

SUSTAINABILITY BOND – USE OF PROCEEDS REPORT

Burberry is committed to using its position and influence to drive social and environmental improvements in the value chain. We see innovation as key to advancing our sustainability efforts, from the sourcing of raw materials to the manufacturing of finished products and distribution through our stores and wholesalers. We enlist the support of investors to deliver these ambitions by linking Burberry's Sustainability strategy to its funding requirements.

Burberry issued a debut five-year sterling Sustainability Bond on 21 September 2020 for £300 million at a coupon of 1.125% (the 'Sustainability Bond'). As part of the Sustainability Bond Framework¹ (the 'Framework'), a commitment was made to publish a use of proceeds report within one year of the issuance of the bond and annually thereafter.

This report constitutes Burberry's fourth use of proceeds report to investors and covers the allocation of proceeds from the Sustainability Bond by category per the Eligibility Criteria as defined in the Framework.

Eligibility Criteria and oversight

Our Eligibility Criteria categories are:

- Green buildings
- Environmentally sustainable management of living natural resources and land use
- Pollution prevention and control (including waste prevention, waste reduction and waste recycling)

Burberry's Responsibility targets are owned by senior leadership across all regions and key functions and progress is reviewed by the Sustainability Committee.

The Sustainability Committee was established in 2019 to review and oversee the Group's strategy on ESG issues related to our Sustainability agenda. The Sustainability Committee convened nine times during FY 2023/24 and is chaired by our CEO.

More information on the Sustainability Committee can be found on page 36 of our Environment and Social Responsibility section and page 107 where our full governance framework is outlined in the Corporate Governance Statement.

In addition to the Sustainability Committee, ESG matters are regularly discussed at the Ethics and Risk Committees and updates are shared with the Board and the Audit Committee.

The Sustainability Committee considered the Eligibility Criteria in the Framework and reviewed the spend on projects eligible for financing under the Sustainability Bond and allocated the proceeds accordingly.

Allocation of proceeds

The proceeds of the Sustainability Bond have been allocated across the three categories outlined in the Framework. In accordance with the Framework, these eligible projects and spend were completed within the three-year period preceding and the financial years since the issuance of the Sustainability Bond in September 2020. The allocation across categories is summarised below.

Unallocated proceeds

There are no unallocated proceeds from the bond for FY 2023/24. All proceeds have been fully allocated across the three categories in scope.

Project examples

Green buildings:

Projects include the financing or refinancing of properties with relevant certification. For existing buildings, certification must have been received within the last four years.

Certifications include:

- LEED: Platinum or Gold level
- BREEAM: Excellent or Outstanding level

Environmentally sustainable management of living natural resources and land use

As in FY 2022/23, organic cotton does not meet the Eligibility Criteria under the Framework document and therefore no proceeds have been allocated for this fiscal year.

Pollution prevention and control

All of our consumer paper-based packaging is widely recyclable and (FSC[®])² certified, reflecting our commitment to support zero deforestation and sustainable forest management.

In prior years, we allocated proceeds against packaging procurement where recycled content was more than 20%. The Green Building allocation achieved the spend hurdle rate in FY 2023/24, therefore we deselected the category for assurance on the Use of Proceeds. It was, however, included in the scope 3 emissions section of the Sustainability report.

External assurance of the use of proceeds

Burberry has appointed PricewaterhouseCoopers LLP (PwC) to provide independent limited assurance over the allocation of use of proceeds. Information subject to assurance is denoted with a 'v'. PwC's Independent Limited Assurance Report and Burberry's Sustainability Bond Framework are available on [Burberryplc.com](https://www.burberryplc.com).

Categories of spend	Total allocation from 21 September 2017 to 30 March 2024 £m	United Nations Sustainable Development Goals (UN SDGs)
Green buildings	145.4	9
Environmentally sustainable management of living natural resources and land use	90.2	15
Pollution prevention and control	64.4	12
Total	300.0^v	

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

2. In order to calculate the percentage of FSC[®] certified paper-based packaging, we have relied on the accuracy of the information supplied to us by our nominated packaging suppliers regarding the value of certified paper packaging sold to Burberry.

^v Burberry has appointed PricewaterhouseCoopers LLP (PwC) to provide limited assurance over the allocation of use of proceeds. Information subject to assurance is denoted with a 'v' symbol. PwC's Independent Limited Assurance Report and Burberry's Sustainability Bond Framework are available on [Burberryplc.com](https://www.burberryplc.com).