomware, and fraud risk.

The Committee confirms that during FY 2021/22, the Group complied with the mandatory audit processes and Audit Committee responsibilities provisions of the Competition and Markets Authority Statutory Audit Services Order 2014. This report describes the work of the Committee in discharging its responsibilities.

The Committee has an open and constructive relationship with management. I thank the management team on behalf of the Committee for its assistance during the year. I am confident that the Committee has carried out its duties in the year effectively and to a high standard.

Matthew Key
Chair, Audit Committee

AREAS OF FOCUS FOR FY 2021/22

Ongoing impact of COVID-19

Changing economic conditions

Cybersecurity

Climate-related risks

The role and main responsibilities of the Committee

The main roles and responsibilities of the Committee are set out in written terms of reference, which are available on the Company's website, Burberryplc.com. The Committee reviews its terms of reference annually. In light of its key responsibilities, the Committee considered the following items of business during the financial year:

- Financial reports: the integrity of the Group's Financial Statements and formal announcements of the Group's performance
- Risk and internal controls: the Group's internal financial, operational, compliance controls and risk identification and management processes. Review of Group policies for identifying and assessing risks and arrangements for employees to raise concerns (in confidence) about possible improprieties
- Viability: consideration of the Group's Viability Statement as set out on pages 146 to 149
- Internal Audit: review of the annual Internal Audit programme and the consideration of findings of any internal investigations and management's response
- External auditor: recommending the appointment of the external auditor, approving their remuneration and overseeing their work. Reviewing reports received from the external auditor. Reviewing the effectiveness and independence of the external auditor
- Ethics update: the Committee received and considered reports from management on the Group's whistleblowing arrangements and health and safety
- TCFD: reviewing the requirements of the TCFD and the scenario analysis undertaken to assess the impact of climate-related risks on Burberry
- Group Tax Strategy: reviewing the tax strategy in the context of an evolving regulatory environment and the Group's uncertain tax positions. The tax governance framework can be found on page 166

Meetings and attendance

The Committee met formally five times during the year (see table on page 162). Where members were unable to attend, they provided feedback to the Chair on the matters to be discussed in advance of the meetings. In addition to the scheduled meetings, Committee members also attended additional ad hoc meetings as required.

The Chair of the Committee met separately with representatives of the external auditor, senior members of the finance function and the Senior Vice President, Internal Audit and Risk on a regular basis, including prior to each meeting. In addition, he met with members of the Group Internal Audit team and other members of management on an ad hoc basis as required to fulfil his duties.

Regular attendees at Committee meetings include: the Chair of the Board; CEO; CO&FO; Company Secretary; Senior Vice President, Internal Audit and Risk; Senior Vice President, Group Finance; Vice President, Group Financial Controller; General Counsel, Chief People Officer and representatives of the external auditor. At the end of each meeting the Committee held closed meetings with the external auditor and with the Senior Vice President, Internal Audit and Risk without management being present.

The Board is satisfied that Matthew Key has recent and relevant financial experience, and that all other Committee members have past employment experience in either finance or accounting roles, or broad consumer experience and knowledge of financial reporting and/or international businesses. As a whole, the Board is satisfied that the Audit Committee has competence relevant to the business sector. The biographies set out on pages 154 to 158 provide details of each member's background and experience.

Significant matters for the year ended 2 April 2022	How the Audit Committee addressed these matters
Impairment assessment of property, plant and equipment and right-of-use assets held in retail cash generating units	The Committee considered management's assessment of the recoverability of the carrying value of assets held in retail cash-generating units, including property, plant and equipment and right-of-use assets relating to store leases. The Committee considered the approach applied by management to update assessments of previously impaired cash-generating units and their review for potential indicators of impairment for other retail cash generating units. The Committee reviewed and challenged the sensitivities applied to the estimates of future store performance, which will depend on the path of recovery from COVID-19, and reviewed management's proposed disclosures relating to these uncertainties. The Committee concluded that the carrying value of assets held in retail cash-generating units and disclosures contained in the Financial Statements for the period were appropriate. The results of the impairment assessment of assets held in retail cash-generating units, together with related sensitivities, are set out in note 13 of the Financial Statements.
The recoverability of the cost of inventory and the resulting amount of provisioning required	The Committee considered the Group's current provisioning policy, the expected loss rates on inventory held at the balance sheet date and the nature and condition of current inventory. In particular, the Committee considered management's assumptions regarding the usage of inventory relating to the recent seasons, which have been most impacted by COVID-19. The review included analysis of actual inventory usage compared to assumptions made at March and September 2021 and the resulting revision to assumptions regarding expected exit routes for the remaining surplus inventory held at the balance sheet date. The Committee concluded that the inventory assets recognised and disclosures contained in the Financial Statements for the period were appropriate. Movements in inventory provisioning and the related sensitivities are set out in note 17 of the Financial Statements.

Significant matters for the year ended 2 April 2022	How the Audit Committee addressed these matters
Income and deferred taxes	The Committee reviewed the Group Tax strategy, the Group's uncertain tax positions, the status of any ongoing tax audits and their impact on the Financial Statements. The Committee reviewed and challenged the appropriateness of assumptions and estimates applied in order to estimate the amount of assets and liabilities to be recognised in relation to uncertain income tax and deferred tax positions and the disclosure of any significant estimates applied to tax balances. The Committee concluded that the assets and liabilities recognised and disclosures contained in the Financial Statements for the period were appropriate. Details of movements in tax balances are set out in notes 9 and 15 of the Financial Statements and further disclosure of tax contingent liabilities is given in note 32.
Going Concern and Viability	The Committee considered the going concern and viability analysis carried out by management. The Committee considered the principal risks that would threaten the Group's business model, future performance, solvency, liquidity and reputation and how these were included in the severe but plausible downside scenario, which included reasonable quantification of these principal risks. A reverse stress test scenario was also considered alongside the facilities available to the Group as well as mitigating actions that could be taken. The Committee concluded that a robust assessment had been carried out and in all the scenarios considered the Group was able to maintain sufficient liquidity to continue trading.
Fair, balanced and understandable reporting	The Committee considered the Annual Report and Interim Report, on behalf of the Board, to ensure that they were fair, balanced and understandable, in accordance with requirements of the UK Corporate Governance Code. The Committee paid particular attention to the approach taken by management to separate presentation of any items relating to impairments of assets or reversal of previous impairments, which were separately presented, together with the disclosure of the basis of the treatment applied. The Committee reviewed the report from the strategic report drafting team, comments arising from the review of the Financial Statements by the Executive Directors and comments raised by the Group's external auditor. The Committee also considered the use of alternative performance measures by the Group, including the presentation of the 53rd week and concluded that they were appropriate and their disclosure in the Financial Statements and Strategic Report was fair, balanced and understandable.
Task Force on Climate-Related Financial Disclosures (TCFD)	The Committee considered the TCFD reporting on behalf of the Board. The Committee considered the approach taken by management to work with the University of Cambridge Centre for Risk Studies to develop a Burberry business digital twin that is stressed with climate scenarios to determine the impact of physical and transition risks. The Committee reviewed the disclosure in the Annual Report on behalf of the Board to ensure that they were in compliance with the TCFD requirements.
Other matters	During the year the Committee also considered management's papers on other subjects, including the carrying value of goodwill and associated disclosures, the consistency of policy and accuracy for the recognition and measurement of adjusting items for restructuring costs, significant judgements relating to lease term and impairment of receivables, and the impact of the Ukraine conflict on the Group's financial position.

External auditor

The Audit Committee oversees the work undertaken by EY and in FY 2021/22 the Committee monitored and reviewed activities including:

- The audit plan, including scope and materiality
- The approach to risk assessment, including in relation to climate-related risks
- The approach to auditing controls
- The limited assurance work carried out on the TCFD disclosures, which is a separate non-audit service provided by EY
- Reports at interim and full year

During the year, the Committee met with the auditor without members of management being present.

Independence and effectiveness

One of the Committee's primary responsibilities is to make a recommendation on the appointment, reappointment and removal of the external auditor. Every year, the Committee assesses the qualifications, expertise, resources and independence of the external auditor and the effectiveness of the previous audit process. Following the completion of EY's first audit, the Committee considered the detailed feedback received from a survey of selected Board members and key members of the Finance team and concluded that the audit had been effective. Over the course of the year, the Committee reviewed the audit process and the quality and experience of the audit partners engaged in the audit to satisfy itself that it received the highest quality audit possible. To support this assessment in the second year, a survey was sent to the Audit Committee Chair, key members of the Finance team and other members of the senior management team as part of the year-end process. The Committee considered the results of the survey and concluded that the external audit process was effective. The Committee also reviewed the proposed audit fee and terms of engagement for FY 2021/22.

Details of the fees paid to the external auditor during FY 2021/22 can be found in note 7 to the Financial Statements.

Non-audit services

The Committee recognises that the independence of the external auditor is an essential part of the audit framework and the assurance that it provides. In line with the Revised Ethical Standard issued by the FRC in December 2019, the Committee has adopted a policy, which sets out a framework for determining whether it is appropriate to engage the Group's auditor for non-audit services and pre-approving non-audit fees.

The overall objective is to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity. This includes, but is not limited to, assessing:

- Any threats to independence and objectivity resulting from the provision of such services; any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the auditor's independence and objectivity; the nature of the non-audit services and whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit service
- The value of non-audit services that can be billed by the external auditor is restricted by a cap, which is set at 70% of the average audit fees for the preceding three years as defined by the FRC

During FY 2021/22 the non-audit services provided by Burberry's external auditor did not exceed this cap.

Proposed fees above £50,000 are approved by the Chair of the Audit Committee. Non-audit services with a value below £50,000 and which are in line with the Group's policy have been pre-approved by the Audit Committee. Compliance with the policy of engaging the Group's auditor for non-audit services and pre-approving non-audit fees is reviewed and monitored by the Senior Vice President, Internal Audit and Risk. These fees must be activity based and not success related. At the half-year and year-end, the Audit Committee reviews all non-audit services provided by the auditor during the period, and the fees relating to these services.

During the year, the Group spent £0.1 million on non-audit services provided by EY (3% of the average of Group audit fees incurred over the last two years).

The rationale for using the external auditor to perform these services was to reduce complexity. Further details can be found in note 7 to the Financial Statements.

Evaluation of internal controls

Our Board is ultimately responsible for the Group's internal controls and risk management procedures. It discharges its duties in this area by:

- Determining the nature and extent of the principal and emerging risks it is willing to accept to achieve the Group's strategic objectives (the Board's risk appetite)
- Challenging management's implementation of effective processes of risk identification, assessment and mitigation

Our Audit Committee is responsible for reviewing the effectiveness of the Group's internal controls and risk management procedures. Details of the Group's risk management processes and the management and mitigation of each principal risk, together with the Group's Viability Statement can be found in our Risk and Viability Report on pages 107 to 149.

Ongoing review of these controls is provided through internal governance processes and the work of the Group is overseen by management, particularly the work of the Group Internal Audit team and the Risk Committee. Regular reports on these activities are provided to the Audit Committee as reflected in the standing items on the Audit Committee agenda.

The Board, through the Audit Committee, has conducted a robust assessment of the principal and emerging risks and internal control framework. It has considered the effectiveness of the internal controls in operation across the Group for the year covered by the Annual Report and Accounts and up to the date of its approval by the Board. This review covered the material controls, including financial, operational and compliance, as well as risk management processes. No significant control weaknesses were identified. The internal controls are designed to manage rather than eliminate the risk of not achieving business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The process followed by the Board, through the Audit Committee, in regularly reviewing the system of internal controls and risk management processes complies with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC. It also accords with the provisions of the Code.

Control environment

Our business model is based primarily on central design, supply chain and distribution operations to supply products to global markets via retail, wholesale and digital channels. This is reflected in our internal control framework, which includes centralised direction, resource allocation, oversight and risk management of the key activities of marketing, inventory management, as well as brand and technology development. We have also established procedures for the delegation of authorities to ensure that approval for matters that are considered significant is provided at an appropriate level. In addition, we have policies and procedures in place that are designed to support risk management across the Group. These include policies relating to treasury and the conduct of employees and third parties with whom we do business, including prohibiting bribery and corruption. These authorities, policies and procedures are kept under regular review.

The Group operates a "three lines of defence" model, which helps to achieve effective risk management and internal control across the organisation.

- **First line of defence:** management owns and manages risk and is also responsible for implementing corrective actions to address process and control deficiencies
- **Second line of defence:** to help ensure the first line is properly designed, established and operating effectively, management has also established various risk management and compliance functions to help build and/or monitor the first line of defence. These include, but are not limited to, functions such as Group Risk Management, Legal, Brand Protection, Company Secretariat, Group Finance Compliance, Health and Safety, Data Protection, Asset and Profit Protection, and Business Continuity
- **Third line of defence:** Group Internal Audit provides the Audit Committee and management with independent and objective assurance on the effectiveness of governance, risk management and internal controls. This includes the way in which the first and second lines of defence achieve risk management and control objectives

Internal Audit

The Group Internal Audit function is managed by the Senior Vice President, Internal Audit and Risk, who reports to the CO&FO but has an independent reporting line to the Chair of the Audit Committee.

The scope of Internal Audit work is considered for each operating company and Group function. This takes account of risk assessments, input from senior management and the Audit Committee and previous audit findings. For example, in FY 2021/22, there was an emphasis on assurance over controls to manage cybersecurity risk (particularly ransomware, and the response to the Log4Shell vulnerability), and the maturity of controls over IT projects and operations (including critical third parties). There was also a continued focus on assessing the maturity of controls over core processes in inventory management, Finance, Supply Chain, Digital and HR. Changes to the Group's risk profile are considered on an ongoing basis and amendments are made to the audit plan as necessary during the year. Any proposed changes to the plan are discussed with the CO&FO and reported to the Audit Committee.

The effectiveness of Group Internal Audit is assessed every five years with the latest review having been reported in FY 2019/20.

Ongoing visibility of the internal control environment is provided through Internal Audit reports to management and the Audit Committee. These reports are graded to reflect an overall assessment of the control environment under review, and the significance of any control weaknesses identified.

Remedial actions to address findings are identified and agreed with management. The Audit Committee places emphasis on actions being taken as a result of internal audits, and regular reports are provided to the Audit Committee on the status of any overdue actions.

Financial reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external reporting purposes.

We have comprehensive planning, budgeting, forecasting and monthly reporting processes in place. A summary of financial results, supported by commentary and performance measures, is provided to the Board each month.

In relation to the preparation of Group Financial Statements, the controls in place include:

- A centre of expertise responsible for reviewing new developments in reporting requirements and standards to ensure that these are reflected in Group accounting policies, Financial Statements and disclosures
- A global finance function and governance structure consisting of colleagues with the appropriate expertise to ensure that Group policies and procedures are correctly applied. Effective management and control of the finance function is achieved through our finance leadership team, consisting of key finance colleagues from the regions, Burberry Business Services and London headquarters

Our financial reporting process is supported by transactional and consolidation finance systems. Reviews of financial controls are carried out by senior members of the Finance team. The results of these reviews are considered by the Audit Committee as part of its monitoring of the performance of controls governing financial reporting.

The Audit Committee reviews the application of financial reporting standards and any significant accounting judgements made by management. These matters are also discussed with the external auditor.

Ongoing impact of COVID-19

COVID-19 continued to affect our operations during the year and is currently impacting our Asia business with limited access to some regional premises. We have adapted our processes and financial controls where necessary to reflect remote working arrangements and to maintain effective and compliant financial reporting during the year. Where controls have been adapted, our technology and IT infrastructure has been enhanced to support remote execution.

Fair, balanced and understandable

As a whole, the Annual Report and Accounts are required to be fair, balanced and understandable and to provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. On behalf of the Board, the Audit Committee considered whether the fair, balanced and understandable statement could properly be given on behalf of the Directors. The processes followed to provide the Committee with assurance were considered and the Committee provided a recommendation to the Board that the fair, balanced and understandable statement could be given on behalf of the Directors.

Based on this recommendation, the Board is satisfied that it has met this obligation. A summary of the Directors' responsibilities in relation to the Financial Statements is set out on page 220. The Independent Auditor's Report on pages 221 to 239 includes a statement concerning the auditor's reporting responsibilities.

DIRECTORS' REMUNERATION REPORT

"BURBERRY'S REMUNERATION FRAMEWORK HAS BEEN DESIGNED TO SUPPORT OUR CULTURE, VALUES AND PURPOSE."

Orna NíChionna
Chair, Remuneration Committee

MEMBERS

- Orna NíChionna (Chair)
- Fabiola Arredondo
- Sam Fischer
- Ron Frasch
- Danuta Gray*
- Matthew Key

* Danuta Gray was appointed to the Committee on 1 December 2021

Dear Shareholder,

I am pleased to present to you the Directors' Remuneration Report for the year ended 2 April 2022, which has been approved by both the Remuneration Committee (the Committee) and the Board.

Business context

FY 2021/22 has been another challenging year for Burberry and our people with the ongoing COVID-19 pandemic and the macroeconomic environment. Against this backdrop, Burberry has delivered revenue of £2,826 million (+23% at CER*) and adjusted operating profit of £523 million (+38% at CER*). In addition, we have continued to deliver progress on our strategy to elevate our brand and build a more sustainable business.

* This measure removes the effect of changes in exchange rates and the 53rd week compared to the prior period.

We continue to drive engagement with our customers through distinctive and meaningful experiences and have strengthened our position with new, younger audiences. Supported by innovative campaigns, we also made further progress in our focus categories of outerwear and leather goods. Full-price outerwear and leather goods sales grew by 39% and 28%, respectively, versus FY 2019/20 as a pre-pandemic comparator year.

I salute the efforts of our colleagues around the world, consistently going above and beyond to achieve success across our agenda. They have shown continued resilience, determination and a collaborative spirit, consistent with the values we uphold in the organisation.

ESG

We are committed to protecting our planet and driving a sustainable future. Burberry has already implemented a range of initiatives to address climate change and we have taken industry-leading steps to advance progress across the decarbonisation agenda. Since 2016 we have had a programme to cut our own market-based emissions and we were one of the first companies to set 1.5°C Science Based Targets across all scopes.

This year, we have substantially met the targets set out in our five-year Responsibility strategy. We are proud to be carbon neutral and use 100% renewable electricity in our own operational footprint. In our ambitious goal of driving positive change through all our products, 99% have delivered social and/or environmental improvements at the raw material sourcing or product manufacturing stage.

However, this is only the beginning and we will continue to evolve our ambitions and collaborate with our supply chain and wider industry to create a more sustainable future for luxury. In FY 2021/22, we became the first luxury brand to pledge to being Climate Positive by 2040. More information on our progress on ESG is set out on pages 52 to 97.

Our forward-thinking approach is reflected in our remuneration arrangements; both the annual bonus and Burberry Share Plan (BSP) awards for the Executive Directors include a link to our ESG priorities. For FY 2021/22, a portion of the CO&FO's bonus was based on ESG priorities, including making progress against our long-term carbon reduction goals and meeting stretching internal diversity and inclusion goals. Since its introduction in 2020, the BSP has had a performance underpin linked to our strategy to build a more sustainable future. By linking our reward to our ESG strategy, we can appropriately incentivise management to keep pushing boundaries and drive real change in our sustainability agenda.

CEO transition

In October 2021, we announced the appointment of Jonathan Akeroyd as our new CEO. Jonathan joined Burberry on 15 March 2022 and his remuneration arrangements were set in accordance with the Remuneration Policy. Jonathan's salary was set at £1,100,000. Jonathan will be entitled to our standard benefits and will receive an annual cash benefits allowance of £50,000. His pension entitlement has been set at 10% of salary, which is aligned with the arrangements for the majority of the UK workforce. There have been no changes to the annual bonus and BSP opportunities, which have been set at a maximum of 200% and 162.5% of salary, respectively.

Jonathan was also granted cash and share awards to compensate him for incentives from his previous employer that he forfeited on joining Burberry. These awards were granted in accordance with the Remuneration Policy and took into account all relevant factors, including the form, value and vesting timeframe of the forfeited awards. The buy-out awards vest over the next three years in line with when awards would have vested at Jonathan's previous employer. Further details are set out on pages 202 to 203.

Marco Gobbetti ceased to be a Director of Burberry on 31 December 2021. He received salary, benefits, allowances and pension until this date, as well as a payment in lieu of untaken accrued annual leave. He was not entitled to an annual bonus for FY 2021/22 and all outstanding share awards lapsed on his departure, with the exception of certain awards under our all-employee share plans. Marco will also receive reasonable assistance to prepare and file his tax returns in respect of the tax years 2020/21 and 2021/22. He will not receive any other payment(s) including for loss of office. In accordance with the post-employment shareholding guidelines, Marco will be required to hold 21,393 Burberry shares until 31 December 2023. Further details regarding Marco's leaving arrangements are set out on page 202.

Remuneration outcomes for FY 2021/22

Annual bonus for FY 2021/22

Following the use of a modified approach for FY 2020/21, FY 2021/22 was the first year of operation for the revised bonus approach set out in the Remuneration Policy approved at the 2020 AGM. The annual bonus for FY 2021/22 was based 75% on adjusted operating profit and 25% on performance against strategic objectives linked to progress against (i) our strategy and our brand; (ii) sustainability targets; and (iii) diversity, inclusion and leadership goals.

As set out on page 44, the Group performed well in the year and adjusted operating profit was £523 million (+38% at CER). This performance exceeded targets for the year and resulted in a payout for this element of 100% of maximum. The Group made good progress against all of the strategic objectives, including the reduction of carbon emissions and our long-term aspiration to be net-zero by 2040. Taking our performance into account, the total payout for the strategic objectives element was 19% out of 25%. Further detail is provided on pages 196 to 197.

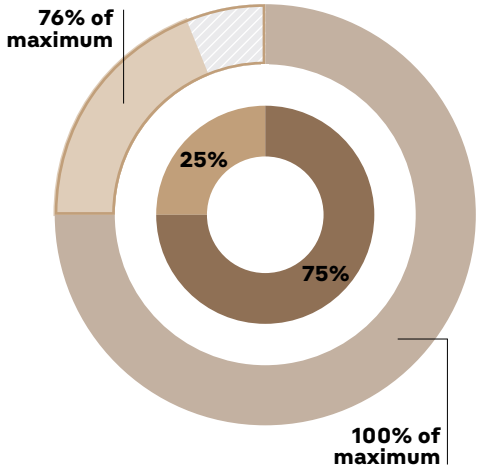
The final bonus for the CO&FO in respect of FY 2021/22 was 94% of maximum. The Committee considers this outcome to be appropriate in the context of performance for the year and has not applied discretion in respect of the outcome. As already set out, Marco forfeited his entitlement to an annual bonus following his departure and Jonathan was not eligible for an annual bonus.

2019 Executive Share Plan (ESP) award

The 2019 ESP award was based on three performance metrics, measured over the three-year period to 2 April 2022. Financial performance over the period was impacted by the COVID-19 pandemic and consequently growth in revenue was below the threshold target. None of this element will therefore vest. Despite the impact of the pandemic, the three-year average Adjusted Retail/Wholesale ROIC was 14.3% and growth in Adjusted PBT (at CER) was 5.1%, which both exceeded their threshold targets. As a result, 22% of the 2019 ESP award will vest. The shares to be received by the CO&FO on vesting will be subject to a post-vesting holding period. The Committee believes that the ESP outcome appropriately reflects the broader performance context and therefore no discretion was exercised by the Committee in respect of the outcome of the 2019 ESP award.

Annual bonus for FY 2021/22

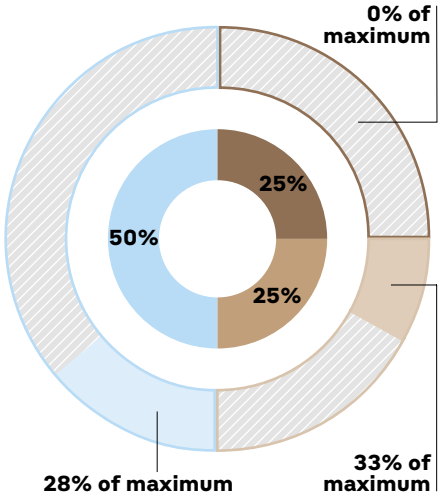
The chart below shows outturns in respect of the annual bonus for FY 2021/22.



- Operating profit
- Strategic objectives

2019 ESP award

The chart below shows vesting levels for the 2019 ESP award.



- Revenue growth
- ROIC
- PBT growth

Total outturn

94% of maximum

Total vesting

22% of maximum

Approach to remuneration for FY 2022/23

Salary and Board fees

Taking into account his appointment date, Jonathan Akeroyd will not receive a salary increase for FY 2022/23. Julie Brown will receive a salary increase of 3% with effect from 1 July 2022, which aligns with the approach across the broader UK employee population. There will be no increase in fees for the Chair or the Non-Executive Directors.

Annual bonus

The annual bonus will operate on broadly the same basis as FY 2021/22. Executive Directors will be eligible for a maximum bonus of 200% of salary. The annual bonus will be based 75% on adjusted operating profit and 25% on performance against strategic objectives linked to progress against our strategy and brand and ESG targets (including sustainability and diversity). Further details are provided on page 198. For FY 2022/23, recognising the importance of continued progress on the execution of our strategy, the Committee has increased the weighting of the strategy and brand metric.

BSP awards

BSP awards for FY 2022/23 will be granted in line with the normal approach. Awards will vest in equal tranches after three, four and five years following the date of award, subject to a holding period to the fifth anniversary of award. The Committee considers that the performance underpins that applied to the 2020 and 2021 awards continue to reflect a good overall balance of safeguarding the financial stability of the business, delivery of the strategy and elevation of the brand. Therefore the 2022 BSP awards will be subject to the same performance underpins: (i) revenue, (ii) ROIC and (iii) brand and sustainability. Having reviewed our internal budget and relevant forecasts the Committee has increased the revenue underpin relative to the 2021 BSP awards.

In line with the normal approach, the CEO will receive a 2022 BSP award of 162.5% of salary. During the year, Julie Brown's remit as CO&FO was widened to include responsibility for our sustainability agenda. Taking into account the increase in responsibilities and her performance to date, the Committee decided to increase Julie's ongoing BSP award to 162.5% of salary (from 150% of salary) to align with the award level for the CEO. The Committee carefully considered the entire package and has determined that an increase to the long-term opportunity is the most appropriate way to recognise the expanded scope of Julie's role.

Reward at Burberry

At Burberry our reward philosophy is to provide colleagues with competitive total reward packages. Guided by this philosophy, we operate a remuneration framework that is designed to support our culture, values and purpose, and to ensure that our colleagues continue to be inspired to deliver outstanding results. Our framework is cascaded across the Group and consists of the following key components:

Base salary	+	Benefits	+	Short-term incentives	+	Long-term share awards
Fair and equitable market-driven salary for all roles		Global and local market-driven benefits to promote colleague wellbeing and support saving for retirement		All colleagues are eligible for short-term performance-related pay to recognise and reward their contribution		All colleagues are eligible to participate in Burberry share plans to recognise and reward their contribution and to enable them to share in our future success

Our reward framework

Burberry's remuneration framework has been designed to support our culture, values and purpose. The framework, which consists of fixed pay, short-term incentives and long-term share awards, is applied across the Group.

Broader employee reward

We are committed to fair and responsible employment and are proud to be a principal partner of The Living Wage Foundation and an accredited UK Living Wage employer. Following a review of our pension arrangements we have enhanced the offering for the majority of our UK workforce. We have increased the maximum employer contributions from 6% to 10% of salary to improve the package we offer our colleagues and to enable them to increase their retirement savings. This move has been positively received by colleagues.

We operate discretionary annual bonus plans and commission plans across the business. We also grant annual awards of free shares (or equivalent cash-based awards where required) to all of our colleagues. In addition, we offer Sharesave in a number of our locations. BSP awards are also granted annually to colleagues in leadership positions.

Since 2019, the Global Workforce Advisory Forum, made up of colleagues representing a range of roles and locations around the world, has acted as a direct channel between the Board and our workforce. My fellow Board members and I value the opportunity to attend meetings and listen directly to colleagues' perspectives on their experiences. This year, Gerry Murphy, Matthew Key and I attended these sessions. I also ensure that the views of the workforce are duly taken into account at Committee meetings. During the year, we continued to seek feedback from our colleagues through a number of programmes and channels. This included our engagement and pulse surveys, which allow us to track work happiness and satisfaction through questions covering the whole colleague experience. We have also developed our first company-wide culture survey, and a framework for tracking progress against key cultural measures, designed to help our Board and leadership team understand more about how our purpose, values and leadership standards are being embedded across the organisation.

Engagement with shareholders and 2023 Remuneration Policy

The Committee values the views of our shareholders and takes them into account when considering our approach to remuneration at Burberry. The current Policy was approved at the 2020 AGM and, in accordance with the normal three-year cycle, is due to expire at the 2023 AGM. In advance of this, the Committee will undertake a full review of the Policy next year and will engage with shareholders in respect of any proposed changes.

I look forward to discussing our approach with shareholders during the year and hope that you will be supportive of this year's Directors' Remuneration Report at the AGM in July.

Orna NíChionna
Chair, Remuneration Committee

AREAS OF FOCUS FOR FY 2021/22

Executive reward

Shareholder engagement and external environment

Broader employee reward

External reporting

Fuller details of agenda items discussed at each Committee meeting are set out on page 212.

AT A GLANCE: REMUNERATION APPROACH FOR FY 2021/22 AND FY 2022/23

The Remuneration Policy was approved by shareholders at the AGM on 15 July 2020 and is set out in full in the Directors' Remuneration Report FY 2019/20, which can be found in the Annual Report FY 2019/20 at Burberryplc.com.

Element	Approach for FY 2021/22	Approach for FY 2022/23
Salary	Salaries from 1 July 2021: • Marco Gobbetti[1] (CEO) – £1,140,000 • Jonathan Akeroyd[2] (CEO) – £1,100,000 • Julie Brown (CO&FO) – £725,500 1. Marco Gobbetti stepped down as CEO on 31 December 2021. 2. Jonathan Akeroyd was appointed as CEO from 15 March 2022.	Following a review, the Committee awarded the CO&FO a salary increase of 3% in line with the approach for the wider UK workforce. Salaries from 1 July 2022: • Jonathan Akeroyd (CEO) – £1,100,000 • Julie Brown (CO&FO) – £747,300
Pension	Pensions for FY 2021/22: • Marco Gobbetti (CEO) – 20% of salary • Jonathan Akeroyd (CEO) – 10% of salary • Julie Brown (CO&FO) – 20% of salary • Any new appointment – in line with the maximum employer pension contribution available to the majority of the UK workforce (currently 10% of salary)	Pensions for FY 2022/23: • Jonathan Akeroyd (CEO) – 10% of salary • Julie Brown (CO&FO) – 20% of salary until 31 December 2022 and 10% of salary thereafter • Any new appointment – no change for FY 2022/23, i.e. in line with the maximum employer pension contribution available to the majority of the UK workforce (currently 10% of salary)
Benefits	The cash benefits allowance rates for FY 2021/22 were: • Marco Gobbetti (CEO) – £80,000 • Jonathan Akeroyd (CEO) – £50,000 • Julie Brown (CO&FO) – £30,000 The allowances for Marco Gobbetti and Jonathan Akeroyd were pro-rated to reflect the portion of the year during which they were employed by Burberry. Non-cash benefits principally include private medical, long-term disability insurance and life assurance.	No change for FY 2022/23.
Annual bonus	Maximum annual bonus of 200% of salary. Performance measures: • 75% adjusted operating profit • 25% strategic objectives Executives are required to invest 50% of any net bonus into shares until shareholding guidelines are met. Malus and clawback provisions apply.	No change for FY 2022/23.

Element	Approach for FY 2021/22	Approach for FY 2022/23
BSP	Maximum annual award levels: • Marco Gobbetti (CEO) – 162.5% of salary • Julie Brown (CO&FO) – 150% of salary Awards vest one third after three years, one third after four years and one third after five years. Awards subject to a holding period to fifth anniversary of award. Malus and clawback provisions apply.	The Committee determined to increase Julie Brown's ongoing BSP award size to 162.5% of salary to reflect her increased responsibilities. Maximum annual award level for the CEO and the CO&FO of 162.5% of salary. Awards vest one third after three years, one third after four years and one third after five years. Awards subject to a holding period to fifth anniversary of award. Malus and clawback provisions apply.
	The performance underpins for the 2021 awards are as follows: • Revenue – the level of Total Revenue at CER for the financial year which precedes the year of vesting being at least £2,400 million • ROIC – the level of Group ROIC at reported exchange rates for the financial year which precedes the year of vesting being at least 1% above the Group's WACC (currently c.9%) in the year of vesting • Brand and sustainability – reasonable progress having been achieved in respect of our strategy to elevate our brand and build a more sustainable future	The performance underpins for the 2022 awards are as follows: • Revenue – the level of Total Revenue at CER for the financial year which precedes the year of vesting being at least £2,800 million • ROIC – the level of Group ROIC at reported exchange rates for the financial year which precedes the year of vesting being at least 1% above the Group's WACC (currently c.9%) in the year of vesting • Brand and sustainability – reasonable progress having been achieved in respect of our strategy to elevate our brand and build a more sustainable future
Shareholding guidelines	300% of salary Post-employment shareholding guideline whereby Executive Directors will be expected to retain a shareholding of 300% of salary (or actual shareholding if lower) for two years after stepping down as an Executive Director.	No change for FY 2022/23.

Details of the principles the Committee took into account when developing the Remuneration Policy, including Provision 40 of the UK Corporate Governance Code, are set out on page 161 of the FY 2019/20 Annual Report.

The Committee considers that the Remuneration Policy operated as intended during FY 2021/22.

ANNUAL REPORT ON REMUNERATION

FY 2021/22 total single figure remuneration for Executive Directors (audited)

The table below sets out the single figure of total remuneration received or receivable by the Executive Directors in respect of FY 2021/22 (and the prior financial year). The subsequent sections detail additional information for each element of remuneration.

	Salary £'000	Allowances and benefits £'000	Pension £'000	Bonus £'000	ESP[3,4] £'000	All-employee share plans[5] £'000	Prior company buy-out awards[6] £'000	**Total £'000**	Total fixed remuneration £'000	Total variable remuneration £'000
Executive Directors										
Jonathan Akeroyd[1]										
Year to 2 April 2022	55	25	6	–	–	–	4,342	**4,428**	86	4,342
Julie Brown										
Year to 2 April 2022	726	88	145	1,364	392	1	–	**2,716**	960	1,756
Year to 27 March 2021	689	78	163	363	120	6	–	**1,419**	936	483
Former Executive Directors										
Marco Gobbetti[2]										
Year to 2 April 2022	855	178	171	–	–	1	–	**1,205**	1,205	–
Year to 27 March 2021	1,083	155	257	570	205	–	–	**2,270**	1,495	775

1. The table above shows remuneration in relation to Jonathan Akeroyd's employment as CEO from 15 March 2022.
2. The table above shows remuneration in relation to Marco Gobbetti's employment as CEO to 31 December 2021.
3. The values shown in the ESP column in respect of FY 2020/21 represent the vesting of the 2018 ESP award for Julie Brown and Marco Gobbetti. The values have been updated to reflect the share price on the date of vesting (31 July 2021) of £20.640. The figures disclosed in last year's single figure table were £106k for Julie Brown and £180k for Marco Gobbetti. The amounts now include the value of dividends on these shares using a cumulative dividend per share of 96.3 pence. The share price used to calculate the number of shares at grant (31 July 2018) was £21.135. The share price on vesting of £20.640 was lower than this price and therefore no portion of the amount disclosed relates to share price growth.
4. The value shown in the ESP column in respect of FY 2021/22 represents the vesting of the 2019 ESP award for Julie Brown. The value has been calculated by multiplying the number of shares which will vest based on the performance outcome set out on page 199 (20,917 shares) by the three-month average share price to the end of the financial year (£18.09), plus the value of dividends on these shares (using a cumulative dividend per share of 65.4 pence). The share price used to calculate the number of shares at grant (31 July 2019) was £22.8917. Therefore, none of the 2019 ESP value disclosed in the single figure table is attributable to share price growth. The Committee did not exercise discretion in respect of the change in share price.
5. The values shown in the all-employee share plans column in respect of FY 2021/22 for Julie Brown and Marco Gobbetti represent the vesting of their 2018 award of free shares granted under the Share Incentive Plan (SIP). Further information about the value shown in the all-employee share plans column in respect of FY 2020/21 for Julie Brown is set out in the Directors' Remuneration Report FY 2020/21.
6. The value shown in the prior company buy-out awards column for Jonathan Akeroyd represents the value of certain buy-out awards granted to him on 15 March 2022. Further details are set out on pages 202 to 203.

Salary (audited)

The table below details annual salaries as at 2 April 2022 and those that will apply from 1 July 2022. Under the terms of his service agreement Jonathan Akeroyd will first be eligible for a salary review in 2023. When setting Julie Brown's salary, the Committee took into account a number of factors, including the approach for our wider employee population, individual performance and overall contribution to the business during the year, cost to the Company, the external economic climate and market positioning. The salary increase of 3% for Julie Brown aligns directly with the approach across the broader UK employee population while also reflecting both the ongoing need to remain competitive in the global luxury goods market and her performance during the year. Marco Gobbetti's annual salary when his employment with Burberry ended on 31 December 2021 was £1,140,000.

	As at 2 April 2022	As at 1 July 2022	% change
Jonathan Akeroyd	£1,100,000	£1,100,000	0%
Julie Brown	£725,500	£747,300	3%

Pension (audited)

In line with the approved Remuneration Policy for new appointments, Jonathan Akeroyd's pension cash allowance has been aligned to the maximum employer pension contribution available to the majority of the UK workforce at 10% of base salary.

Julie Brown's pension cash allowance was voluntarily reduced from 30% of base salary to 20% from 1 July 2020. It will be further reduced to 10% of base salary from 1 January 2023 to align with the maximum employer pension contribution available to the majority of the UK workforce.

No Director has a prospective entitlement to receive a defined benefit pension.

Allowances and benefits (audited)

The table below details the cash allowances and non-cash benefits received by the Executive Directors during FY 2021/22 in accordance with the Remuneration Policy and as disclosed in the single figure table.

FY 2021/22 (£'000)	Cash allowance	Private medical insurance	Life assurance	Long-term disability insurance	Tax and legal advice[3]	Other[4,5]
Executive Directors						
Jonathan Akeroyd[1]	2	1	1	–	21	–
Julie Brown	30	35	7	9	2	5
Former Executive Directors						
Marco Gobbetti[2]	60	12	43	4	20	39

1. Values shown above reflect the fact that Jonathan Akeroyd's employment commenced on 15 March 2022.
2. Values shown above reflect the fact that Marco Gobbetti's employment ended on 31 December 2021.
3. The value shown in the tax and legal advice column for Jonathan Akeroyd relates to legal fees incurred in respect of his appointment.
4. In line with our flexible benefits policy, Julie Brown received a cash payment in respect of the sale of two days of annual leave.
5. In accordance with our policy for the wider UK workforce, Marco Gobbetti received a payment of £39,462 in respect of nine days of untaken accrued annual leave.

There were no changes to benefits policies during the year.

Annual bonus outcomes for FY 2021/22 (audited)

Following the modified approach for FY 2020/21, the annual bonus for FY 2021/22 reverted to the structure set out in the Remuneration Policy approved by shareholders at the 2020 AGM. Executive Directors were eligible for a maximum bonus of 200% of base salary. The annual bonus for FY 2021/22 was based 75% on Group adjusted operating profit performance (at CER) and 25% on strategic objectives. The strategic objectives included strategy and brand (10% of the total bonus), sustainability (10% of the total bonus) and diversity, inclusion and leadership (5% of the total bonus).

The table below sets out the targets and the performance achieved for FY 2021/22 in relation to the Group adjusted operating profit performance measure:

	Maximum bonus opportunity (% of salary)	FY 2021/22 Group adjusted operating profit targets (£m)			FY 2021/22 Group adjusted operating profit achieved (CER*) (£m)
		Threshold	Target	Maximum	
Julie Brown	200%	£420m	£454m – £469m	£504m	£547m

* This measure removes the effect of changes in exchange rates and the 53rd week compared to the prior period.

Taking into account the uncertainty at the start of the year, the Committee decided to set target performance equal to a range of £454 million to £469 million, whereby any performance in this range would equate to a target payout of 50% of maximum.

Adjusted operating profit for bonus purposes is calculated using the average exchange rates of FY 2020/21 and on a pro forma basis. Details of pro forma results for FY 2021/22 are set out on page 44.

The table below sets out the progress achieved against each strategic objective during FY 2021/22 taking into account the context of our long-term objectives in these areas:

Strategic objective	Detail of strategic objective	Performance in FY 2021/22
Strategy and brand (10% of total bonus)	Our long-term strategy is to elevate the value of our brand and diversify our channels to market. When assessing performance in this area the Committee considered key measures linked to our brand and strategy progress, including: • digital revenue growth • full-price sales • leather and outerwear sales	The Group delivered double-digit growth in full-price revenue for both digital and mainline store channels year on year. FY 2021/22 full-price outerwear and leather goods sales grew 39% and 28% respectively compared to FY 2019/20. There was also a significant reduction in markdown sales as a result of a planned exit from markdown, which benefits the long-term brand equity and positions the brand well for future growth. The Committee assessed performance in the round and determined that the outcome for the strategy and brand metric would be 5% (out of 10%).
Sustainability (10% of total bonus)	Given the increasing importance of sustainability within our business as well as society, the Committee linked a portion of bonus to our progress against our long-term carbon reduction goals, specifically our objectives to reduce scope 3 emissions by 46% by 2030 and to become net-zero by 2040.	The Group made strong progress against our long-term sustainability objectives and during the year we accelerated our long-term scope 3 reduction target, increasing it to a 46% reduction by 2030 (from a previous target of 30%). Details of our scope 3 reduction for FY 2021/22 will be disclosed later in the year and will show a significant reduction from the FY 2018/19 baseline. This performance was driven by a reduction in the use of raw materials as well as a change in the mix of raw materials used, a reduction in product-related waste, the increased use of renewable energy in the supply chain and changes in our transportation strategy. In addition to the reduced scope 3 emissions, we also achieved carbon neutrality in our own operations through 100% renewable electricity and 93% absolute reduction in our scope 1 and 2 emissions compared to a FY 2016/17 baseline, offsetting the remaining unavoidable emissions. Further details on our broader sustainability performance is provided on pages 52 to 97. Taking into account the absolute reductions to emissions as well as the significant in-year progress made on our sustainability agenda the Committee determined that the outcome for the sustainability metric would be 9% (out of 10%).

Strategic objective	Detail of strategic objective	Performance in FY 2021/22
Diversity, inclusion and leadership (5% of total bonus)	Underpinning our strategy is a robust approach to diversity, inclusion and leadership. The Committee therefore considered that it was appropriate to base part of the bonus on measures related to succession planning and diversity and inclusion goals, as well as behaviours and values.	During FY 2021/22 we developed and executed a talent development plan to ensure we have the right talent in place to deliver on our long-term ambitions, with a particular focus on talent in the digital space. This involved a high-potential assessment of senior leaders including targeted development and succession planning. We also took meaningful steps to improve the diversity in our organisation at senior levels, with a significant number of promotions and external appointments being female and/or from an ethnic minority background. Further details on the progress against our diversity goals is provided on pages 84 to 91. In assessing performance for the diversity, inclusion and leadership metric the Committee considered not only the achievements for the year but also the manner in which this performance had been delivered, in particular alignment with our behaviours and values. The Committee determined that the outcome for this metric would be 5% (out of 5%).

As set out in the table above, the Committee determined that the overall outcome for the strategic objectives would be 19% (out of 25%). Accordingly, Julie Brown will receive an annual bonus for FY 2021/22 of £1,363,940. This represents a bonus payment of 94% of her maximum bonus.

Under the Remuneration Policy, the Executive Directors are required to invest 50% of any net bonus earned into Burberry shares until their shareholding guideline of 300% of salary is met. Julie Brown had already met her shareholding guideline and therefore this requirement does not apply to her bonus for FY 2021/22.

Marco Gobbetti forfeited his entitlement to an annual bonus for FY 2021/22 on departure. Jonathan Akeroyd was not eligible to receive a pro-rated bonus for the portion of FY 2021/22 during which he was employed by Burberry.

Annual bonus for FY 2022/23

For FY 2022/23 the Executive Directors will be eligible for a maximum bonus of 200% of salary. The annual bonus for FY 2022/23 will be based 75% on Group adjusted operating profit performance (at CER) and 25% on strategic objectives. The adjusted operating profit targets are considered to be commercially sensitive and will be disclosed in the FY 2022/23 Directors' Remuneration Report.

The Committee has reviewed the approach to strategic objectives and has simplified the structure for FY 2022/23. Performance will now be assessed based on measures under two headings: (i) strategy and brand; and (ii) ESG. In recognition of the importance of continued progress on the execution of our strategy the Committee has increased the weighting from 10% to 15% of the bonus. The strategic objectives will include the following measures:

- Strategy and brand (15%) – our long-term strategy is to elevate the value of our brand and diversify our channels to market. When assessing performance in this area the Committee will consider key measures linked to our strategy and brand progress, including digital revenue growth and growth in key product categories
- ESG (10%) – sustainability is an integral element of Burberry's strategy. This measure will include an assessment of progress against our long-term carbon reduction goals (specifically our objectives to reduce scope 3 emissions by 46% by 2030 and to become net-zero by 2040) and our stretching internal diversity and inclusion goals

For each strategic area, the Committee will determine the payout in the round taking into account our progress in the year against our long-term objectives in these areas. Details of the progress achieved and the Committee determination of bonus outcomes will be provided in the FY 2022/23 Directors' Remuneration Report.

Under the Remuneration Policy, the Executive Directors are required to invest 50% of any net bonus earned into Burberry shares until their shareholding guideline of 300% of salary is met.

Long-term incentive plan awards

The following sets out details of:

- 2019 ESP awards vesting based on performance to FY 2021/22
- 2021 BSP awards granted during FY 2021/22
- 2022 BSP awards to be granted in FY 2022/23

2019 ESP awards vesting based on performance to FY 2021/22 (audited)

Julie Brown holds a 2019 ESP award, which will vest 50% on 31 July 2022 and 50% on 31 July 2023 based on performance over the period from 31 March 2019 to 2 April 2022. The table below sets out the targets and actual performance achieved.

Outcome of 2019 ESP award	Weighting	Threshold (15% of maximum)	Maximum	Actual performance	Vesting (% of maximum)
Annual growth in Adjusted PBT[1,3]	50%	4.0%	12.0%	5.1%	28%
Annual growth in Revenue[1,3]	25%	3.0%	8.0%	1.9%	0%
Average Adjusted Retail/Wholesale ROIC[2,3]	25%	13.5%	17.0%	14.3%	33%
Final vesting outcome					22%

1. The outcomes for the Adjusted PBT and Revenue measures are calculated using the average exchange rates for FY 2018/19, as set out in the performance conditions to the awards.
2. The outcome for Average Adjusted Retail/Wholesale ROIC is measured over the three-year period on a reported currency basis.
3. Performance was measured on a like-for-like basis against the targets, taking into account three changes in accounting treatment over the period (the adoption of IFRS 15 and IFRS 16 and the move to retail calendar reporting). The adoption of IFRS 16 Leases has impacted the measurement of ROIC and Adjusted PBT. The adoption of IFRS 15 and retail calendar reporting has impacted the measurement of Revenue, Adjusted PBT and ROIC. Performance for the three-year period was measured on a pro forma basis reflecting results excluding the impact of these changes.

Adjusted PBT (at CER) growth of 5.1% per annum and three-year Average Adjusted Retail/Wholesale ROIC of 14.3% both exceeded the threshold vesting targets set by the Committee. However, growth in Revenue was below threshold (impacted by management's decision in 2020 to accelerate our exit from markdown) and therefore there was no vesting on this metric. This performance will result in overall vesting of the 2019 ESP award for Julie Brown of 22%. The Committee did not exercise any discretion in relation to the 2019 ESP outcome for Executive Directors.

In line with the Remuneration Policy, vested shares may not be sold until five years from grant (31 July 2024), other than to meet tax liabilities.

Marco Gobbetti's 2019 ESP award lapsed on 31 December 2021 when his employment with Burberry ended.

2021 BSP awards granted during FY 2021/22 (audited)

The Committee granted a 2021 BSP award to Julie Brown at the normal award level as set out in the Remuneration Policy approved by the shareholders at the 2020 AGM, taking into account the recovery in the share price since the 2020 grant date. Accordingly, a BSP award of 150% of base salary was granted to Julie Brown on 27 July 2021.

The table below summarises the BSP share awards granted to the Executive Directors during FY 2021/22.

	Type of award	Basis of award	Shares awarded	Face value at grant (£'000)	Performance underpin period
Julie Brown	BSP share award	150% of salary	52,111	£1,088	3, 4 and 5 financial years starting from FY 2021/22

Following his resignation, Marco Gobbetti was not granted a 2021 BSP award.

Julie Brown's BSP award will vest one third after three years, one third after four years and one third after five years from the grant date, subject to the performance underpins outlined on page 200. Each tranche is subject to a holding period so that the total time horizon before any sale of shares (except to cover any tax liabilities arising from the award) is five years for the entire award. Awards are granted in the form of conditional share awards.

The face value of each award is calculated using the three-day average price prior to the date of grant (£20.8833), which was the price used to determine the number of shares awarded.

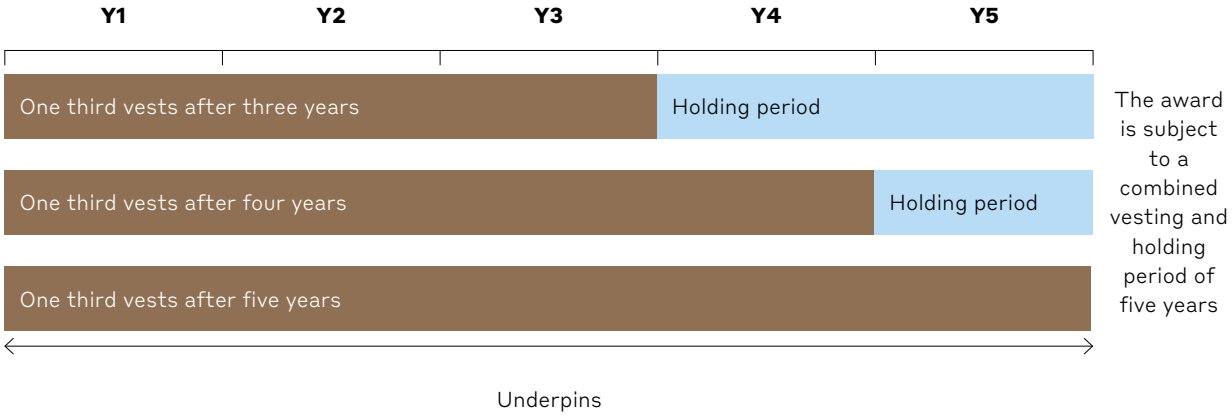
BSP awards granted in 2021 are subject to the following underpins:

Performance underpin	Details
Revenue	The level of Total Revenue at CER for the financial year which precedes the year of vesting being at least £2,400 million
ROIC	The level of Group ROIC at reported exchange rates for the financial year which precedes the year of vesting being at least 1% above the Group's WACC (currently c.9%) in the year of vesting
Brand and sustainability strategies	Reasonable progress having been achieved over the vesting period in respect of our strategy to elevate our brand and to build a more sustainable future: • Brand – when assessing the brand underpin the Committee will consider performance against a range of relevant brand KPIs. It is intended that this will include full-price sales, outerwear and leather goods sales and progress on brand elevation, but it may also include other relevant metrics. These metrics are all considered to be strongly aligned with our strategy of elevating the brand to generate long-term value for shareholders • Sustainability – when assessing the sustainability underpin, the Committee will consider whether reasonable progress has been delivered against our carbon reduction goals to reduce scope 3 emissions by 30%[1] by 2030 and to become net-zero by 2040

1. In 2021, Burberry announced an acceleration of its scope 3 emissions target. The new target is to achieve a reduction of 46% by 2030. The underpin for the 2021 award was set by reference to the previous target which was to achieve a reduction of 30% by 2030.

If the Company does not meet one or more of the performance underpins outlined above for the year of vesting then the Committee would consider whether it was appropriate to scale back the level of payout under the BSP award. The intention of the performance underpins is to provide a "safeguard" to ensure that the BSP awards do not pay out if the Company has under-performed and vesting is not justified; the Committee will take this intention into account when assessing the underpins.

In addition to the underpins described above, the Committee also retains the discretion to adjust the vesting outcome if it is not considered to be reflective of underlying financial or non-financial performance of the business or the performance of the individual, where underpins are no longer considered appropriate or where the vesting outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders.



2022 BSP awards to be granted in FY 2022/23

The Committee intends to grant 2022 BSP awards to the Executive Directors at the maximum award level as set out in the 2020 Remuneration Policy (162.5% of salary). As set out in the Committee Chair's statement, the Committee decided to increase Julie Brown's BSP award from 150% to 162.5% to reflect the increased scope of her role. The Committee is conscious that, reflecting the current macroeconomic environment, the current share price is lower than the share price used to determine BSP awards last year. Given that the CEO only recently joined and the ongoing need to retain and motivate the Executive Directors to deliver the business strategy, the Committee currently does not intend to reduce the 2022 BSP award levels. The Committee will keep this approach under review prior to the grant date in July taking into account the share price at the time of grant and will review outcomes at vesting to ensure they remain appropriate. The awards will vest in equal tranches after three, four and five years following the date of grant, subject to the performance underpins. Tranches will be subject to a holding period so that the total time horizon before any sale of shares (except to cover any tax liabilities arising from the award) is five years for the entire award.

If the Company does not meet one or more of the performance underpins outlined below for the year of vesting then the Committee would consider whether it was appropriate to scale back the level of payout under the BSP award. The Committee would retain discretion to determine the appropriate level of scale-back. The Committee has reviewed the performance underpins and determined that the underpins that applied to previous awards continue to reflect a good overall balance of safeguarding the financial stability of the business, delivery of the strategy and elevation of the brand. Having considered the forecasts that are applicable and relevant to our sector, the Committee has determined to increase the Revenue underpin compared to the 2021 awards. The following performance underpins will apply for the 2022 awards:

Performance underpin	Details
Revenue	The level of Total Revenue at CER for the financial year which precedes the year of vesting being at least £2,800 million
ROIC	The level of Group ROIC at reported exchange rates for the financial year which precedes the year of vesting being at least 1% above the Group's WACC (currently c.9%) in the year of vesting
Brand and sustainability strategies	Reasonable progress having been achieved over the vesting period in respect of our strategy to elevate our brand and to build a more sustainable future: • Brand – when assessing the brand underpin the Committee will consider performance against a range of relevant brand KPIs. This may include full-price sales, outerwear and leather goods sales and progress on brand elevation, but it may also include other relevant metrics. These metrics are all considered to be aligned with our strategy of elevating the brand to generate long-term value for shareholders • Sustainability – when assessing the sustainability underpin the Committee will consider whether reasonable progress has been delivered against our sustainability and carbon reduction goals to reduce scope 3 emissions by 46% by 2030 and to become net-zero by 2040 as set out on pages 52 to 97

In addition to the underpins described above, the Committee also retains the discretion to adjust the vesting outcome if it is not considered to be reflective of underlying financial or non-financial performance of the business or the performance of the individual, where underpins are no longer considered appropriate or where the vesting outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders.

Payments to past Directors

There were no payments to past Directors during the year.

Leaving arrangements for Marco Gobbetti

Marco Gobbetti left Burberry on 31 December 2021. He was paid salary, allowances and pension and received contractual benefits up to that date. These are shown in the single figure table on page 194. He did not receive any bonus in respect of FY 2021/22 and all unvested share awards lapsed on his departure, with the exception of the following, which he retained in line with the rules of the relevant share plans:

- 17 shares (net of tax) in respect of his 2018 award under the all-employee Burberry Group plc Share Incentive Plan
- an option over 1,472 shares with an exercise price of £15.62 per share under the Burberry Group plc Sharesave Plan, which he can exercise, to the extent of savings made to the date of exercise, at any time until 30 June 2022, as shown in the share interests table on page 204

Marco was provided with reasonable assistance to prepare and file his tax returns in respect of the tax year 2020/21 and will be provided with similar assistance in respect of the tax year 2021/22.

In addition, in accordance with our policy for the wider UK workforce, Marco received a payment of £39,462 in respect of nine days of untaken accrued annual leave.

He will not receive any other payment(s) including for loss of office or in lieu of outstanding notice.

As a former Executive Director, Marco is required to comply with Burberry's post-employment shareholding guideline in respect of share awards that vested on or after the date of the AGM in July 2020. Under this guideline he will be expected to retain a shareholding of 21,393 shares in Burberry Group plc until 31 December 2023. As at 2 April 2022 Marco complied with his obligation.

Joining arrangements for Jonathan Akeroyd

Jonathan Akeroyd joined the Board as an Executive Director and CEO on 15 March 2022. His remuneration package has been set in line with the remuneration policy approved by shareholders at the July 2020 AGM and comprises an annual base salary of £1,100,000, a cash allowance of £50,000 per annum and a pension cash allowance of 10% of base salary. Jonathan is eligible to receive a maximum discretionary annual cash bonus of 200% of his base salary and will be required to invest 50% of any net bonus payment into Burberry Group plc shares until he has satisfied his shareholding guideline of 300% of salary. Jonathan is also eligible for a maximum BSP award of 162.5% of salary. In addition, Jonathan receives other benefits including private medical insurance, life assurance, long-term disability insurance, an employee discount, reasonable assistance with his tax returns and participation in our all-employee share plans.

Buy-out awards

As set out in the announcement on 20 October 2021, in order to secure Jonathan's appointment and to allow him to join Burberry at the earliest opportunity, the Committee agreed to buy out certain cash and share incentives that he forfeited on leaving his previous employer. In line with the Remuneration Policy, the Committee took into account all relevant factors, including the form of awards, expected value and vesting timeframes of the forfeited awards. The following buy-out awards were granted to Jonathan on 15 March 2022 and the Committee is satisfied that they represent a like-for-like basis with the forfeited awards:

- A gross cash payment of £769k to compensate Jonathan for his forfeited FY 2021/22 bonus. Taking into account the payment date of the forfeited award, this amount will be paid in July 2022. This award is reported in the single figure table for FY 2021/22 on page 194
- To replace forfeited restricted stock awards, on 15 March 2022 Jonathan was granted a share award of 224,479 Burberry shares. To reflect the original vesting dates of the forfeited awards, the share awards will vest on the following dates:
  - 71,106 shares vest on 15 June 2022
  - 79,439 shares vest on 15 June 2023
  - 49,291 shares vest on 3 January 2024
  - 24,643 shares vest on 15 June 2024

In line with the forfeited awards these buy-out share awards are not subject to performance conditions but are subject to continued employment. The value of these awards of £3,574k based on the Burberry share price on the grant date of £15.92 is reported in the single figure table for FY 2021/22 on page 194
- To replace a forfeited performance share award, on 15 March 2022 Jonathan was granted a share award of 101,377 Burberry shares. This award will vest subject to the performance of his previous employer for FY 2021/22 on 30 June 2022 or as soon as reasonably practical thereafter. The award will be reported in the single figure table for FY 2022/23

The number of Burberry shares awarded was determined based on the three-day average share price for Burberry and Jonathan's previous employer and the three-month average USD:GBP exchange rate to the date of the announcement of Jonathan's appointment on 20 October 2021 (Burberry: £18.73, Capri Holdings Limited: $52.16, USD:GBP 0.727).

Dividend equivalents are payable on the share-based buy-out awards to the extent they vest, and no time pro-rating would be applied in the event of a change of control or (for certain awards) a "good leaver" event. No post-vesting holding periods apply.

In addition to more general malus and clawback provisions, the Committee has retained discretion to claw back any or all of the buy-out awards if Jonathan's former employer operates clawback on comparable awards.

Additional information on buy-out awards granted under FCA Listing Rule 9.4.2(2) to facilitate recruitment
Two buy-out awards (the award of 71,106 shares that vests on 15 June 2022 and the award of 101,377 shares that vests, subject to performance, on 30 June 2022) were granted on bespoke terms pursuant to FCA Listing Rule 9.4.2(2) similar to the terms of the Burberry Share Plan 2020 except as described below. The Committee carefully considered these awards and was satisfied that the circumstances were sufficiently unusual (in light of the forfeited awards' underlying terms) that it would be fair and reasonable to compensate Jonathan for them on such terms:

- The awards will normally only vest to the extent Jonathan remains employed by Burberry to the relevant vesting dates. However, if Jonathan leaves as a "good leaver" before the relevant vesting dates or where corporate events apply (such as a change of control of Burberry), awards will be capable of vesting and no time pro-rating will apply. This is to reflect the underlying terms of the forfeited awards and/or (where applicable) their shorter vesting period
- If Jonathan resigns (other than as a result of constructive dismissal) or his employment is summarily terminated by Burberry for cause on or before 15 March 2023, he will be required to immediately repay to Burberry any amounts received under the buy-out awards
- Malus and clawback provisions will not apply if there is a material misstatement of Burberry's results, or errors in calculations by Burberry, as these are not relevant given the nature of the buy-out awards

The number of shares under the buy-out awards, the basis for determining Jonathan's entitlement to shares and the terms relating to adjustment on any capitalisation issue, rights issue or open offer, subdivision or consolidation or reduction of capital or any other variation of capital cannot be altered to Jonathan's advantage without the prior approval of shareholders in a general meeting (except for minor amendments to benefit the administration of the award, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Jonathan or Burberry). The buy-out awards are not pensionable.

Share interests and shareholding guideline (audited)

Executive Directors are subject to a shareholding guideline of 300% of base salary. There is no specific timeline in which shareholding guidelines must be achieved. However, there is an expectation that Executive Directors make annual progress towards their guideline, regardless of any annual bonus paid or shares vesting. In line with the Investment Association best practice guidance, our shareholding guideline permits any incentive shares that have vested but are unexercised or that have not yet vested but are not subject to any further performance conditions to count towards the shareholding requirement at 50% of their face value. Members of the Executive Committee are also subject to a shareholding guideline.

The following table sets out the total beneficial interests of the Executive Directors (and their connected persons) in ordinary shares of Burberry Group plc as at 2 April 2022, as well as their progress against the shareholding guidelines. The table also summarises conditional interests in share or option awards, with further detail of the underlying awards in the subsequent table.

Based on the three-month average share price to 2 April 2022 (our standard approach to assessing the guideline), Julie Brown had met the guideline. Given that he only recently joined the Company, Jonathan Akeroyd has not yet met the guideline.

	Beneficially held shares				Share/option awards			
Executive Director	Number of shares beneficially owned as at 2 April 2022[1]	As % of salary[2]	Shareholding guideline (% of salary)	Guideline met as at 2 April 2022	Vested but unexercised awards	Unvested – subject to performance measures (ESP/ buy-out)	Unvested – subject to performance underpins (BSP)	Unvested – subject to continued employment[5]
Jonathan Akeroyd	0	185%	300%	No	0	101,377	0	224,479
Julie Brown[3]	132,549	334%	300%	Yes	0	95,078	123,434	2,864
Former Executive Director								
Marco Gobbetti[4]	239,800	381%	300%	Yes	1,495	0	0	0

1. There have been no changes in the period up to and including 17 May 2022.
2. Based on the three-month average share price as at 2 April 2022 of £18.09.
3. On 2 August 2021, Julie Brown exercised a nil-cost option over 2,787 shares granted to her on 31 July 2018 under the Executive Share Plan and retained these shares (post tax liabilities). The market value of Burberry shares on the date of exercise was £21.25. On the same day she also transferred 2,047 shares between her nominee accounts with no change to her beneficial ownership other than the sale of two shares to fund the fees arising from the transfer. On 18 August 2021, Julie Brown sold 23,000 shares.
4. The table shows Marco Gobbetti's shareholding on 31 December 2021 when his employment ended. On 13 August 2021, Marco Gobbetti exercised nil-cost options over 53,829 shares granted to him on 30 January 2017, 34,696 shares granted to him on 8 February 2018 and 4,744 shares granted to him on 31 July 2018; he retained these shares (post tax liabilities). The market value of Burberry shares on the date of exercise was £21.30.
5. In line with the shareholding guideline, only 50% of the face value of these shares count towards the Executive Director's shareholding guideline calculation (other than shares under the all-employee SIP which are held beneficially and count towards the Executive Director's shareholding guideline calculation).

The following table provides further underlying detail on the unvested awards at 2 April 2022 included in the table on page 204.

Director	Type of award	Date of grant	Maximum number of shares/ options	Performance period	Vesting date(s)[6]
Jonathan Akeroyd[1]	Buy-out	15 March 2022	101,377[2]	N/A	30 June 2022
	Buy-out	15 March 2022	71,106	N/A	15 June 2022
	Buy-out	15 March 2022	79,439	N/A	15 June 2023
	Buy-out	15 March 2022	49,291	N/A	3 January 2024
	Buy-out	15 March 2022	24,643	N/A	15 June 2024
Julie Brown	2019 ESP[3]	31 July 2019	95,078	3 years to 2 April 2022	50% on 31 July 2022/50% on 31 July 2023
	2020 BSP[4]	20 August 2020	71,323	3 years to 1 April 2023/4 years to 30 March 2024/5 years to 29 March 2025	⅓ on 20 August 2023/ ⅓ on 20 August 2024/ ⅓ on 20 August 2025
	2021 BSP[5]	27 July 2021	52,111	3 years to 30 March 2024/4 years to 29 March 2025/5 years to 28 March 2026	⅓ on 27 July 2024/ ⅓ on 27 July 2025/ ⅓ on 27 July 2026
	SIP	31 July 2019	22	N/A	31 July 2022
	SIP	11 December 2020	27	N/A	11 December 2023
	SIP	10 December 2021	27	N/A	10 December 2024

1. Further details in relation to the buy-out awards granted to Jonathan Akeroyd are set out on pages 202 to 203.
2. Vesting of Jonathan Akeroyd's buy-out award of 101,377 shares is subject to the performance of his previous employer to 2 April 2022.
3. The performance conditions and final vesting outcome for the 2019 ESP award are set out on page 199.
4. The performance underpins for the 2020 BSP award are set out in the Directors' Remuneration Report FY 2020/21.
5. The performance underpins for the 2021 BSP award are set out on page 200.
6. ESP awards are structured as nil-cost options and vested awards may be exercised in the period until 10 years from grant. Vested ESP and BSP awards may not normally be sold until five years from the date of grant, other than to meet tax liabilities.

Director remuneration relative to employees

The table below summarises the change in each Director's base salary/fee, benefits and bonus received for FY 2021/22 and FY 2020/21 compared to the prior year. The regulations require disclosure of the same data for employees of the parent company. However, Burberry Group plc does not have any employees and therefore the table below includes data in respect of the UK employee population for reference.

	FY 2020/21			FY 2021/22		
Year-on-year change (%)	Salary/fee	Allowances and benefits	Bonus	Salary/fee	Allowances and benefits	Bonus
Executive Directors						
Jonathan Akeroyd	–	–	–	N/A	N/A	N/A
Julie Brown	-4.6%	-3.1%	N/A	5.3%	14.6%	276%
Former Executive Directors						
Marco Gobbetti	-4.6%	9.9%	N/A	5.3%	15.0%	-100%
Non-Executive Directors						
Gerry Murphy	-5.0%	-93.3%	–	5.3%	-21.4%	–
Fabiola Arredondo	-5.0%	-100%	–	5.3%	N/A	–
Sam Fischer	-5.0%	-100%	–	5.3%	N/A	–
Ron Frasch	-5.0%	-100%	–	5.3%	N/A	–
Matthew Key	-3.5%	-100%	–	3.6%	N/A	–
Debra Lee	-5.0%	-100%	–	5.3%	N/A	–
Dame Carolyn McCall	12.8%	-100%	–	10.8%	N/A	–
Orna NíChionna	-3.5%	-66.3%	–	3.6%	-21.7%	–
Antoine de Saint-Affrique	N/A	N/A	N/A	0%	N/A	–
Danuta Gray	–	–	–	N/A	N/A	N/A
UK Employees	0%	0%	-7.7%	0%	0%	233.3%

1. The comparator group includes all UK employees. As noted above, Burberry Group plc does not have any employees and therefore this group has been chosen to align with the location of the Executive Directors and with the pay ratio reporting. For the comparator group of employees, the year-on-year salary changes include the annual salary review from July 2021 but exclude any additional changes made in the year, for example, on promotion. For benefits, the maximum employer pension contribution available to the majority of the UK workforce was increased from 6% of salary to 10% of salary with effect from 1 January 2022; there were no other changes to benefit policies or levels during the year. The change in the value of benefits shown for the Executive Directors reflects the market cost of the same benefits.
2. In order to provide a meaningful comparison, the figures in the table above have been calculated on a full-year equivalent basis where Directors have served for part of the year only.
3. Where a Director was appointed during a financial year it is not possible to calculate a percentage change for them and they are shown as N/A.
4. The Executive Directors did not receive an annual bonus for FY 2019/20 and therefore it is not possible to calculate a percentage change on bonus in respect of FY 2020/21.
5. The Directors in role at the time voluntarily agreed to waive 20% of their salary/base fee for a three-month period between April and June 2020.This is reflected in the negative changes shown in respect of FY 2020/21 and the corresponding positive changes shown in respect of FY 2021/22.
6. The change in fee for Dame Carolyn McCall in respect of FY 2020/21 and FY 2021/22 reflects that she was appointed as Senior Independent Director with effect from 15 July 2020.
7. The allowances and benefits figures for FY 2020/21 for Gerry Murphy and Orna NíChionna were low due to the impact of COVID-19. In order to provide a meaningful comparison the percentage change figure for FY 2021/22 has been calculated relative to the allowances and benefits figure for FY 2019/20.

CEO pay ratios

The ratios set out in the table below compare the total remuneration of the CEO (as included in the single figure table on page 194) to the remuneration of the median UK employee as well as the UK employees at the lower and upper quartiles. The disclosure will build up over time to cover a rolling 10-year period.

Year	Method	25th percentile pay ratio (P25)	Median pay ratio (P50)	75th percentile pay ratio (P75)
FY 2021/22	Option A	225:1	167:1	105:1
FY 2020/21	Option A	92:1	71:1	44:1
FY 2019/20	Option A	68:1	48:1	31:1
FY 2018/19	Option A	170:1	127:1	82:1

Notes regarding calculation

The ratios are calculated using option A in the disclosure regulations. The employees at the lower quartile, median and upper quartile (P25, P50 and P75, respectively) were determined based on total remuneration using a valuation methodology consistent with that used for the CEO in the single figure table on page 194. The employees were identified based on all UK employees as at year end. This option was selected on the basis that it provided the most accurate means of identifying the median, lower and upper quartile employees. The calculation is undertaken on a full-time equivalent basis. In line with the regulations, the CEO's total remuneration in respect of FY 2021/22 has been calculated as the total of Marco Gobbetti's remuneration (to 31 December 2021) and Jonathan Akeroyd's remuneration (from 15 March 2022).

The total remuneration in respect of FY 2021/22 for the employees identified at P25, P50 and P75 is £25k, £34k and £54k, respectively. The base salary in respect of FY 2021/22 for the employees identified at P25, P50 and P75 is £22k, £28k and £49k, respectively.

The Committee considers pay ratios as one of many reference points when considering remuneration. Throughout the Group, pay is positioned to be fair and market-competitive in the context of the talent market for the relevant role, fairly reflecting local market data and other relevant benchmarks (such as the UK Living Wage). The Committee notes the limited comparability of pay ratios across companies and sectors, given the diverse range of business models and employee population profiles which exist across the market.

A significant proportion of the CEO's total remuneration is delivered in variable remuneration, and particularly via long-term share incentives, historically under the ESP and since 2020 under the BSP. In order to drive alignment with investors, the value ultimately received from ESP and BSP awards is linked to long-term share price movement. As a result, the pay ratio is likely to be driven largely by the CEO's incentive outcomes and may therefore fluctuate significantly on a year-to-year basis.

The pay ratio for FY 2021/22 has increased compared to the ratio for FY 2020/21. This is primarily driven by the fact that Jonathan Akeroyd's single figure for FY 2021/22 includes the majority of his buy-out award. The inclusion of the buy-out award is partially offset by the fact that neither Jonathan Akeroyd nor Marco Gobbetti received an annual bonus for the year and Marco Gobbetti's 2019 ESP award lapsed on his departure. The Committee considers that the median pay ratio for FY 2021/22 and the recent trends in the pay ratios are consistent with Burberry's remuneration framework and reflect the variable nature of the CEO's total remuneration. The Committee believes the pay ratio is consistent with our pay policies in the UK.

The pay ratios in the table above have been calculated in accordance with the relevant regulations and therefore include the value of Jonathan Akeroyd's buy-out awards that are shown in his single figure for FY 2021/22. Excluding the value of the one-off buy-out awards granted to Jonathan Akeroyd, the median CEO pay ratio for FY 2021/22 would have been 38:1.

Relative importance of spend on pay for FY 2021/22

The table below sets out the total payroll costs for all employees over FY 2021/22 compared to total dividends payable for the year and amounts paid to buy back shares during the year. The average number of full-time equivalent employees is also shown for context.

Relative importance of spend on pay		FY 2021/22	FY 2020/21
Dividends paid during the year (total)	£m	219	–
	% change	100%	
Amounts paid to buy back shares during the year	£m	150	–
	% change	100%	
Payroll costs for all employees	£m	547	513
	% change	7%	
Average number of full-time equivalent employees		8,979	9,234
	% change	-3%	

Service agreements

The table below sets out information on service agreements for the current Executive Directors. Executive Directors are subject to annual re-election by shareholders at each AGM of the Company.

	Date of current service agreement	Date employment commenced	Notice period to and from the Company
Jonathan Akeroyd	19 October 2021	15 March 2022	12 months
Julie Brown	11 July 2016	18 January 2017	12 months

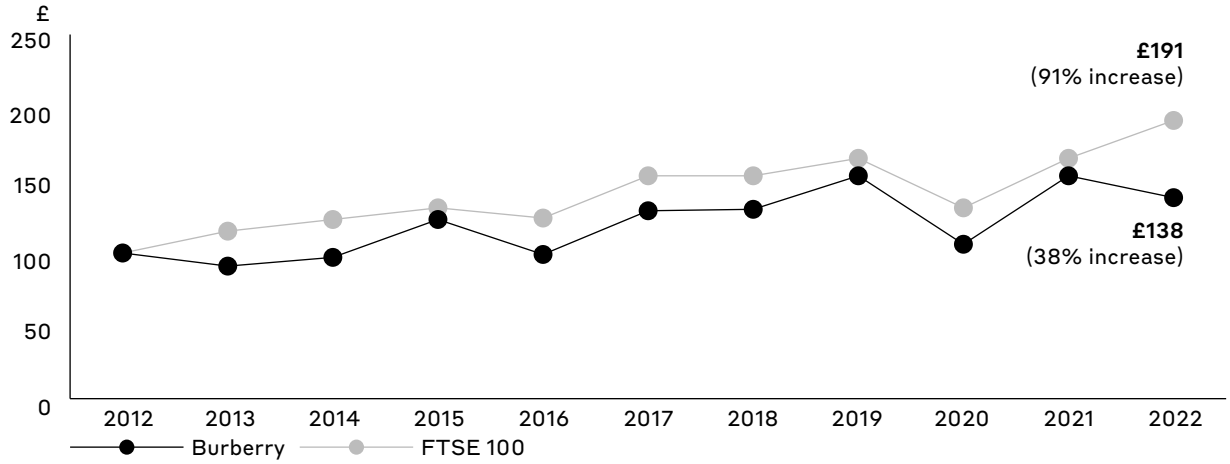
The Non-Executive Directors serve under Letters of Appointment with the Company. Non-Executive Directors may continue to serve subject to annual re-election by shareholders at each AGM of the Company, subject to six months' notice by either party.

External appointments

Executive Directors may take up non-executive roles at other companies with the prior agreement of the Board in order to support their development and broaden their business experience. Julie Brown serves as a Non-Executive Director of Roche Holding Limited and it was agreed that fees earned in connection with this appointment can be retained by her. For the period 28 March 2021 to 2 April 2022, Julie's fees for this appointment were CHF 360,000 gross.

Ten-year performance graph and Chief Executive Officer's remuneration

The following graph shows the Total Shareholder Return (TSR) for Burberry Group plc compared to the FTSE 100 Index assuming £100 was invested on 31 March 2012. The FTSE 100 Index has been selected as the comparator because Burberry is a constituent of the index. Data is presented on a spot basis and sourced from Datastream. The table below shows the total remuneration earned by the incumbent CEO over the same 10-year period, along with the percentage of maximum opportunity earned in relation to each type of incentive. The total amounts are based on the same methodology as used for the single figure of total remuneration for FY 2021/22 on page 194.



FY[1]	2012/13 (AA)	2013/14 (AA)	2014/15 (AA)	2014/15 (CB)	2015/16 (CB)	2016/17 (CB)	2017/18 (CB)	2017/18 (MG)	2018/19 (MG)	2019/20 (MG)	2020/21 (MG)	2021/22 (MG)	2021/22 (JA)
Total remuneration (£'000)	10,901	8,007	157	7,508	1,894	3,508	1,091	6,330	4,078	1,618	2,245	1,205	4,428
Bonus (% of maximum)	75%	70%	–	81%	0%	0%	51%	51%	60%	0%	25%	–	–
ESP (% of maximum)	–	–	–	–	–	–	5%	–	25%	0%	5.5%	–	–
Legacy incentive plans (no longer in operation):													
CIP[2] (% of maximum)	100%	100%	–	75%	0%	0%	–	–	–	–	–	–	–
RSP (% of maximum)	–	–	–	–	0%	19.3%	–	–	–	–	–	–	–
Exceptional award[3] (% of maximum)	–	–	–	–	–	61.7%	59.9%	–	–	–	–	–	–

1. Angela Ahrendts (AA, CEO to 30 April 2014), Christopher Bailey (CB, Chief Creative Officer and CEO from 1 May 2014 to 4 July 2017), Marco Gobbetti (MG, CEO from 5 July 2017 to 31 December 2021), Jonathan Akeroyd (JA, CEO from 15 March 2022).
2. The CIP was the Burberry Co-Investment Plan, a long-term incentive plan under which the final performance-based awards were granted in 2014. Details of this plan can be found in the relevant Directors' Remuneration Reports.
3. The Exceptional award for Christopher Bailey relates to vesting of his 2014 exceptional share award as previously disclosed.

Non-Executive Director remuneration (audited)

The table below sets out the single figure of total remuneration received or receivable by the Non-Executive Directors in respect of FY 2021/22 (and the prior financial year).

	Year to 2 April 2022			Year to 27 March 2021		
	Fees[1] £'000	Benefits & allowances[2] £'000	Total £'000	Fees[1] £'000	Benefits & allowances[2] £'000	Total £'000
Gerry Murphy[3]	425	4	429	403	1	404
Fabiola Arredondo	80	–	80	76	–	76
Sam Fischer	80	2	82	76	–	76
Ron Frasch	80	8	88	76	–	76
Danuta Gray[4]	27	1	28	–	–	–
Matthew Key	115	2	117	111	–	111
Debra Lee	80	–	80	76	–	76
Dame Carolyn McCall	100	1	101	90	–	90
Orna NíChionna	115	1	116	111	1	112
Antoine de Saint-Affrique[5]	80	7	87	20	–	20

1. Fees include the base fee and additional Committee fees in line with the 2020 Remuneration Policy.
2. Allowances include an attendance allowance of £2,000 for each meeting attended outside a Non-Executive Director's country or territory of residence and the reimbursement of certain expenses incurred by the Non-Executive Directors in the performance of their duties, which are deemed by HM Revenue & Customs (HMRC) to be subject to UK income tax. Any tax liabilities arising on the reimbursement of these costs will be settled by the Company. Amounts disclosed have been estimated and have been grossed up at the appropriate tax rate, where necessary.
3. Following Marco Gobbetti's departure on 31 December 2021, Gerry Murphy chaired the Executive Committee until 14 March 2022. He did not receive any additional remuneration in respect of this period.
4. Fees for Danuta Gray relate to the period from 1 December 2021 when she joined the Board.
5. Fees for Antoine de Saint-Affrique in FY 2020/21 relate to the period from 1 January 2021 when he joined the Board.

Summary of Non-Executive Director fees for FY 2022/23

The fee structure for the Non-Executive Directors for FY 2022/23 is set out in the table below. There are no changes from the prior year.

	Fee level £'000
Chair	425
Non-Executive Director	80
Senior Independent Director	20
Audit Committee Chair	35
Remuneration Committee Chair	35
Attendance allowance	2

1. The Chair is not eligible for Committee-related fees or attendance allowances.
2. Non-Executive Directors (other than the Chair) receive an attendance allowance for each meeting attended outside their country or territory of residence.
3. Expenses incurred in the normal course of business are reimbursed and, as these are considered by HMRC to be taxable benefits, the tax due on these will also be met by the Company.

Non-Executive Director shareholdings (audited)

The table below summarises the total interests of the Non-Executive Directors (and their connected persons) in ordinary shares of Burberry Group plc as at 2 April 2022 (or as at the date of stepping down, if earlier).

The shareholding guideline for the Non-Executive Directors is to hold shares with a market value of £6,000 for each year of their appointment. As at 2 April 2022 (or as at the date of stepping down, if earlier), all of the Non-Executive Directors who had served more than one year since their appointment had fulfilled this guideline.

	Total number of shares owned
Gerry Murphy	10,000
Fabiola Arredondo	30,000
Sam Fischer	3,000
Ron Frasch	2,738
Danuta Gray	3,000
Matthew Key	9,040
Debra Lee	970
Dame Carolyn McCall	2,773
Orna NíChionna	3,067
Antoine de Saint-Affrique	1,100

There have been no changes in the period up to and including 17 May 2022.

Remuneration Committee in FY 2021/22

Committee membership

Orna NíChionna, Fabiola Arredondo, Sam Fischer, Ron Frasch and Matthew Key served as members of the Committee throughout the year ended 2 April 2022. Danuta Gray served as a member of the Committee from her appointment on 1 December 2021.

Committee remit

The Committee's terms of reference are published on Burberryplc.com.

In addition to setting the remuneration of the Executive Directors, the Committee continues to directly oversee the remuneration arrangements for the Executive Committee, the Company Secretary and other members of senior management within its remit as determined from time to time.

Summary of meetings

The Committee typically meets four times a year. During FY 2021/22, the Committee met four times at scheduled meetings and held other ad hoc discussions as required. Details of attendance at Committee meetings are set out on page 162. If any Committee members are unable to attend a meeting, they are given the opportunity to discuss any of the agenda items with the Committee Chair in advance of the meeting. The agenda items discussed at these four meetings are summarised below.

May 2021	• Update on external environment from independent advisors • FY 2020/21 incentive outcomes • FY 2021/22 performance targets and incentive awards • BSP 2021 awards, including underpins for Executive Directors • FY 2021/22 senior executive remuneration • Chair fees for FY 2021/22 • 2019 ESP awards performance update • Approval of Directors' Remuneration Report FY 2020/21 • New all-employee share plan rules • Update on share plan dilution • Appointment of Remuneration Committee advisors
November 2021	• Update on external environment from independent advisors • 2021 AGM season shareholder and proxy body feedback • Incentives performance update • All-employee share plan awards 2021 • Disclosure requirements for Chief Executive Officer's departure • Remuneration Committee annual planner
February 2022	• Update on external environment from independent advisors • Shareholder engagement strategy • Incentives performance update • Overview of broader employee reward and proposed engagement with the Global Workforce Advisory Forum
March 2022	• Update on external environment from independent advisors • Incentives performance update • FY 2022/23 annual bonus plan proposals and 2022 BSP award underpins • Approach to Directors' Remuneration Report FY 2021/22 • Gender and Ethnicity Pay Gap Report FY 2020/21 • Feedback from the March 2022 meeting of the Global Workforce Advisory Forum • Review Committee terms of reference

Advisors to the Committee

At the invitation of the Committee, except where their own remuneration is being discussed, the following roles may attend meetings and provide advice to the Committee: the Chair, the CEO, the CO&FO, the Chief People Officer, the VP Head of Reward, the General Counsel and the Company Secretary.

Deloitte was reappointed as an independent advisor to the Committee in 2021 following a competitive tender process and continued in that role during the year. Deloitte is a founding member of the Remuneration Consultants' Group (RCG), which is responsible for the development and maintenance of the voluntary Code of Conduct that clearly sets out the role of executive remuneration consultants and the professional standards by which they advise their clients. Fees are charged on a time and expenses basis and totalled £158,900 (plus VAT) during FY 2021/22. During the year Deloitte also provided other consulting services (including programme management, operating model design, technology implementation and analytics), tax compliance and advisory and transfer pricing services. The Committee is satisfied that advice received from Deloitte during the year was objective and independent and that all individuals who provided remuneration advice to the Committee had no connections with Burberry or its Directors that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Linklaters LLP also provided advice to the Committee in relation to the operation of the Company's share plans, employment law considerations and compliance with legislation.

Remuneration voting results

The table below shows the results of the latest remuneration-related shareholder votes on the Directors' Remuneration Report (at the 2021 AGM) and the Directors' Remuneration Policy (at the 2020 AGM).

We have continued to engage with and listen to our shareholders during FY 2021/22 as part of our commitment to build on the constructive dialogue we have established. The Committee and I would like to thank all of you who have invested time with us, as it has helped to inform our thoughts on executive remuneration at Burberry going forward. We look forward to engaging with you again later this year as we develop our remuneration proposals for 2023.

AGM voting results	Votes for	Votes against	Votes withheld
To approve the Directors' Remuneration Report for the year ended 27 March 2021 – 2021 AGM	302,288,454 (94.45%)	17,750,177 (5.55%)	7,725,006
To approve the Directors' Remuneration Policy – 2020 AGM	305,504,279 (94.91%)	16,370,393 (5.09%)	7,360,521

Approval

This report has been approved by the Board and signed on its behalf by:

Orna NíChionna
Chair, Remuneration Committee

17 May 2022

DIRECTORS' REPORT

The Directors present their Annual Report and the audited consolidated Financial Statements of the Company for the year ended 2 April 2022. For the purposes of the Companies Act 2006, the following are incorporated by reference and shall be deemed to form part of this Directors' Report:

- Strategic Report on pages 2 to 149
- Corporate Governance Statement, which includes the Board of Directors, the Corporate Governance Report and the Directors' Remuneration Report, on pages 152 to 213
- Global GHG emissions disclosure on page 66

The Directors consider that the Annual Report and Accounts, taken as a whole, provide a fair, balanced and understandable assessment of the Group's business necessary for shareholders and wider stakeholders to assess:

- development and performance during the year
- its position at the end of the financial year
- strategy
- likely developments
- any principal risks and uncertainties

For the purposes of compliance with the Disclosure Guidance and Transparency Rules 4.1.5R(2) and 4.1.8R, the required content of the management report can be found in the Strategic Report together with sections of the Annual Report incorporated by reference.

Share capital

Details of the issued share capital, together with details of movement in the issued share capital of the Company during the year, are shown in note 25 to the Financial Statements. This is incorporated by reference and deemed to be part of this report. The Company has one class of ordinary share, which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The ordinary shares are listed on the Official List and traded on the London Stock Exchange. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

As at 2 April 2022, the Company had 405,107,301 ordinary shares in issue including 8,402,720 ordinary shares held in treasury. At the AGM in 2021, shareholders approved resolutions to allot shares up to an aggregate nominal value of £67,478, and to allot shares for cash other than pro rata to existing shareholders. In order to retain maximum flexibility, resolutions will be proposed at this year's AGM to renew these authorities.

Substantial shareholdings

As at 2 April 2022, the Company had been notified under Rule 5 of the Disclosure Guidance and Transparency Rules of the following major interests in its issued ordinary share capital:

	Number of ordinary shares	% of total voting rights[1]
BlackRock Inc.	27,729,908	6.62
Lindsell Train Limited	21,928,267	5.00
Massachusetts Financial Services Company	20,668,065	5.10
Schroders plc	19,614,407	4.92

1. As at the date in the notification to the Company.

Since 2 April 2022, the Company was notified on 6 April 2022 by Schroders plc that it holds 19,851,368 shares representing 5.00% of the total voting rights. The Company was further notified by Schroders plc on 10 May 2022 that it holds 20,612,104 shares representing 5.20% of the total voting rights.

Interests in own shares

Details of the Group's interests in its own shares are set out in note 25 to the Financial Statements.

Share buyback
In line with our capital allocation priorities and the authority granted by the shareholders at the AGM in 2021, we launched a £150 million share buyback, beginning in December 2021 and completed the programme in March 2022, repurchasing a total of 8,402,720 shares with a nominal value of 0.05p each which are currently held in treasury. Further details of the share buyback can be found in note 25 to the Financial Statements.

Transfer of shares
There are no specific restrictions on the size of holding or on the transfer of shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights. The Directors have no current plans to issue shares other than in connection with employee share schemes.

Voting
Each ordinary share of the Company carries one vote at general meetings of the Company. Any ordinary shares held in treasury have no voting rights. A shareholder entitled to attend, speak and vote at a general meeting may exercise their right to vote in person, by proxy, or, in relation to corporate members, by corporate representatives. To be valid, notification of the appointment of a proxy must be received not less than 48 hours before the relevant general meeting at which the person named in the Form of Proxy proposes to vote. The Directors may in their discretion determine that, in calculating the 48-hour period, no account be taken of any part of a day which is not a working day. Employees who participate in the Share Incentive Plan (SIP) whose shares remain in the SIP's trusts may give directions to the trustees to vote on their behalf by way of a Form of Direction.

Dividend
The Directors recommend that a final dividend of 35.4p per ordinary share (FY 2020/21:42.5p) in respect of the year ended 2 April 2022 be paid on 5 August 2022 to those persons on the Register of Members as at 1 July 2022.

An interim dividend of 11.6p per ordinary share was paid to shareholders on 28 January 2022 (FY 2020/21: nil). This will make a total dividend of 47.0p per ordinary share in respect of the financial year to 2 April 2022. The aggregate dividends paid and recommended in respect of the year to 2 April 2022 total £187 million (FY 2020/21: £172 million).

The Burberry Group plc ESOP Trust has waived all dividends payable by the Company in respect of the ordinary shares it holds.

Revenue and profit
Revenue from continuing business during the year amounted to £2,826 million (2021: £2,344 million). The adjusted operating profit for the year was £523 million (2021: £396 million).

The profit for the year attributable to equity holders of the Company was £396 million (2021: £376 million) up 5% with the year-on-year increase predominantly related to the increase in operating profit partially offset by the reversal of impairment of assets recorded in the prior year.

Financial instruments and risks
The Group's financial risk management objectives and policies are set out within note 28 of the Financial Statements. Note 28 also details the Group's exposure to foreign exchange, share price, interest, credit, capital and liquidity risks. This note is incorporated by reference and deemed to form part of this report.

Going concern and viability

The going concern statements for the Group and the Company are set out on pages 241 and 301 of the Financial Statements and are incorporated by reference and shall be deemed to be part of this report. The Directors' assessment of the prospects and viability of the Group over the next three years is set out in the Strategic Report on pages 146 to 149. The Risk and Viability Report can be found on pages 107 to 149.

Significant contracts – change of control

Pursuant to the Companies Act 2006, the Directors disclose that, in the event of a change of control, the Company's borrowings under the Group's £300 million RCF, dated 26 July 2021, could become repayable.

On 3 April 2017, Burberry entered into an exclusive licensing agreement with Coty pursuant to which Coty develops, manufactures, markets, distributes and sells Burberry Beauty products. The agreement took effect in October 2017, from which time ongoing royalty payments have been payable to Burberry. Pursuant to the Companies Act 2006, the Directors disclose that a change in control of Burberry will, in limited circumstances, result in Coty having a right of termination of the licence agreement. A small number of leases contain certain rights that may entitle landlords to terminate or approve continuation of the leases in the event that a Burberry subsidiary is transferred out of the Group or there is a change of control of Burberry Group plc; none of these is considered to be significant in terms of the potential impact on the business as a whole.

There are no arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs specifically because of a takeover, merger or amalgamation. There are provisions in the Company's share plans which could result in options or awards vesting or becoming exercisable on a change of control. For further information on the change of control provisions in the Company's share plans refer to page 203 and to the Directors' Remuneration Policy, which was approved by shareholders at the AGM on 15 July 2020 and is set out in full in the Directors' Remuneration Report FY 2019/20, which can be found in the Annual Report 2019/20 on Burberryplc.com.

Independent auditor

In accordance with section 418(2) of the Companies Act 2006, each of the Company's Directors in office at the date of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's external auditor is unaware
- The Director has taken all appropriate steps to ensure they are aware of any relevant audit information, and to establish that the Company's external auditor is aware of that information

The Group's current external auditor is Ernst & Young LLP (EY) and note 7 of the Financial Statements states their fees both for audit and non-audit work. EY was appointed as the external auditor of the Company at the 2020 AGM following an independent audit tender. A resolution to re-appoint EY as external auditor to the Company for FY 2022/23 will be proposed at the forthcoming AGM. The Independent Auditor's Report starting on page 221 sets out the information contained in the Annual Report which has been audited by the external auditor.

Employee share schemes and share ownership

The Company is committed to employee share ownership with two all-employee share plans available to employees at all levels of the organisation. Further details of these share plans are set out in the Directors' Remuneration Report on page 191. The Group intends to operate these all-employee share plans during FY 2022/23 to grant awards of free shares (or equivalent cash-based awards as appropriate) to all eligible employees globally and to invite eligible employees where possible to participate in the Sharesave Scheme. The Directors review the operation of these plans to ensure that they effectively support the Group's strategy and encourage alignment by employees with the Group's performance. Details of employee share schemes are set out in note 29 to the Financial Statements.

Employee engagement

Burberry is an open, inclusive and caring employer that strives to open spaces for our people so they can express their creativity and grow both personally and professionally. Our colleagues represent 129 nationalities across 34 countries and territories and we are proud of the diversity of our people and the rich variety of skills and experiences they bring to our brand from the many cultures and backgrounds they represent. We continue to focus on evolving strategies for attracting and retaining diverse top talent within the business that promote our cultural values and ensure diverse representation across the business.

Further details about our people and our commitment to diversity and inclusion can be found on pages 84 to 91.

Stakeholder engagement

An explanation of the steps taken by the Directors to foster business relationships with partners, including suppliers, customers and other stakeholders is set out on pages 99 to 105.

Global GHG emissions

The Directors understand they have a responsibility to consider the impact on the environment and the likely consequences of any business decisions in the long term. Disclosure in line with the recommendations of the Financial Stability Board's TCFD is set out on pages 130 to 143.

Health and safety

The Company has a global Health and Safety Policy approved by the CEO on behalf of the Board. A safety-first approach is firmly embedded in all operational activities at Burberry and we have further strongly reinforced this approach as we navigated through the global pandemic. Governance of our health and safety strategy is maintained through a Global Health and Safety Committee, which is chaired by the General Counsel. Health and safety issues are also considered by the Risk Committee and Audit Committee. Each region has a local committee, which reports to the regional president. These committees assist with the implementation of our health and safety strategy and help to ensure all local regulatory and Burberry standards are achieved and maintained.

Strategic direction on health and safety matters is provided by the Director of Health and Safety, who is supported by a global team. In line with industry best practice, our health and safety goals and objectives are set each year to continually analyse our performance and support a process for continuous improvement.

Our unannounced global assurance audit programme continues to measure health and safety performance within our managed operations at a set frequency and tracks improvement actions and risk reduction strategies through to closure.

Political donations

The Company did not make any political donations during the year in line with its policy (FY 2020/21: £nil). In keeping with the Group's approach in prior years, shareholder approval is being sought at the forthcoming AGM, as a precautionary measure, for the Company and its subsidiaries to make donations and/or incur expenditure, which may be construed as political by the wide definition of that term included in the relevant legislation. Further details are provided in the Notice of Meeting (the Notice).

Directors

The names and biographical details of the Directors as at the date of this report are set out on pages 154 to 158 and are incorporated by reference into this report. With regard to the appointment and resignation of Directors, the Company follows the Code, and is governed by its Articles of Association, the Companies Act 2006 and related legislation. At the 2022 AGM, all Directors will stand for election or re-election as appropriate. The Notice sets out the contributions and reasons for the election or re-election of each Director. The service agreements of the Executive Directors and the letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office on request. Brief details of these are also included on page 208 of the Directors' Remuneration Report. For information on the Directors' professional development, see page 171.

Directors' share interests

The interests of the Directors holding office as at 2 April 2022 in the shares of the Company are shown within the Directors' Remuneration Report on pages 203 to 211. There were no changes to the beneficial interests of the Directors between the period 2 April 2022 and 17 May 2022.

Directors' powers and responsibilities

Subject to the Company's Articles of Association, the Companies Act 2006 and any directions given by special resolution, the business of the Group will be managed by the Board who may exercise all the powers of the Group, including powers relating to the issue and/or buying back of shares by the Group (subject to any statutory restrictions or restrictions imposed by shareholders at the AGM).

Directors' insurance and indemnities

The Company maintains Directors' and Officers' liability insurance, which gives cover for legal actions brought against its Directors and Officers. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial year ended 2 April 2022 and through to the date of this report.

Branches

In accordance with the Companies Act 2006, the Group discloses below the subsidiary companies that have branches outside the UK:

- Burberry Limited: Hong Kong S.A.R., China and Republic of Korea
- Burberry Brasil Comércio de Artigos de Vestuário e Acessórios Ltda: Brazil
- Burberry Saudi Company Limited: Kingdom of Saudi Arabia
- Burberry Qatar W.L.L: Qatar
- Sandringham Bahrain SPC W.L.L: Bahrain
- Burberry (Spain) Retail S.L: Portugal
- Burberry (Shanghai) Trading Co., Ltd: China

Annual General Meeting (AGM)

The AGM of the Company will be held on Tuesday, 12 July 2022 at Horseferry House 2, 1a Page Street, London, SW1P 4PQ. Further to shareholder approval at the 2021 AGM, this will be the first hybrid meeting allowing shareholders to choose whether to physically attend the meeting or to fully participate virtually including asking live questions and voting, via our online platform. Shareholders should refrain from attending the meeting if they have COVID-19, are feeling unwell or are experiencing symptoms of COVID-19 or have recently been in contact with anyone who has tested positive for COVID-19.

Amendments to Articles of Association

The Company's Articles of Association were adopted at the 2021 AGM. No changes to the Articles of Association are being proposed at this year's AGM.

Disclosures pursuant to Listing Rule 9.8.4

Listing Rule	Description of Listing Rule	Reference
9.8.4(4)	Details of any long-term incentive schemes are required by LR 9.4.3 R	See page 203 of the Annual Report
9.8.4(12)	Waivers of dividends	See 'Dividends' paragraph on page 215

The Strategic Report from pages 2 to 149 and Directors' Report from pages 214 to 219 have been approved by the Board on 17 May 2022 in accordance with the Companies Act 2006.

By order of the Board
Gemma Parsons
Company Secretary

17 May 2022

Burberry Group plc
Registered Office:
Horseferry House
Horseferry Road
London
SW1P 2AW

Registered in England and Wales
Registered number: 03458224