Corporate Governance Statement

Gerry Murphy
Chair

Chair's Introduction

"Burberry's long-term success depends on our values and strong culture, underpinned by robust governance."

Dear Shareholder,

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 1 April 2023. 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.

Burberry's long-term success depends on our values and strong culture, underpinned by robust governance. This report sets out how our governance processes support Burberry's long-term success and the Board's role in overseeing the implementation of strategy and monitoring of the Group's culture. We explain the various ways in which we engage with our key stakeholders to assess whether Burberry's culture is embedded across the business and is reflected in the way we do business and in our dealings with stakeholders.

During the year, the Board has overseen the development of the sustainability strategy under the banner Burberry Beyond. The Board has taken time, with a dedicated session in May 2022 led by the Cambridge Institute for Sustainability Leadership, to discuss Burberry's sustainability performance, strategic evolution and key focus areas. Other areas of Board focus are detailed on pages 168 to 171.

It is just over a year since Jonathan Akeroyd joined Burberry as CEO. I have welcomed the wealth of experience and insight he brings to the Board and his energy and commitment to drive important changes within Burberry.

Board changes during FY 2022/23

Julie Brown stepped down from the Board as CO&FO on 1 April 2023 after more than six years at Burberry. During her tenure, Julie played a key role in Burberry's transformation and built a strong financial base for the next chapter of growth. On behalf of the Board, I would like to thank Julie and wish her the best in her future endeavours.

Following a recruitment process led by the Nomination Committee, we appointed Kate Ferry as Chief Financial Officer (CFO). Kate will join Burberry on 17 July 2023 and, in the interim, Ian Brimicombe has been appointed as Interim Chief Financial Officer from 2 April 2023. Ian is exceptionally qualified to lead our financial strategy during this transition period, having played a central role in steering our financial strategy over the past six years.

We also welcomed Alan Stewart who was appointed to the Board on 1 September 2022. More information on the recruitment process for Kate and on Alan's induction programme can be found in the Nomination Committee Report on pages 186 and 187.

There were further changes to the Committees during the year. Orna NíChionna was appointed as Senior Independent Director on 2 April 2022. Danuta Gray succeeded Orna as Chair of the Remuneration Committee on 1 September 2022. As announced on 5 August 2022, Matthew Key will retire as a Non-Executive Director following the Annual General Meeting (AGM) in July 2023 having served on the Board for just over nine years. Following Matthew's retirement, Alan Stewart will be appointed as Chair of the Audit Committee.

Board effectiveness

This year the Board undertook an internal performance review. An explanation of the process undertaken and the findings of the review can be found on pages 179 to 181, together with an update on our progress in addressing the actions identified following the FY 2021/22 review. My role as Chair includes ensuring that the Board operates effectively within an environment of openness and inclusivity and that all Board members contribute to the fullest extent, so that we make the most of their diverse skills and experience. We ensure that new Board members receive everything they need to contribute fully as soon as possible and I review the performance of individual Board members with a view to ensuring the optimum functioning of the Board.

Following the 2022 AGM we contacted shareholders who had voted against the re-election of Antoine de Saint-Affrique to understand their concerns. We explain on page 184 why we believe that Antoine continues to be an effective and valuable member of the Board and the actions taken to understand shareholder concerns since the 2022 AGM.

Directors' Remuneration Policy

The Burberry Directors' Remuneration Policy was last approved by shareholders in 2020 and shareholders will be asked to renew that approval at the 2023 AGM in line with the Companies Act 2006 which requires shareholder approval at least every three years. As set out in the letter from the Chair of the Remuneration Committee, which introduces the Directors' Remuneration Report commencing on page 200 of this Annual Report, the Committee is not recommending any material changes to the Policy. When considering changes to Executive Director remuneration arrangements, the Committee takes into account the experience of the wider workforce and has been particularly mindful of the impact of the cost-of-living crisis on colleagues, particularly those in lower-paid roles.

Compliance with the UK Corporate Governance Code

Burberry complied with the requirements of the UK Corporate Governance Code during FY 2022/23 with the exception of Provision 38, which refers to Executive Directors' pensions compared to the wider workforce. Full compliance with Provision 38 was confirmed with effect from 1 January 2023 when the pension contribution levels for our CO&FO were aligned with the maximum rate available to the majority of our UK workforce.

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.

Dr Gerry Murphy (67)

Chair

Appointed as Chair:
12 July 2018

Appointed to the Board:
17 May 2018

Nationality: Irish

Committees: N

Board skills

Key skills and experience

Gerry brings to the Board experience of managing business transformations and has substantial international and senior management experience. With his in-depth understanding of UK corporate governance requirements and his extensive experience in the retail sector, Gerry provides the Board with highly relevant and valuable leadership as Burberry continues to focus on delivering long-term sustainable value for all our stakeholders.

Current Appointments

- Chair, Tate & Lyle plc
- Trustee, The Burberry Foundation

Previous Appointments

- Non-Executive Director: British American Tobacco plc, Merlin Entertainments plc, Reckitt Benckiser plc, Abbey National plc and Novar plc
- CEO: Kingfisher plc, Carlton Communications plc (now ITV), Exel plc and Greencore Group plc
- Chair: The Blackstone Group International and partner in the firms's private equity investment unit

Jonathan Akeroyd (56)

Chief Executive Officer

Appointed: 15 March 2022

Nationality: British

Board skills

Key skills and experience

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, digital 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.

Previous Appointments

- CEO of Gianni Versace SpA
- President and CEO of Alexander McQueen
- Harrods: various senior retail roles including Executive Merchandise Director and Director, Menswear, Sports and Childrenswear

Committee key

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

Skills key

Operational excellence | Digital and media | Retail, sales and marketing

Luxury brands | Environment / Sustainability | Financial expertise

Orna NíChionna (67)

Senior Independent Director

Appointed: 3 January 2018
Nationality: Irish
Committees: Ⓡ Ⓝ
Board skills

Key skills and experience

Orna has strong UK plc and international business experience especially in the consumer and retail markets. She also brings to the Board significant strategic, financial and governance experience.
Orna is a committed environmentalist and was Chair of the Soil Association (which campaigns for more environmentally-friendly food and farming) 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 ongoing Environmental and Social Responsibility agenda.

Current Appointments

- Trustee, Institute for Fiscal Studies
- Trustee and Chair designate, The Eden Trust

Previous Appointments

- Senior Independent Director: Saga plc and Royal Mail
- Non-Executive Director: Bupa, HMV, Northern Foods and Bank of Ireland UK
- Interim Chair, The National Trust
- Chair, Founders Intelligence
- Partner, McKinsey & Company and co-lead of its European Retail Practice

Fabiola Arredondo (56)

Independent Non-Executive Director

Appointed: 10 March 2015
Nationality: American
Committees: Ⓡ Ⓝ
Board skills

Key skills and experience

Fabiola built and led a major division of Yahoo! Inc. and brings relevant international, strategic and operational experience in the internet and media sectors. Through her deep engagement at the World Wildlife Fund, Fabiola also has considerable experience overseeing sustainability initiatives.
Her digital and consumer background, coupled with her extensive international Non-Executive Directorship experience, make Fabiola an important member of the Board.

Current Appointments

- Non-Executive Director: Campbell Soup Company and Fair Isaac Corporation
- National Council Member, World Wildlife Fund for Nature
- Member, Council on Foreign Relations
- Board Member, FINRA Board of Governors
- Managing Partner, Siempre Holdings

Previous Appointments

- Non-Executive Director: Experian plc, BOC Group plc (now Linde Group), Saks Incorporated (now Hudson's Bay Company), Bankinter S.A., National Public Radio, Rodale Inc., Intelsat Inc., Sesame Workshop and the World Wildlife Fund UK and USA
- Senior executive roles at Yahoo! Inc., the BBC and Bertelsmann AG

Committee key

◯ Chair　Ⓡ Remuneration Committee　Ⓝ Nomination Committee　Ⓐ Audit Committee

Skills key

Operational excellence　Digital and media　Retail, sales and marketing
Luxury brands　Environment / Sustainability　Financial expertise

Sam Fischer (55)

Independent Non-Executive Director

Appointed: 1 November 2019
Nationality: Australian
Committees: Ⓡ Ⓝ
Board skills

Key skills and experience

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.

Current Appointments

- CEO, Lion Group

Previous Appointments

- Senior executive roles at Diageo plc, including President, Asia Pacific and Global Travel, Executive Committee member, Managing Director for Greater China and Managing Director for South East Asia
- Various commercial and general management roles at Colgate-Palmolive, including Managing Director for Central Europe

Ron Frasch (74)

Independent Non-Executive Director

Appointed: 1 September 2017
Nationality: American
Committees: Ⓐ Ⓡ Ⓝ
Board skills

Key skills and experience

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. While working at 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 will continue to play a pivotal role as Burberry continues to grow and we strengthen our performance in the luxury fashion market.

Current Appointments

- CEO, Ron Frasch Associates LLC
- Non-Executive Director, Crocs Inc.

Previous Appointments

- Non-Executive Director, MacKenzie Childs and Aztech Mountain
- President and Vice Chairman, Saks Fifth Avenue Inc.
- President and CEO, Bergdorf Goodman
- President of the Americas for an Italian licensing company of luxury fashion brands

Committee key

◯ Chair Ⓡ Remuneration Committee Ⓝ Nomination Committee Ⓐ Audit Committee

Skills key

Operational excellence
Digital and media
Retail, sales and marketing
Luxury brands
Environment / Sustainability
Financial expertise

Danuta Gray (64)
Independent Non-Executive Director

Appointed: 1 December 2021
Nationality: British
Committees: R N
Board skills

Key skills and experience
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 make her a strong asset to our Board.

Current Appointments
- Chair, Direct Line Insurance Group PLC
- Board member, Employ Autism Development
- Chair, North SP Limited

Previous Appointments
- Chair, St Modwen Property plc
- Senior Independent Director, Aldermore Bank plc
- Non-Executive Director and Remuneration Committee Chair, Old Mutual plc and Page Group plc
- Non-Executive Director, Paddy Power plc, Aer Lingus plc and UK Ministry of Defence
- CEO, Telefónica O2 and Executive Director, Telefónica Europe plc

Matthew Key (60)
Independent Non-Executive Director

Appointed: 1 September 2013
Nationality: British
Committees: A R N
Board skills

Key skills and experience
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. Matthew qualified as a chartered accountant with Arthur Young (now EY).

Current Appointments
- Non-Executive Director and Chair of Audit and Risk Committee, BT Group plc

Previous Appointments
- Chair and CEO, Telefónica Europe plc and Telefónica Digital
- Member, Advisory Board of Samsung Europe
- Executive positions included various financial roles at Grand Metropolitan plc (now part of Diageo plc), Kingfisher plc, Coca-Cola and Schweppes

Committee key
Chair — R Remuneration Committee — N Nomination Committee — A Audit Committee

Skills key
Operational excellence — Digital and media — Retail, sales and marketing
Luxury brands — Environment / Sustainability — Financial expertise

Debra Lee (68)
Independent Non-Executive Director

Appointed: 1 October 2019
Nationality: American
Committees: Ⓐ Ⓝ
Board skills

Key skills and experience
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 Black Entertainment Television, 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.

Current Appointments
- CEO and founder, Leading Women Defined, Inc.
- Non-Executive Director, Warner Bros. Discovery, Inc., Marriott International, Inc. and The Proctor & Gamble Company

Previous Appointments
- Chairman and Chief Executive Officer, Black Entertainment Television LLC
- Non-Executive Director, Twitter, Inc. and AT&T Inc.
- Attorney, Steptoe & Johnson

Antoine de Saint-Affrique (58)
Independent Non-Executive Director

Appointed: 1 January 2021
Nationality: French
Committees: Ⓐ Ⓝ
Board skills

Key skills and experience
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.

Current Appointments
- CEO and Director, Danone
- Non-Executive Director, Barry Callebaut

Previous Appointments
- CEO, Barry Callebaut
- President, Unilever Foods and member of the Group Executive Committee at Unilever plc
- Non-Executive Director, Essilor International

Committee key
◯ Chair Ⓡ Remuneration Committee Ⓝ Nomination Committee Ⓐ Audit Committee

Skills key
Operational excellence
Digital and media
Retail, sales and marketing
Luxury brands
Environment / Sustainability
Financial expertise

Alan Stewart (63)
Independent Non-Executive Director

Appointed: 1 September 2022
Nationality: British
Committees: Ⓐ Ⓝ
Board skills

Key skills and experience
Alan has a wealth of corporate finance and accounting experience gained from a variety of industries, including retail and leisure. He has considerable executive leadership experience, including various Chief Financial Officer positions within top FTSE organisations. Alan is currently a member of Chapter Zero, a community of non-executive directors committed to achieving net-zero targets, and was a founding member of the Accounting 4 Sustainability CFO network. His keen interest in sustainability is important to the Board in driving forward Burberry's climate change strategy. Alan qualified as a chartered accountant with Deloitte.

Current Appointments
- Non-Executive Director and Chair of Audit Committee, Diageo plc
- Non-Executive Director and Chair of Remuneration Committee, Reckitt Benckiser Group plc

Previous Appointments
- Non-Executive Director and Audit Committee Chair, Games Workshop Group
- Chief Financial Officer, Tesco PLC
- Chief Financial Officer, Marks & Spencer PLC

Gemma Parsons
Company Secretary

Appointed: 1 October 2018
Nationality: British

Experience

Current Appointment
- Fellow of the Chartered Governance Institute and has more than 25 years' company secretarial experience
- Member of the Chartered Governance Institute's Company Secretaries' Forum and of the Association of General Counsel and Company Secretaries of FTSE 100 companies

Previous Appointments
- Company Secretary of The Berkeley Group Holdings plc
- Deputy Company Secretary of Smith & Nephew plc
- Deputy Company Secretary of TSB Banking Group plc

Directors whose tenure ceased during FY 2022/23
- Julie Brown stepped down as CO&FO on 1 April 2023

Committee key
◯ Chair Ⓡ Remuneration Committee Ⓝ Nomination Committee Ⓐ Audit Committee

Skills key
- Operational excellence
- Digital and media
- Retail, sales and marketing
- Luxury brands
- Environment / Sustainability
- Financial expertise

Executive Committee

Jonathan Akeroyd
Chief Executive Officer

Ian Brimicombe
Interim Chief Financial Officer

Giorgio Belloli
Chief Digital, Customer and Innovation Officer

Klaus Bierbrauer
Chief Supply Chain and Industrial Officer

Leonie Brantberg
Chief of Staff, Strategy and Growth Projects

Gianluca Flore
Chief Commercial Officer

Rod Manley
Chief Marketing Officer

Mark McClennon
Chief Information Officer

Edward Rash
General Counsel

Delphine Sonder
Chief Merchandising Officer

Melissa Johnston
Chief Visual Officer

Changes to the Executive Committee since FY 2021/22

- Delphine Sonder joined the committee on 9 January 2023
- Giorgio Belloli joined the committee on 10 January 2023
- Adrian Ward-Rees was a member of the committee until 16 January 2023
- Erica Bourne was a member of the committee until 24 January 2023
- CP Duggal was a member of the committee until 31 January 2023
- Julie Brown was a member of the committee until 1 April 2023
- Ian Brimicombe joined the committee on 2 April 2023
- Klaus Bierbrauer joined the committee on 3 April 2023
- Jérôme Le Bleis was a member of the committee until 14 April 2023
- Melissa Johnston joined the committee on 11 May 2023

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 frc.org.uk. As a premium listed company, we describe 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 200 to 245, this report sets out the Board's approach to governance and the work undertaken during FY 2022/23. We have complied with the provisions of the Code during FY 2022/23 with the exception of Provision 38, which refers to the Executive Directors' pensions compared to the wider workforce. The pension contribution level for our former CO&FO was aligned with the maximum employer pension contribution rate available to the majority of our UK workforce with effect from 1 January 2023 and we have complied with Provision 38 since that date. Under the Remuneration Policy approved by shareholders at the 2020 AGM, pension contribution levels for new Executive Directors align with the maximum employer pension contribution rate available to the majority of the UK workforce and this applies to our CEO and our new CFO, who will join Burberry on 17 July 2023.

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.

How we apply the principles of the Code

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 173.

Environmental, Social and Governance

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 173) provides regular updates and key information to the Board, to ensure that it is able to make informed decisions. Sustainability is embedded into the remit of the committees where appropriate.

For more information on the Group's Environmental, Social and Governance priorities see pages 50 to 93.

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 is mindful of all of Burberry's stakeholders when planning or making decisions of strategic significance.

The Board has chosen to engage with the workforce through the formally-constituted Global Workforce Advisory Forum which is one of the methods set out in Code Provision 5. The Board uses additional ways to understand employee views including the employee engagement survey and site visits. During the year, the Board visited Italy and had the opportunity to tour our manufacturing facility and speak to colleagues.

Our Investor Relations team met with over 280 investors during the financial year. Our Chair, the Chair of the Remuneration Committee, Executive Directors and other members of senior management met with over 60 investors. 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 Jonathan Akeroyd's strategy, Daniel Lee's appointment and first show, regional performance and management changes. The team also arranged specific ESG engagements with analysts.

At the 2022 AGM, all resolutions were passed although the Company received more than 20% of votes against the re-appointment of Antoine de Saint-Affrique as a Non-Executive Director of the Company. The Board acknowledges the outcome of the vote and has actively engaged with significant shareholders to understand their concerns. Further details can be found on page 184.

At the 2023 AGM, the Company will be seeking approval of its Directors' Remuneration Policy. In developing the policy the Chair of the Remuneration Committee has engaged with our major shareholders and key proxy bodies.

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.

Further information on how the Board has engaged with its key stakeholder groups can be found on pages 112 to 117.

Monitoring our Corporate Culture

In FY 2022/23, we continued to build on Burberry's Leadership Standards, using our organisation's purpose and values as a common framework for how we operate and the expectations we have of our colleagues. As a Board, we recognise the vital role of ensuring that Burberry's workplace culture is aligned with our purpose, values and strategy. We are equally cognisant of the opportunities created when our colleagues bring this purpose to life.

How we measure culture

The Board has continued its programme of day-to-day interactions with Burberry colleagues, through site and store visits. Our Global Workforce Advisory Forum (the Forum) has also created opportunities for meaningful discussions with colleague representatives. The Forum brings together colleague representatives to meet with members of the Board to discuss key topics.

In FY 2022/23, the Forum met three times and discussed reward and benefits, sustainability, colleagues' views and sentiment on our purpose statement 'Creativity Opens Spaces' and colleagues' expectations and hopes for Burberry's new Chief Creative Officer. The Forum is chaired by our Chief People Officer with each meeting attended by our Chair and one other Non-Executive Director. The Forum has 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 March 2023. It focused on our colleagues' experience, views on our progress, and how we can continue to create a working environment where our colleagues can do their best work. We measure our progress on culture by tracking against six key cultural measures using insights gathered through listening sessions, colleague surveys and our people data on attrition, learning and wellbeing.

With the aim of supporting a culture where our colleagues can thrive, we embedded our Leadership Standards into our culture by directly linking our assessment of performance and reward to them. For the first time, all colleagues have been formally assessed in two parts: equally weighting "what" they have achieved and "how" they have achieved this, demonstrating the importance of being guided by our purpose and values in all we do.

Our cultural indicators

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 at 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.

Our culture survey tells us what our colleagues feel it is like to work at Burberry. The overall results from our FY 2022/23 survey provided another positive response from our colleagues, with strong engagement, an increasing belief that we have the right culture to be successful in the future and faith that we demonstrate our values at work.

Culture survey scores

75 points

People at Burberry make decisions with the customer in mind

February 2022: 76 points

76 points

I would recommend Burberry as a great place to work

February 2022: 75 points

74 points

Burberry has the right culture to be successful in the future

February 2022: 72 points

76 points

Burberry is innovative

February 2022: 74 points

Principal Areas of Focus for the Board During FY 2022/23

The table below gives details of Directors' attendance at Board and Committee meetings during the year ended 1 April 2023. 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	8/8	–	3/3	–
Jonathan Akeroyd	8/8	–	–	–
Julie Brown[1]	8/8	–	–	–
Orna NíChionna	8/8	–	3/3	5/5
Fabiola Arredondo	8/8	–	3/3	5/5
Sam Fischer[2]	8/8	–	3/3	4/5
Ron Frasch	8/8	4/4	3/3	5/5
Danuta Gray[3]	7/8	–	3/3	5/5
Matthew Key	8/8	4/4	3/3	5/5
Debra Lee[4]	8/8	3/4	3/3	–
Antoine de Saint-Affrique	8/8	4/4	3/3	–
Alan Stewart[5]	4/4	3/3	2/2	–

1. Julie Brown stepped down from the Board on 1 April 2023.
2. Sam Fischer was unable to attend one Remuneration Committee meeting which was convened at short notice.
3. Danuta Gray was unable to attend one Board meeting which was convened at short notice.
4. Debra Lee was unable to attend one Audit Committee meeting due to an unavoidable diary clash.
5. Alan Stewart joined the Board on 1 September 2022.

The Board held six scheduled meetings during the financial year, including an in-depth strategy session in Italy where Directors visited suppliers, as well as manufacturing and retail operations. Two additional meetings were called at short notice. If any Directors are unable to attend a meeting they are given the opportunity to provide feedback in advance of the meeting.

At each Board meeting, the Chair and Non-Executive Directors held a closed session without management present. In addition, the Board met informally on a number of occasions to receive business updates and in connection with the resignation of Julie Brown as the CO&FO and appointment of the new Chief Creative Officer and new CFO. Throughout the year, Directors also devoted time to meeting with investors and interviewing candidates for both executive and non-executive roles. In addition, Directors undertook store and site visits and attended our fashion shows, 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 changing macro economic and geo-politcal conditions. The Group's ongoing performance against strategic priorities is reviewed at each scheduled meeting.

Decision for the proposed acquisition of Pattern SpA

On 28 March 2023, the Company announced it had entered into an agreement to acquire a business from long-term supplier Pattern SpA which is expected to complete later in the year. In considering the transaction, the Board identified and assessed the impact on stakeholders as part of its decision-making process. Some of those considerations were as follows:

- Sustainability: opportunity to further embed sustainability in the value chain
- Customer and shareholders: opportunity to grow outerwear category
- Shareholders: rigorous commercial and financial evaluation to analyse return on investment
- People: additional skills brought in house as a result of staff transfers to Burberry
- Partners: determined that there would be minimal impact on our supply chain partners at this point in time

Principal areas of focus for the Board during FY 2022/23

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 their implications on areas of strategic focus	• Providing feedback, questions and challenge throughout the process • Supporting the programmes undertaken	**Relevant stakeholders:** Customers; shareholders; people; partners; communities **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships
Performance	• Reviewing regional updates	• Providing feedback and asking questions	**Relevant stakeholders:** Customers, shareholders, people, partners, communities **s.172 duties:** long-term results; workforce; reputation; and business relationships

Topic	Activity	Outcome	Relevant stakeholders and s.172 duties considered
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, including the re-election of Antoine de Saint-Affrique • Engaging with major shareholders and key proxy bodies on the proposed Directors' Remuneration Policy	• Inclusion of shareholder themes within the Board's strategic and/or other considerations	**Relevant stakeholders:** Shareholders **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships
Finance			
Budget and capital allocation	• Approving the FY 2022/23 budget • Scrutinising financial performance • Considering capital structure, distributions and liquidity • Reviewing the quarterly financial results • Reviewing FY 2023/24 budget scenarios and three-year forward plan • Reviewing and approving capital expenditure projects	• 'In principle' support for the FY 2023/24 budget • Prior year (March and May 2022) budget delivered • Approval of a £400 million share buyback to be implemented in FY 2022/23 • Approval of the payment of a final dividend for FY 2021/22 and an interim dividend for FY 2022/23	**Relevant stakeholders:** Customers; shareholders; people **s.172 duties:** Long-term results; workforce; and fairness between our shareholders
Governance			
Monitoring culture	• Reviewing the delivery of key areas of focus to embed our purpose and values • Discussing the results of the Colleague Engagement Surveys, including trends, and receiving feedback following Global Workforce Advisory Forum meetings	• Support for management's approach • Greater understanding of the views of the workforce to strengthen the colleague voice in the Boardroom • Refer to pages 166 to 167 covering monitoring culture for further detail	**Relevant stakeholders:** Customers; shareholders; people; communities **s.172 duties:** Long-term results; workforce; reputation; and business relationships
Board evaluation	• Progress update against FY 2022/23 areas of focus • Discussing the results of the FY 2022/23 Board evaluation and reflecting on the effectiveness of the Board and its Committees	• Refer to pages 179 to 181 covering Board evaluation for further detail	**Relevant stakeholders:** Customers; shareholders; people **s.172 duties:** Long-term results; workforce; and reputation

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 • Reviewing and approving directors' and officers liability provisions	• Approval of the Group's risk appetite • Refer to the Risk and Viability Report on pages 118 to 151 for further detail	**Relevant stakeholders:** Customers; shareholders; people; communities **s.172 duties:** Long-term results; and reputation
Risk deep dives	• Reviewing geopolitical market context • Reviewing business continuity, cybersecurity, fraud and GDPR risks	• Support for the programme to be undertaken	**Relevant stakeholders:** People; shareholders **s.172 duties:** Long-term results; and reputation
People, culture and values			
Diversity, Equity and Inclusion	• Discussing the Diversity, Equity and Inclusion strategy for FY 2023/24 • Holding meetings with the Internal Diversity and Inclusion Council and the Cultural Advisory Council	• Support for the Diversity, Equity and Inclusion strategy for FY 2023/24	**Relevant stakeholders:** People; shareholders; communities; customers; governments **s.172 duties:** Long-term results; workforce; environment; reputation; and business relationships
Environmental and Social Responsibility	• Discussing the Community Investment strategy for FY 2023/24 • Reviewing and approving the Company's Modern Slavery Statement • Considering the proposed Environmental, Social and Governance priorities • Reviewing and discussing updates on progress towards our climate ambition • Audit Committee review of progress against four TCFD pillars and the proposed disclosure	• Approval in May 2022 to donate 1% of FY 2022/23 adjusted profit before tax to social and community causes worldwide • Approval of the response to the humanitarian crisis in Ukraine • Approval of the response to the Turkey-Syria earthquake	**Relevant stakeholders:** People; shareholders; communities; customers; partners; governments **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, that no circumstances existed which would necessitate that any prior authorisation be revoked or amended and that 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 20 to 29 and 68 to 81.

Other governance disclosures

The Group is committed to acting with integrity and transparency on all tax matters and complying fully with applicable tax laws, having regard to international standards and guidance on tax practice and tax reporting. The Group will only engage in responsible tax planning aligned with genuine commercial economic activities. 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 do not participate in transactions with parties based in tax haven jurisdictions when the transactions are not in the ordinary course of Group trading 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

The CFO is responsible for the Group Tax strategy, the effectiveness of tax risk management, tax processes and transparency of disclosures. The strategy is implemented by the global tax and trade compliance teams 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 Audit Committee is responsible for reviewing the Group Tax strategy at least once a year and significant tax matters as they arise.

Share capital

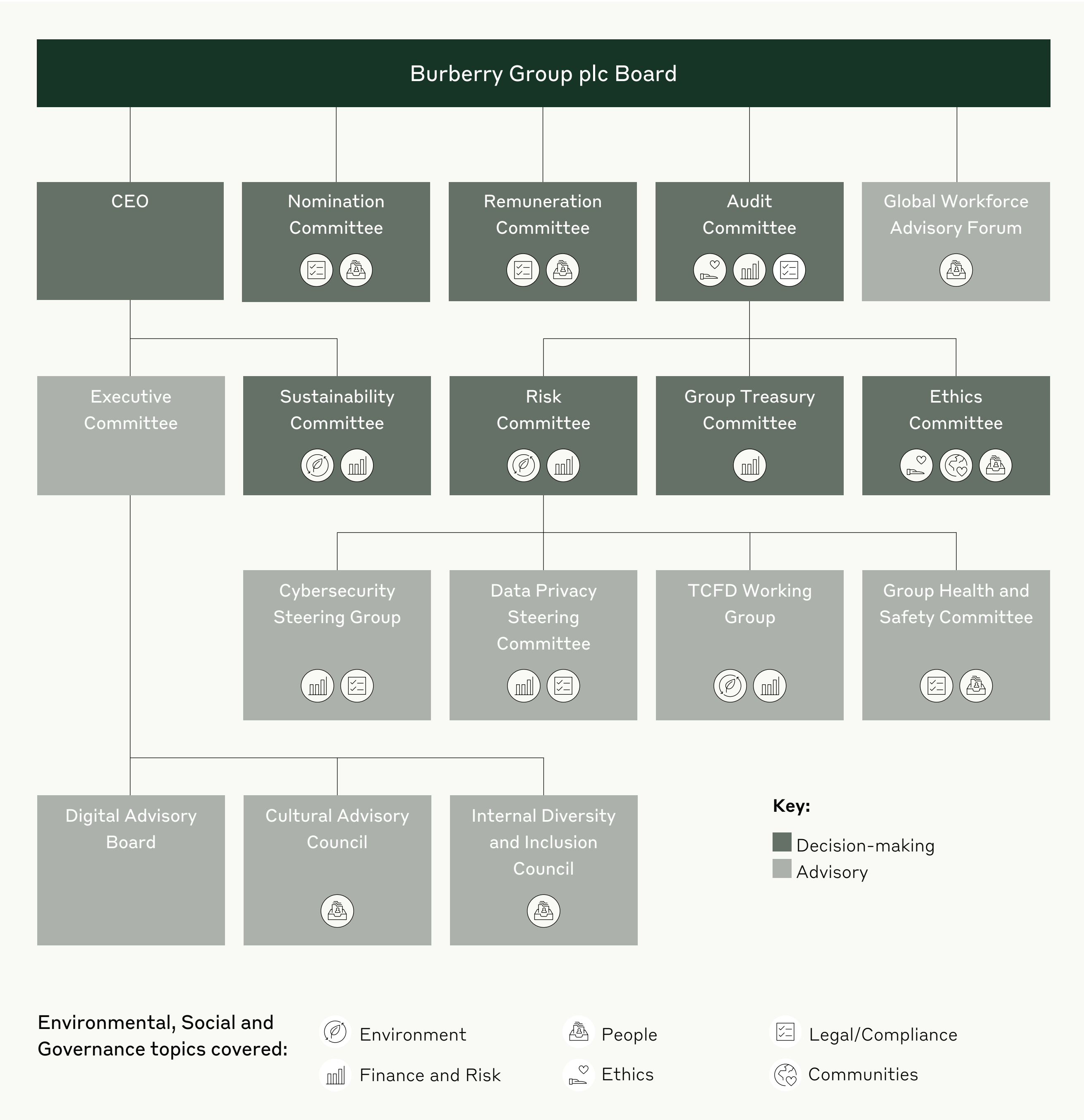
Further information about the Company's share capital, including substantial shareholdings, can be found in the Directors' Report on page 246.

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 environmental, social and governance topics within their scope.

This structure establishes an information flow to the Board, enabling it to make informed decisions.



Roles and responsibilities

Governance

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 in decision-making. The Board establishes the Group's purpose and values and sets 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

Monitors 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, the Risk Committee and the Group Treasury Committee.

The Audit Committee Report can be read on pages 190 to 199.

Remuneration Committee

Chaired by Danuta Gray

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 200 to 245.

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 182 to 189.

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 of the business. 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 in implementing 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 Audit Committee, the Nomination Committee and the Remuneration Committee support the Board in its activities. The terms of reference for each of these Committees can be viewed in the Corporate Governance section of Burberryplc.com. Pages 173 to 177 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 comprises 11 members: the Chair, the CEO, and nine independent Non-Executive Directors who are experienced and influential individuals, drawn from a wide range of industries and backgrounds with the 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. Further to the resignation of the CO&FO, the Board has appointed Kate Ferry as CFO. Kate will join the Company as an Executive Director on 17 July 2023. Ian Brimicombe has been appointed as Interim CFO but he is not an Executive Director.

Directors' biographies, tenures, key skills and experience and external appointments are set out on pages 157 to 162.

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, with the exception of Matthew Key, all Directors will retire and offer themselves for re-election at the 2023 AGM. Alan Stewart, who joined the Board on 1 September 2022, will offer himself for election having joined the Board since the last AGM. Matthew Key will cease to be a Non-Executive Director following the 2023 AGM.

To ensure the Board performs effectively, there is a clear division of responsibilities between the leadership of the Board and the executive leadership:

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 performance review 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, Global Commercial, Corporate Responsibility and IT
- Responsible for oversight of the sustainability agenda and climate goals
- 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 CFO

- 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, Insurance, 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. Jonathan Akeroyd is the only Executive Director at present and does not hold any other external directorships. Kate Ferry, who will join the Board on 17 July 2023 as an Executive Director and CFO is currently an independent non-executive director of Greggs plc.

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 commitment during FY 2022/23. In making this assessment the Board considered the views of certain shareholders regarding Antoine de Saint-Affrique's time commitments, further details of which can be found in the Nomination Committee Report on page 184.

Each year, in accordance with its terms of reference, the Nomination Committee reviews the independence of the Non-Executive Directors (excluding the Chair), taking into account a range of factors, including those set out in Provision 10 of the UK Corporate Governance Code. The Nomination Committee concluded this year that all the Non-Executive Directors continued to be independent.

Notwithstanding that Matthew Key was appointed to the Board in September 2013 and has therefore served on the Board for over nine years, the Nomination Committee concluded that Matthew Key's independence was not compromised.

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. The CEO, the Chief People Officer and the Company Secretary regularly attend Board and Committee meetings.

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 2022/23, a number of Directors participated in a sustainability workshop in May 2022. The Board also held informal meetings with our Internal Diversity and Inclusion Council and our Cultural Advisory Council. Details of the induction programmes implemented for Jonathan Akeroyd and Alan Stewart are set out in the Nomination Committee Report on page 187.

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.

Composition, Succession and Evaluation

Board evaluation

Evaluating our performance

The Board undertakes a formal annual review of its effectiveness, 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, the evaluation is facilitated externally with the last external evaluation taking place in FY 2020/21.

Internal evaluation in FY 2022/23

In November 2022, the Board decided to conduct an internal questionnaire-based review for FY 2022/23 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 devise the questionnaires, which were circulated in February 2023. 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 with a high level of trust and openness between Board members
- strong leadership of the Board and Board Committees
- providing challenge and support to the executive team
- assessing and monitoring performance of the business

The questionnaires were supplemented by meetings between the Chair and each Director to discuss individual performance, seek additional feedback and 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 2022/23.

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 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.

Separate to the formal Board evaluation process, the Senior Independent Director led a review of the Chair's performance. The review included circulation of a short questionnaire, one-to-one meetings with each of the Non-Executive Directors and a final meeting of the Non-Executive Directors, without the Chair being present, to conclude on the review. The unanimous view was that the Chair continued to perform very effectively and to provide strong leadership throughout FY 2022/23.

Areas of focus for FY 2023/24

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

Area of development	Action
Strategy, purpose and values	• Ongoing development of Board agendas to ensure sufficient focus on big trends including sustainability, e-commerce and globalisation • Consider ways to develop the Board's understanding of the opportunities and risks presented by emerging technology in the luxury industry
People and culture	• Continued focus on developing the long-term approach to executive succession planning including increased opportunities for Board members to engage with colleagues informally • Enhance the Board's oversight of culture and values, including how well they are embedded across the business
Board composition	• Review the size and composition of the Board including the potential use of advisory support to supplement core skills of Board members where necessary

Progress update on focus areas identified following FY 2021/22 Board effectiveness review

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 environmental, social and governance further into strategy, as well as into the purpose and values of the Company	More time spent on regional updates throughout the year to provide the Board with deeper insights for key markets. In addition, the Board received updates in July and October 2022 from external advisers on the macroeconomic and the geopolitical environment and as part of the annual strategy meetings in October 2022 updates on the luxury industry and key consumer trends. The Board and Executive Committee attended a sustainability workshop in May 2022 led by the Cambridge Institute of Sustainability Leadership and members of the Corporate Responsibility team. Topics discussed included the evolution of Burberry's Sustainability strategy, such as focusing Burberry's Communities strategy on youth and creativity; and the actions being taken to embed sustainability across the Leadership Standards, Code of Conduct and values. With effect from FY 2023/24 Sustainability metrics will also be incorporated into the corporate annual bonus plan.
Talent and succession planning	
• Continued development and strengthening of the executive succession planning programme	Work is ongoing to enhance our Executive Development Programme which is a bespoke eight-month experience designed to elevate leadership capabilities and embed Leadership Standards through immersive learning experiences, targeted coaching and impactful networking opportunities.
Board ways of working	
• Reviewing the Board's composition and advisory support to ensure appropriate and contemporary expertise across all relevant areas, including luxury	The Board's succession work during FY 2022/23 has focused on the search for a new CFO and enhancing the financial expertise on the Board, in advance of Matthew Key's stepping down. Further details on the recruitment and appointment process for these roles can be found in the Nomination Committee Report on pages 186 to 187. In terms of advisory support, the Board met with members of the Internal Diversity and Inclusion Council in July 2022 and with the external Cultural Advisory Council in November 2022.

Report of the Nomination Committee

"Diverse and fresh perspectives are also important, that is why the Committee makes refreshment and succession planning a priority."

Gerry Murphy
Chair, Nomination Committee

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. The Committee met three times during FY 2022/23.

Board succession planning and the composition of Board Committees continued to be an important area of focus for the Committee. During FY 2022/23, the Committee recommended the appointment of Kate Ferry as our new Chief Financial Officer and the appointment of Alan Stewart as an additional Independent Non-Executive Director ahead of Matthew Key's retirement from the Board in July. In our consideration of Board composition, we 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.

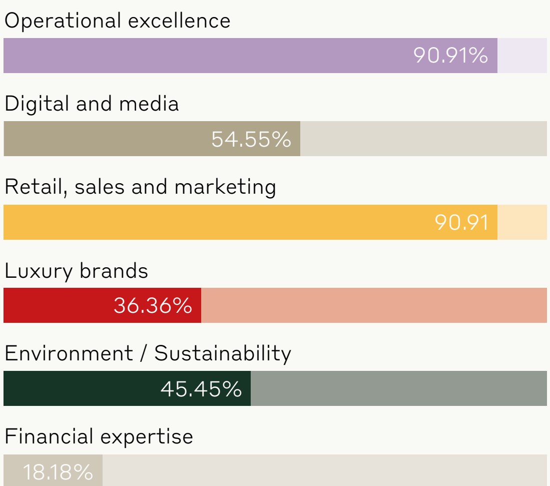
During FY 2022/23, we also reviewed the talent pipeline for the Executive Committee and other senior management roles and completed our annual governance processes.

Areas of focus for FY 2022/23

- Board composition
- Recruitment of CFO and new Non-Executive Director
- Talent and executive succession planning
- Corporate governance

Board skills

We recognise that having the right individuals in the boardroom is critical. Directors need to have 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 and committee composition

The Committee is responsible for keeping the structure, size and composition of the Board and its Committees under review. During FY 2022/23, the Committee oversaw the search and appointment of a new Chief Financial Officer following the announcement in September 2022 that Julie Brown would step down at the end of the Company's financial year on 1 April 2023 after more than six years on the Board as Chief Operating and Financial Officer. The Company used Lygon Group, a consulting firm which has no connection to the Company or individual Directors. More information on the appointment search and process can be found on page 186.

In conjunction with the Remuneration Committee, the Committee also recommended that Danuta Gray be appointed as Chair of the Remuneration Committee succeeding Orna NíChionna following her appointment as Senior Independent Director.

The Committee also oversaw the appointment of Alan Stewart as a Non-Executive Director and member of the Audit and Nomination Committees on 1 September 2022. Alan is a highly experienced Chief Financial Officer and Non-Executive Director of major international public companies and we were delighted that he has joined the Burberry Board.

Gerry Murphy
Chair, Nomination Committee

Member	Member since	Meeting attendance
Gerry Murphy (Chair)	17 May 2018	3/3
Fabiola Arredondo	10 March 2015	3/3
Sam Fischer	1 November 2019	3/3
Ron Frasch	1 September 2017	3/3
Danuta Gray	1 December 2021	3/3
Matthew Key	26 September 2013	3/3
Debra Lee	1 October 2019	3/3
Orna NíChionna	3 January 2018	3/3
Antoine de Saint-Affrique	1 January 2021	3/3
Alan Stewart	1 September 2022	2/2

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
- Reviewing the Board Composition and Diversity Principles to ensure they remain fit for purpose

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, as well as changing business needs, while also having regard to wider stakeholder requirements and environmental factors
- Promoting diversity, including in terms of gender, social and ethnic backgrounds, cognitive and personal strengths

Given the Board appointments made during FY 2022/23, we believe there is a good balance between more recently appointed Directors and those who have served for longer periods and provide consistency with respect to experience and knowledge of Burberry as a brand and as a company.

Update on Antoine de Saint-Affrique's time commitment

At Burberry's AGM in 2022, some shareholders expressed concerns about the number of Antoine de Saint-Affrique's other listed directorships and the potential impact on his time commitment to Burberry. Since the 2022 AGM, we have contacted major shareholders who voted against Antoine's re-election to understand their views and reassure them that Antoine has brought, and continues to bring, considerable business and management experience and exceptional knowledge of sustainability and global consumer markets to Board discussions. The Board believes that Antoine makes valuable contributions to the work of the Board and Committees of which he is a member, drawing from his wide experience across many industries. The Chair reviews each Non-Executive Director's effectiveness each year and, when considering Antoine's performance, specifically considered his ability to carry out his duties as a Director given his other directorships. In addition, the Board reviews its own performance annually. No concerns regarding Antoine's ability to devote time to his role at Burberry were raised.

Antoine's attendance record speaks for itself: in FY 2022/23, Antoine attended 100% of the Board and Committee meetings, including the Board's visit to Burberry sites in Italy in October 2022, 100% of Audit Committee meetings and 100% of Nomination Committee meetings. He also attended the AGM and has attended additional Board calls and meetings during the year when required. He has also participated in a number of additional opportunities to meet colleagues and engage with other stakeholders throughout the year. Antoine's attendance at our scheduled meetings and participation in all ad hoc discussions demonstrated his capacity to fulfil his obligations in each of his roles, even during exceptionally demanding periods.

The Board has therefore determined that Antoine has sufficient time to meet his Board responsibilities as required by Principle H of the UK Corporate Governance Code.

Antoine has spent his working life in large international companies with globally renowned consumer brands. He is a world-class Director and his wealth of knowledge and experience would be hard to replace. Burberry's experience of Antoine as a committed and engaged Director has been very positive, not least in the areas of executive and global brand management, sustainability and deep operational experience in our key markets in Asia, Europe and North America.

In summary, the Board has carefully considered the concerns raised by certain shareholders regarding Antoine's ability to devote sufficient time to his duties at Burberry and has determined that, based on experience to date, Antoine's capacity to perform his role is not impaired in any way by his other time commitments. As an executive of the highest calibre, we feel it would not be in the best interests of the Company to deprive Burberry of Antoine's services. The Board will of course monitor this position closely and, should circumstances change, the Chair would take appropriate action.

The Board is satisfied that all Directors, including Antoine, continue to make effective and valuable contributions to the Board and continue to devote sufficient time to discharging their responsibilities as Directors of Burberry.

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 179 to 181.

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 reviewed progress in increasing diversity of gender and ethnicity, considered the core capabilities required to deliver the Group's strategic priorities and agreed plans to provide opportunities for Board members to meet key senior executives in order to deepen relationships and support engagement.

During FY2022/23, the CEO provided regular updates to the Board and Board Committees to keep them informed of changes to senior leadership and the composition of the Executive Committee, including newly-created roles designed to support implementation of the next phase of the strategy. The Committee supports the CEO in hiring the right talent to strengthen brand capabilities and drive business growth.

Board changes

The composition of the Board and its Committees was a key area of focus for the Committee during FY 2022/23. In addition, we continued to focus on the Board's evolution and, in light of Matthew Key having served on the Board for nine years, we identified a need for an additional Non-Executive Director who had the financial qualifications and experience required to chair the Audit Committee.

Recruitment of the CFO

When Julie Brown notified the Board of her intention to step down as CO&FO, Jonathan Akeroyd, supported by the Committee, led the recruitment search for a new CFO. The Committee was assisted by search firm Lygon Group which was not engaged by the Company for any other purpose during FY 2022/23. A candidate profile was developed to ensure potential candidates would have the required balance of skills and experience relevant to Burberry. A long list of candidates was identified before being narrowed down to a shortlist of preferred candidates who were then taken through the interview process. Initial interviews were in each case led by our CEO, supported by the Chair and other Committee members.

The CEO kept the Board and the Committee regularly informed on progress. Following the conclusion of the process, the Committee recommended Kate Ferry to the Board as the preferred candidate and we are delighted to have appointed Kate to this position. She will join Burberry on 17 July 2023.

The Committee recommended that Ian Brimicombe, SVP, Specialist Finance and Projects, be appointed as Interim CFO from 2 April 2023 until Kate takes up her role.

A detailed induction plan will be created for Kate Ferry focusing on building her understanding of the business, including our purpose and values.

Non-Executive Director Appointment

To assist with the recruitment of a new Non-Executive Director, the Committee appointed search firm Odgers Berndtson which has no connection to the Company or individual Directors. 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. Odgers Berndtson was not engaged by the Company for any other purpose during FY 2022/23.

Having considered the shortlist, Committee members interviewed the preferred candidates and recommended the appointment of Alan Stewart to the Board for approval. The Committee further recommended that, on appointment to the Board, he be appointed as a member of the Audit and Nomination committees. Given Alan's deep financial expertise, the Committee also recommended that he take on the role of Chair of the Audit Committee following Matthew's retirement in July 2023.

Each of these appointments involved a formal, rigorous and transparent appointment process based on merit and objective criteria, with due consideration being given to a broad range of factors such as diversity of gender, social and ethnic backgrounds, cognitive and personal strengths and the Group's future strategic direction.

A review of Jonathan Akeroyd's induction

As reported in our 2021/22 Annual Report, following the appointment of Jonathan Akeroyd in March 2022, a detailed induction plan was created for Jonathan focused on building his understanding of our purpose and values and providing opportunities for product immersion, meeting colleagues and travelling to Burberry stores and manufacturing sites around the world to meet and connect with the wider workforce.

The induction sessions gave Jonathan the 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 was complemented by meetings with key external stakeholders enabling Jonathan to further deepen his business insights.

March 2022

- Appointment to the Board as Chief Executive Officer

March 2022 – June 2022

- Product immersion
- Visiting key stores and manufacturing sites
- Meeting with the Executive Committee, Regional leads, Vice Presidents and the leadership team to establish connections, visibility and deepen business insights with a view to decision making across priorities
- Meeting with external stakeholders to further deepen business insights

Alan Stewart's Induction

During the financial year, Alan also undertook induction sessions to provide him with an understanding of Burberry's business with special focus on purpose and values, strategy and wider business objectives. The Company Secretary assisted the Chair with the preparation and delivery of a tailored and comprehensive induction programme, designed to give Alan the opportunity to familiarise himself with the business and build an understanding of the key areas of focus for the Board and the Group. The induction programme was also complemented by visits around the business to meet and connect with the wider workforce.

Diversity

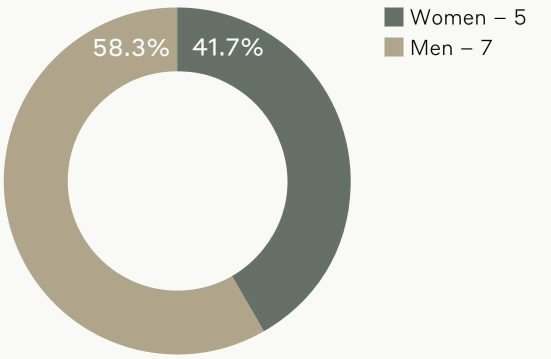
Diversity, equity and inclusion are essential to fulfilling Burberry's purpose and inherent in our Company values. Our commitment to building a diverse and inclusive culture is a strategic imperative and we believe this creates more engaged colleagues and encourages better performance. We champion the 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. With the current Board composition, these objectives have been exceeded.

Our Global Diversity, Equity and Inclusion strategy provides a detailed overview of how we foster an inclusive environment, encourage diverse perspectives and promote collective innovation. As part of this strategy, our dedicated Global Diversity, Equity and Inclusion policy provides a global standard for how we expect colleagues to maintain an open and inclusive culture.

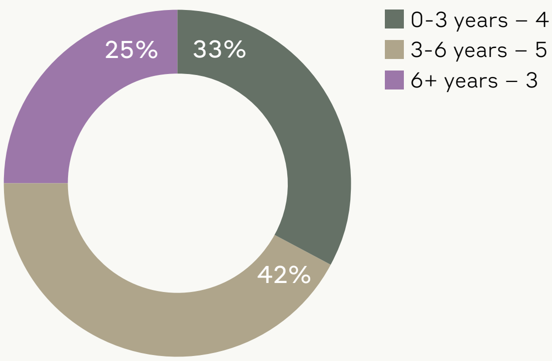
As a minimum, and as required by the Listing Rules, Burberry has also reported on the new specific diversity targets set by the Financial Conduct Authority as set out in the table on page 189. Alongside the diversity targets set by the Financial Conduct Authority, we are also pleased to have exceeded the Parker Review Committee's target for all FTSE 100 boards to have at least one director from an ethnic minority background. We are delighted to have been recognised as being a top performer in the FTSE Women Leaders report, having again exceeded the recommendations with 41.7% of Board members and 54.1% of Executive Committee and direct reports, respectively, being female at the date of the report.

Diversified Board

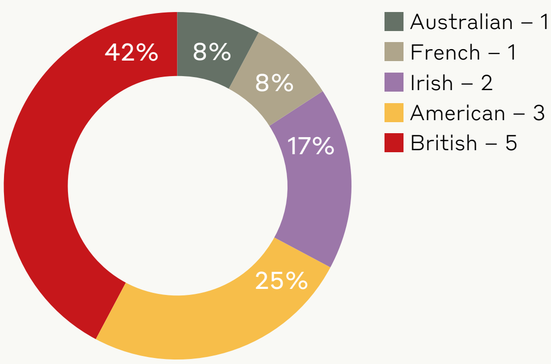
Gender



Tenure



Nationality



Data as at 1 April 2023.

Disclosures required under Listing Rule 9.8.6 as at 1 April 2023

The Financial Conduct Authority introduced a new listing rule on diversity and inclusion disclosures applying to financial periods commencing on or after 1 April 2022. As at 1 April 2023 (being the reference date selected by the Board for the purposes of this disclosure), the Company complied with the regulatory targets set out in Listing Rule 9.8.6 R (9) as the Board was 41.7% female, both the Senior Independent Director and the CO&FO were women and the Board had two Directors from a minority ethnic background. Julie Brown, the CO&FO, stepped down from the Board on 1 April 2023 and as a result female representation on the Board has temporarily dropped below 40%. Following the AGM on 12 July 2023 female representation will return to 40% and will increase to 45% once Kate Ferry has joined the Board on 17 July 2023.

We have provided this information in the reporting tables for the Board and Executive Committee below.

Reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	7	58.3	2	7	70
Women	5	41.7	2	3	30
Not specified/prefer not to say	–	–	–	–	–

Reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	10	83.4	2	8	80
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	8.3	2	2	20
Black/African/Caribbean/Black British	1	8.3	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

The data was collected by asking each member of the Board and Executive Committee to indicate their gender and ethnicity according to the categories presented in the table.

Report of the Audit Committee

"I am confident that over the course of the year the Committee has carried out its duties effectively and to a high standard."

Matthew Key
Chair, Audit Committee

Dear Shareholder,

I am pleased to present the FY 2022/23 Report of the Audit Committee. The purpose of this report is to describe how the Committee carried out its 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 its remuneration and recommend its appointment. Details of how the Audit Committee has monitored Ernst & Young's audit are available on page 196. 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.

Following the FRC audit quality team's review of Ernst & Young's audit of the Group's Consolidated Financial Statements for the year ended 2 April 2022, the FRC wrote to the Chair of the Audit Committee setting out the scope of its review, its principal key findings and areas of good practice identified. Overall the Audit Committee noted the review did not raise any key findings to consider and, accordingly, the Committee confirmed it was satisfied this was a high quality audit.

We also focused on accounting judgements relating to inventory provisioning and store impairments, and management's consideration of uncertain tax positions.

Further information on how the Audit Committee addressed significant matters during the year is set out in the table on pages 193 to 195.

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 carried out a detailed review of management's assessment of principal risks, tolerance levels and mitigations, and concluded these were appropriate. We reviewed management's proposed expansion of TCFD reporting, reflecting new data and measurement bases, and concluded the disclosure was appropriate. We also considered the risks associated with cybersecurity, including ransomware, and reviewed the revised fraud risk framework and its application to internal audit.

Areas of focus for FY 2022/23

- Cybersecurity
- Uncertain tax positions
- Fraud risk framework
- Climate-related risks and TCFD reporting

The Committee confirms that during FY 2022/23, the Group complied with the mandatory audit processes and Audit Committee responsibility 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 would like to thank Julie Brown, our CO&FO during the year, for her excellent leadership of the finance function and I am confident that Ian Brimicombe will continue this and ensure a smooth transition to Kate Ferry when she joins as CFO on 17 July 2023. Ian is an experienced finance professional and is well qualified to act as interim CFO having spent six years at Burberry, sequentially responsible for Group Finance (including Tax and Treasury), Specialist Finance and Internal Audit and Risk. I am confident that over the course of the year the Committee has carried out its duties effectively and to a high standard.

Following my retirement, Alan Stewart will replace me as Chair of the Audit Committee. Alan has considerable executive leadership experience and brings great knowledge from his experience as CFO of FTSE 100 businesses. I am confident he will ensure the Committee continues to operate effectively on behalf of the Board.

Matthew Key
Chair, Audit Committee

The role and main responsibilities of the Committee

The main role 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 and 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 149 to 151
- Internal Audit: review of the annual Internal Audit programme and the consideration of findings of any internal investigations and management's response
- Process controls and efficiency: the Committee received reports from management on the procure to pay and store cash controls
- 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 172

Meetings and attendance

The Committee met formally four times during the year (see the table below). 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 Committee 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 included: the Chair of the Board; CEO; CO&FO; Company Secretary; Senior Vice President Specialist Finance and Projects, Senior Vice President, Internal Audit and Risk; Senior Vice President, Group and Commercial 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 157 to 162 provide details of each member's background and experience.

Member	Member since	Meeting attendance
Matthew Key (Chair)	26 September 2013	4/4
Ron Frasch	7 November 2018	4/4
Debra Lee	1 October 2019	3/4
Antoine de Saint-Affrique	1 January 2021	4/4
Alan Stewart*	1 September 2022	3/3

* It is intended that Alan Stewart will become Chair of the Audit Committee following Matthew Key's retirement in July 2023.

Significant matters for the year ended 1 April 2023	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	In November and March, 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 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	In November and March, the Committee considered management's assessment of the recoverability of the cost of inventory and the resulting amount of provisioning required. The Committee reviewed 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. The review included analysis of actual inventory noting the age and expected exit routes for the remaining surplus inventory held at the balance sheet date and the actual loss rates experienced. The Committee considered the sensitivity to the assumptions of loss rate and exit route in order to understand how management quantified the range of potential outcomes and level of estimation applied. 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 1 April 2023	How the Audit Committee addressed these matters
Uncertain tax positions	The Committee reviewed the Tax Update and Tax Strategy, developments relating to discussions with tax authorities, 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 tax positions and the disclosure of any significant estimates applied to tax balances. The Committee also discussed matters with external advisors where significant estimation was required. 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 31.
Going concern and viability	The Committee considered the going concern and viability analysis carried out by management. The Committee considered the risks that could 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 an aggregation of a number of severe impacts of these principal risks and the reverse stress test scenario 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.
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 further develop the scenario analysis, including new data and measurement bases that had been updated since the prior report. The Committee noted the impact of climate scenarios, which had been updated to reflect Coupled Model Intercomparison Project Phase (CMIP6). The Committee paid particular attention to the increase in the quantified impact of physical risks arising from the changes to the climate model as well as transition risks, in particular the transition risk relating to market and consumer preference. The Committee reviewed the disclosure in the Annual Report on behalf of the Board to ensure that it was in compliance with the TCFD recommendations and the limited assurance provided by the Group's auditors.

Significant matters for the year ended 1 April 2023	How the Audit Committee addressed these matters
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 auditors. The Committee also considered the use of alternative performance measures by the Group, and concluded that they were appropriate and their disclosure in the Financial Statements and Strategic Report was fair, balanced and understandable.
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, and significant judgements relating to lease term and impairment of receivables.

External auditor

EY commenced their first year of audit in FY 2020/21 following a competitive tender process. The current audit partner is Michael Rudberg who has held the role since EY were appointed as external auditor.

The Audit Committee oversees the work undertaken by EY and in FY 2022/23 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 use of data analytics and how the auditor demonstrated professional scepticism
- 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. 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 third 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's recommendation on the appointment and reappointment of the external auditor is free from influence by a third party and there are no contractual obligations, which restrict the Committee's ability to make such a recommendation.

The Committee also reviewed the proposed audit fee and terms of engagement for FY 2022/23. Details of the fees paid to the external auditor during FY 2022/23 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 2022/23 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 £0.1m 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.

FRC's Audit Quality Review

In January 2023, we were notified by the FRC's Audit Quality Review (AQR) team that an inspection of EY's audit of the Company for FY 2021/22 had been completed. The Committee discussed the report with the external auditor and management and how this was reflected in the audit plan. The Committee noted the review did not raise any key findings to consider and was satisfied that the audit was of high quality.

Evaluation of internal controls

The Board is responsible for 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 118 to 151.

The Committee discharges its duties in respect of risk management 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

The Audit Committee is responsible for reviewing the effectiveness of the Group's internal controls. 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, product development, supply chain and distribution operations to supply products to global markets via retail, including digital, and wholesale 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 CFO but has an independent reporting line to the Chair of the Audit Committee. For part of the year, the Internal Audit function was managed by the Senior Vice President, Specialist Finance and Projects with the same reporting lines and independence.

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 2022/23, there was continued emphasis on assurance over controls to manage cybersecurity risk (particularly ransomware), 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 internal audit plan as necessary during the year. Any proposed changes to the plan are discussed with the CFO 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 including fraud risk.

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 our 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 function. 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.

During the year, the Financial Reporting Council (FRC) notified the Audit Committee that the Burberry Group plc Annual Report to 2 April 2022 was included in their selection for the thematic review of companies' disclosures relating to deferred tax assets.

The Audit Committee was pleased with the outcome of the review and noted that there were no questions or queries that the FRC wished to raise with the Company on their disclosures. The FRC's role is to consider compliance with reporting standards and not to verify the information provided. Therefore, given the scope and inherent limitations of their review, which does not benefit from any detailed knowledge of the Group, it would not be appropriate to infer any assurance from their review that our FY2021/22 Annual Report and Accounts are correct in all material respects.

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 252.
The Independent Auditor's Report on pages 253 to 264 includes a statement concerning the auditor's reporting responsibilities.

Directors' Remuneration Report

"We remain committed to engaging with our shareholders to ensure an open and transparent dialogue around executive remuneration arrangements at Burberry."

Danuta Gray
Chair, Remuneration Committee

Dear Shareholder,

I am pleased to present to you the Directors' Remuneration Report for the year ended 1 April 2023. This is my first report since assuming the role of Chair of the Remuneration Committee (the Committee) and I would like to thank my predecessor, Orna NíChionna, for her leadership of the Committee.

Key areas of focus for the year

This year the Committee has been focused on three key areas to support the business to deliver our strategy to realise our potential as the modern British luxury brand and to support our colleagues:

1. **Supporting our colleagues** – at Burberry, we employ around 9,000 colleagues globally and the Committee is acutely aware of the impact of rising prices and the cost-of-living pressures on many of them. During the year, the Committee spent a lot of time considering how we best support our colleagues in this period, and we are pleased with the interventions that management has been able to make.
2. **Talent evolution** – a key focus for the CEO and the Board has been ensuring that we have the right senior talent in place to execute the next phase of our strategy and drive revenue growth and acceleration. The Committee has been supporting the CEO with appropriate remuneration structures for this evolution.
3. **Directors' Remuneration Policy review** – we are required to review our Directors' Remuneration Policy every three years. The Committee concluded that the broad framework remained appropriate and fit for purpose for the next phase of our strategy and therefore only minor changes are proposed.

The remainder of this letter provides further detail of the work of the Committee and other important changes to reward at Burberry during the year.

Member	Member since	Meeting attendance
Danuta Gray[1] (Chair)	1 December 2021	5/5
Fabiola Arredondo	10 March 2015	5/5
Sam Fischer[2]	1 November 2019	4/5
Ron Frasch	1 September 2017	5/5
Matthew Key	26 September 2013	5/5
Orna NíChionna	3 January 2018	5/5

1. Danuta Gray succeeded Orna NíChionna as Chair of the Remuneration Committee with effect from 1 September 2022.
2. Sam Fischer was unable to attend one Committee meeting which was convened at short notice.

Broader employee reward

The Committee was mindful of rising prices and cost-of-living challenges that impacted many of our colleagues over the past year and we regularly reviewed actions to support our colleagues during this challenging time.

Burberry is committed to being a fair and responsible employer and we are proud to be a Principal Partner of the Living Wage Foundation and an accredited UK Living Wage employer. In October 2022, we brought forward the implementation of the UK real Living Wage pay rates by more than six months to support colleagues with the rising cost of living. This decision impacted approximately 900 UK colleagues, with salary increases of up to 10.1% nationally and up to 8.1% in London. All other eligible colleagues will receive the 2023 merit salary review at the usual time in July 2023, with increases aligned to individual performance. In addition, we have specifically targeted higher increases at our lower-paid colleagues in high-inflation markets which will impact approximately 2,900 colleagues. For example, in the UK, eligible colleagues with a salary below £35,000 will receive a fixed £2,000 increase, equating to an increase of up to 9% of salary.

The Committee carefully considers the treatment of the wider workforce when determining executive pay arrangements. During the year, in addition to base pay increases, Burberry made a number of positive interventions to support the workforce. The corporate bonus opportunity for colleagues up to middle management was increased, including doubling the opportunity for the most junior colleagues in the business, and our retail bonus and commission plans were enhanced to effectively reward both team and individual performance through the delivery of store sales targets and retail KPIs. ShareSave was expanded to six new locations in APAC, now providing colleagues in 17 countries/territories with the opportunity to acquire Burberry shares at a discounted price. There were also a number of enhancements to our broader benefits offering to further support colleagues' health and mental wellbeing, including the launch of a menopause support site which provides guidance and resources to leaders and colleagues. These changes have all been well received.

We understand that meaningful communication with the workforce is crucial. As in prior years, in March we held a meeting with our Global Workforce Advisory Forum focused exclusively on remuneration at Burberry, giving members the opportunity to provide feedback on actions taken on reward and benefits during the past year and the key priorities for the year ahead. The Committee values the balanced feedback and thoughtful suggestions provided by members. I also ensure that the views of the workforce are taken into account at Committee meetings.

Further information on reward for our wider workforce, as well as its alignment with reward for our Executive Directors, is set out on pages 208 to 209.

Our commitment to sustainability

At Burberry, we are committed to creating a sustainable future and sustainability is an important part of our strategy. We have reinforced this through our remuneration design for Executive Directors for a number of years with environmental and social metrics in the annual corporate bonus plan for Executive Directors and a sustainability underpin in the Burberry Share Plan (BSP). Building on this commitment, in FY 2023/24 we are introducing specific sustainability metrics linked to our ambition to become Climate Positive by 2040 to the annual corporate bonus plan for the wider workforce. We believe that cascading sustainability targets represents an invaluable opportunity to drive the cultural evolution necessary to achieve our long-term goals.

Business context

Overall, FY 2022/23 was a strong year despite disruption from the COVID-19 pandemic, particularly in Mainland China. Burberry delivered revenue of £3.1 billion (+5% at CER and +10% at reported rates) and adjusted operating profit of £634 million (+8% at CER).

We continued to make good progress against our strategy to realise Burberry's potential as the modern British luxury brand to drive revenue growth and acceleration. We also made further progress against our environmental and social objectives.

Remuneration outcomes for FY 2022/23

Annual bonus for FY 2022/23

The annual bonus for FY 2022/23 was based 75% on adjusted operating profit and 25% on performance against strategic objectives linked to progress against (i) our strategy and our brand and (ii) environmental and social targets.

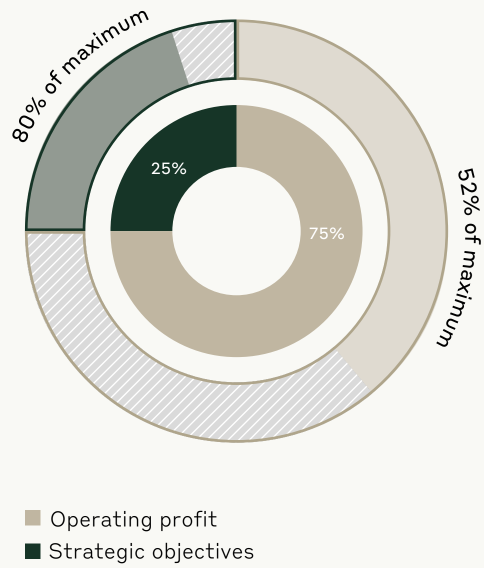
Reflecting the wider business context, the Group performed well and delivered adjusted operating profit of £634 million (+8% at CER). The payout for the profit element was 52% of maximum (i.e. 39% out of 75%). As previously set out, Burberry's strategic focus for the next phase is on realising our potential as the modern British luxury brand to drive revenue growth and acceleration. During the year, we made good progress on executing our plan, while delivering a strong financial performance. We have started to bring more clarity to the brand, refocusing on Britishness and broadening our appeal. In addition, we have made further progress against our environmental and social objectives. We continued to advance our decarbonisation agenda, including year-on-year reductions in our scope 1, 2 and 3 greenhouse gas (GHG) emissions against our FY 2018/19 base year. We also continued to deliver against our Diversity, Equity and Inclusion and leadership goals. Based on the Committee's assessment of performance and the CEO's contribution to this, the total payout against the strategic objectives was 20% out of 25%. Further detail is provided on pages 227 to 229.

The final bonus for the CEO in respect of FY 2022/23 was 59% of maximum. The Committee considers this outcome to be appropriate in the context of the performance of the business, the CEO's excellent personal contribution for the year and the shareholder experience which saw the share price increase significantly during the year, and has not applied discretion in respect of the outcome.

Following her resignation as Chief Operating and Financial Officer (CO&FO), Julie Brown was not eligible for an annual bonus in respect of FY 2022/23.

Annual bonus for FY 2022/23

The chart below shows outturns in respect of the annual bonus for FY 2022/23.



Total outturn

59%

of maximum

FY 2021/22: 94% of maximum

2020 BSP award

The first awards under our BSP were made in 2020. Following the departure from Burberry of our former CEO and CO&FO, their 2020 BSP awards lapsed and, as a result, no BSP awards are vesting for Executive Directors based on performance to 1 April 2023. The first awards granted under the BSP in 2020 to other participants will vest in July 2023, aligning our management population with shareholder interests.

Chief Financial Officer (CFO) transition

In March 2023 we announced the appointment of Kate Ferry as an Executive Director and our new CFO. Kate is due to join Burberry on 17 July 2023 and her remuneration arrangements have been set in accordance with the Directors' Remuneration Policy. Kate's salary was set at £675,000 (9.7% lower than Julie Brown's salary). She will be entitled to our standard benefits and will receive an annual cash benefits allowance of £20,000 (£10,000 less than Julie Brown's annual cash benefits allowance). Her pension entitlement has been set at 10% of salary, which is aligned with the arrangements for the majority of the UK workforce. Kate will be eligible for a maximum annual bonus of 200% of salary and will be required to invest 50% of any net bonus payment into Burberry Group plc shares until she has satisfied the shareholding guideline of 300% of salary. Kate will be eligible for an annual BSP award of 150% of salary (compared with Julie Brown's 2022 BSP award of 162.5% of salary).

Kate will also be granted certain cash awards to compensate her for incentives from her previous employer which will be forfeited on joining Burberry. These awards will be granted in accordance with the Directors' Remuneration Policy and will take into account all relevant factors, including the form, value and vesting timeframe of the forfeited awards. The buy-out awards will vest in FY 2023/24 and FY 2024/25, in line with when awards would have vested at Kate's previous employer. In lieu of a direct buy-out of Kate's forfeited 2023 bonus and a long-term incentive award, Kate will be able to participate in the Burberry annual bonus for FY 2023/24 with no time pro-rating and will receive a full-year BSP award. The maximum value of not time pro-rating these awards is less than the maximum value of the awards forfeited. The bonus and BSP award will be subject to the normal performance conditions/underpins and vesting timelines. Further details are set out on page 235.

Julie Brown ceased to be an Executive Director and CO&FO of Burberry on 1 April 2023. She received salary, benefits, allowances and pension until this date, as well as a payment in lieu of untaken accrued annual leave. She was not entitled to an annual bonus for FY 2022/23 and all outstanding share awards lapsed on her departure from Burberry, with the exception of 45 shares awarded in 2018 and 2019 under the all-employee Burberry Group plc Share Incentive Plan (SIP). Julie will also receive reasonable assistance to prepare and file her tax return in respect of the 2022/23 tax year. She will not receive any other payment(s), including for loss of office. In accordance with the post-employment shareholding guidelines, Julie will be required to hold 10,319 Burberry shares until 1 April 2025. In addition she will be required to retain the net number of 45 Burberry shares from her 2018 and 2019 SIP awards until 1 April 2025. Further details regarding Julie's leaving arrangements are set out on page 234.

Directors' Remuneration Policy review

Our existing Directors' Remuneration Policy was approved by shareholders at the 2020 Annual General Meeting (AGM) and will therefore require reapproval at the 2023 AGM. In advance of this, the Committee has reviewed the Directors' Remuneration Policy to ensure that it continues to appropriately support the delivery of our strategic priorities.

Strategic context

In November 2022, Jonathan Akeroyd set out the ambition and strategy for Burberry's next phase, to realise our potential as the modern British luxury brand, building on our strong foundations, reinterpreting our heritage and unique attributes with a modern vision and aesthetic and leveraging them to drive revenue growth and acceleration.

When we last renewed our Directors' Remuneration Policy in 2020 the most material change was the introduction of the BSP. The Committee had identified that a restricted share plan model was a better fit with the characteristics of the luxury industry compared to a traditional performance share plan. As discussed with our key shareholders at the time, the Committee introduced the BSP because Burberry had, at that time, only recently embarked on a multi-year journey to become a true luxury brand. We considered that the BSP would better support a consistent approach to pricing and distribution, alongside the flexible investment decision-making that is required to build a luxury brand, especially in a rapidly changing external environment. It avoids relying on levers to enhance short-term financial performance and ultimately supports the delivery of the business strategy to build the brand over the longer term and deliver value for shareholders.

Following our review of the Directors' Remuneration Policy, the Committee continues to believe that the BSP is the right plan for Burberry and that it will appropriately support the delivery of the next phase of our strategy. However, we recognise that in the UK-listed market Burberry was an early adopter of a restricted share plan structure at Executive Director level and therefore we are taking the opportunity to refine its operation going forward taking into account developments in market practice.

Proposed simplification of the BSP vesting period

Since its introduction in 2020, BSP awards for Executive Directors vest in equal tranches after three, four and five years following the date of award, with a holding period to year five. This is a longer vesting period compared to typical performance share plans and most restricted share plans operated in the market and therefore goes above and beyond typical market practice. The current approach also adds complexity for participants and shareholders. Taking both of these factors into account we are proposing to simplify the approach to vesting for future BSP awards such that awards vest after three years with a two-year post-vesting holding period. The overall time horizon for the awards is therefore unchanged at five years but the vesting structure is much simpler.

Shareholder consultation

We remain committed to engaging with our shareholders to ensure an open and transparent dialogue around executive remuneration arrangements at Burberry. During the year, I wrote to Burberry's major shareholders and the key proxy bodies to discuss the simplification of the BSP vesting period and the vast majority of shareholders were supportive of this change. I would like to thank the shareholders who took the time to engage with us. The Committee greatly values the views of our shareholders and their continued support.

Approach to remuneration for FY 2023/24

Salary and Board fees

Having carefully considered the broader context and the approach for the wider workforce, the Committee determined that Jonathan Akeroyd would receive a salary increase of 3.5% with effect from 1 July 2023. This is below the rate for the broader UK employee population as set out on page 226. The Chair's fee and the base fee for the Non-Executive Directors will also be increased by 3.5% for FY 2023/24.

Annual bonus

The annual bonus will operate on broadly the same basis as FY 2022/23. 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 for the CEO and the CFO linked to our strategy and brand as well as our environmental and social targets. Further details are provided on page 230.

BSP awards

For FY 2023/24, the CEO will receive a BSP award of 162.5% of salary and the CFO will receive a BSP award of 150% of salary.

BSP awards for FY 2023/24 will be granted with the simplified vesting schedule set out on pages 233 to 234, subject to shareholder approval of the Directors' Remuneration Policy. Awards will continue to be subject to the same performance underpins: (i) revenue, (ii) ROIC and (iii) brand and sustainability. The Committee considers that these underpins 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 reviewed our internal budget and relevant forecasts, the Committee has increased the revenue underpin relative to the 2022 BSP awards. Further details are provided on pages 233 to 234.

2023 AGM

I look forward to receiving your support for the Directors' Remuneration Report and the 2023 Directors' Remuneration Policy at the AGM on 12 July 2023.

Danuta Gray
Chair, Remuneration Committee

Areas of focus for FY 2022/23

- Executive reward, including Directors' Remuneration Policy review
- Shareholder engagement and external environment
- Broader employee reward
- External reporting

Details of agenda items discussed at each Committee meeting are set out on page 244.

Broader employee reward at Burberry

At Burberry, our reward philosophy is to provide our colleagues across the Group with competitive total reward. Our remuneration framework is designed to support our purpose and values, and to inspire our colleagues to deliver outstanding results. Our framework is cascaded across the Group and consists of the following key components:

Reward component and purpose

Base salary

Fair and equitable market-driven salary for all roles

How we reward and support our colleagues

We have:

- Brought forward the implementation of the UK real Living Wage pay rates by more than six months in October 2022. This impacted approximately 900 colleagues, with salary increases of up to 10.1% nationally and up to 8.1% in London
- Differentiated higher increases to our lower-paid colleagues in high-inflation markets (approximately 2,900 colleagues). For example, in the UK, eligible colleagues with a salary below £35,000 will receive a fixed £2,000 increase, which equates to an increase of up to 9% of salary (effective July 2023)
- Aligned increases for all other eligible colleagues to individual performance. For example, in the UK, the salary budget is 5% with individual increases ranging from 0% to 8% depending upon performance

Executive Director alignment

Jonathan Akeroyd's base salary increase effective 1 July 2023 is 3.5%, which is below the level of wider workforce increases.

Reward component and purpose

Benefits

All colleagues are eligible to participate in a range of market-driven benefits, including those promoting wellbeing and supporting saving for retirement

How we reward and support our colleagues

Our global benefits offer includes:

- Parental Leave Policy providing all new parents with 18 weeks' paid leave provided they have more than 12 months' continuous service
- Wellbeing days (in addition to annual leave entitlement) providing paid time off during the year
- Volunteering Policy providing colleagues with three paid volunteering days per year
- Employee discount and product sales allowing colleagues to deepen their relationship with our brand
- Long service awards at each five-year milestone
- Pension schemes available in line with local market practice
- Access to Employee Assistance Programme

Executive Director alignment

Executive Directors receive a pension allowance in line with the rate available to the majority of the UK workforce. They are eligible for a range of market-typical non-cash benefits.

Reward component and purpose

Bonus

All colleagues are eligible for short-term performance-related pay to recognise and reward their contribution

How we reward and support our colleagues

During FY 2022/23:

- We doubled the bonus opportunity for our most junior colleagues who participate in the annual corporate bonus plan
- Additionally all colleagues up to middle management who participate in the annual corporate bonus plan (approximately 2,800 colleagues) received an increase in bonus opportunity
- For retail colleagues, we enhanced our retail bonus and commission plans to effectively reward both team and individual performance through the delivery of store sales targets and retail KPIs

Executive Director alignment

The same Group adjusted operating profit target applies to all participants in the corporate annual bonus plan and is measured alongside individual performance.

Reward component and purpose

Share plans

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

How we reward and support our colleagues

We offer the following share plans at Burberry:

- **FreeShare Plan:** gives all colleagues the opportunity to participate in our future success through an annual award of free shares with a value of approximately £500
- **ShareSave:** provides the opportunity for colleagues to save monthly from their pay and buy shares at a 20% discount
- **Burberry Share Plan (BSP):** rewards approximately 600 of our senior colleagues for delivering on our strategy which we believe will drive greater longer-term returns for our stakeholders. Awards are granted annually and vest after three years. In July 2023 our first vesting under the BSP will take place

Executive Director alignment

Executive Directors are eligible to participate in our share plans.

At a glance

Summary of changes to the Directors' Remuneration Policy, remuneration approach for FY 2022/23 and approach to implementation for FY 2023/24

Element	Approach for FY 2022/23	Approach for FY 2023/24	Changes to Directors' Remuneration Policy
Salary	Salaries from 1 July 2022: • Jonathan Akeroyd (CEO) – £1,100,000 • Julie Brown (CO&FO) – £747,300	Following a review, the Committee awarded the CEO a salary increase of 3.5% which is below the rate for the wider UK workforce. Salaries from 1 July 2023: • Jonathan Akeroyd (CEO) – £1,138,500 • Kate Ferry (CFO) – £675,000 (with effect from the commencement of her employment)	No change
Pension	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 – in line with the maximum employer pension contribution available to the majority of the UK workforce (currently 10% of salary)	Pensions for FY 2023/24: • Jonathan Akeroyd (CEO) – 10% of salary • Kate Ferry (CFO) – 10% of salary • Any new appointment – no change for FY 2023/24, i.e. in line with the maximum employer pension contribution available to the majority of the UK workforce (currently 10% of salary)	No change
Benefits	The cash benefits allowance rates for FY 2022/23 were: • Jonathan Akeroyd (CEO) – £50,000 • Julie Brown (CO&FO) – £30,000 Non-cash benefits principally include private medical, long-term disability insurance and life assurance.	No change for Jonathan Akeroyd in FY 2023/24. Kate Ferry will receive an annual cash benefits allowance of £20,000.	No change
Annual bonus	Maximum annual bonus of 200% of salary. Performance measures: • 75% adjusted operating profit • 25% strategic objectives for the CEO and the CFO Executives are required to invest 50% of any net bonus into shares until the shareholding guidelines are met. Malus and clawback provisions apply.	No change for FY 2023/24.	No change

Element	Approach for FY 2022/23	Approach for FY 2023/24	Changes to Directors' Remuneration Policy
BSP	Maximum annual award levels: • Jonathan Akeroyd (CEO) – 162.5% of salary • Julie Brown (CO&FO) – 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 grant of award. Malus and clawback provisions apply.	Maximum annual award levels: • Jonathan Akeroyd (CEO) – 162.5% of salary • Kate Ferry (CFO) – 150% of salary Awards vest in full after three years. Awards subject to a holding period to fifth anniversary of grant of award. Malus and clawback provisions apply.	Approach to vesting schedule simplified but overall time horizon remains the same (i.e. awards will be subject to a holding period to fifth anniversary of grant of award).
	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 in the year of vesting • Brand and sustainability – reasonable progress having been achieved in respect of our strategy to realise Burberry's potential as the modern British luxury brand and build a more sustainable future	The performance underpins for the 2023 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 £3,200 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.10%) in the year of vesting • Brand and sustainability – reasonable progress having been achieved in respect of our strategy to realise Burberry's potential as the modern British luxury brand and build a more sustainable future	No change
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 2023/24.	No change

Details of the principles the Committee took into account when developing the 2023 Directors' Remuneration Policy, including Provision 40 of the UK Corporate Governance Code, are set out on page 212.

The Committee considers that the Directors' Remuneration Policy operated as intended during FY 2022/23.

2023 Directors' Remuneration Policy

Burberry's Directors' Remuneration Policy as set out in this report (the 2023 Directors' Remuneration Policy) will be put to shareholders for approval at the 2023 AGM to be held on 12 July 2023. It is the Committee's intention that the 2023 Directors' Remuneration Policy will apply to payments made and share awards granted from the date of the 2023 AGM.

The Committee believes that Burberry's executive remuneration should be simple and transparent while being linked to business performance and strategic direction, taking into account the global markets in which the Company operates and from which it recruits talent as well as our approach to remuneration throughout the Group. The 2023 Directors' Remuneration Policy has been developed taking into account the following principles:

- Simple and clear: the remuneration framework should be simple and transparent to ensure that it is clear to shareholders, participants and other stakeholders. Our policy is that Executive Directors only participate in an annual bonus and a single restricted share plan, the BSP, to ensure this simplicity. Incentive awards are capped so that the maximum potential award under each plan is transparent
- Aligned to culture, purpose and the wider workforce: the remuneration framework has been designed to support our culture and business purpose. When developing the 2023 Directors' Remuneration Policy the Committee reviewed in detail our approach to remuneration throughout the organisation to ensure that arrangements are appropriate in the context of our approach to reward for the wider workforce
- Linked to the performance and strategy of the business: the remuneration framework should provide a balance between incentivising key short-term objectives through the annual bonus and long-term business objectives and shareholder value creation through the BSP. More detail on the Company's KPIs linked to executive remuneration and their strategic alignment is set out on pages 30 to 37
- Shareholder value and alignment: remuneration should provide close alignment with long-term value creation for shareholders through the selection of appropriate performance measures and targets for the annual bonus and performance underpins for the BSP. Remuneration should also be aligned to the future success of the Company, and should emphasise variable reward outcomes and deliver a significant proportion of remuneration in shares, some of which are expected to be retained in accordance with the shareholding guidelines. Our post-employment shareholding guideline supports this continued alignment after an Executive Director steps down. Annual bonus plan targets are normally set taking into account our strategic plan as well as external expectations of performance. Annual bonus targets are set to ensure that maximum remuneration can only be earned for delivering exceptional performance while not encouraging excessive risk-taking. The performance underpins for the BSP are in place to ensure that failure is not rewarded
- Mitigating risk: our remuneration framework should mitigate risk where appropriate. The 2023 Directors' Remuneration Policy includes provisions which enable the Committee to exercise discretion to ensure that incentive awards and outcomes are appropriate; it also includes provisions which allow for the application of clawback and/or malus in specific negative circumstances
- Competitive in the global talent market: total remuneration should be sufficient to attract, motivate and retain exceptional talent. The Committee takes into account Burberry's main global luxury competitors for talent and comparable UK companies when considering the total remuneration for Executive Directors. The Committee recognises that, for each Executive Director, the relative importance of these reference groups may be different depending on the skills and experience required to undertake their specific role

Policy table – Executive Directors

Base salary

To recognise the responsibilities, experience and ability of our Executive Directors in a competitive global environment, keeping our people focused on and passionate about the brand.

Operation	Maximum opportunity	Performance measures
The Committee sets base salary taking into account: • The individual's skills, experience, performance and overall contribution to the business • Salary levels at other companies of a similar size and complexity in both the UK and the broader luxury sector • Pay and conditions elsewhere in the Group • The impact of any base salary increase on the total remuneration package Any salary increases are normally effective from 1 July.	While there is no maximum salary, increases will normally be in line with or below the typical increases awarded to other employees in the Group. However, increases may be above this level in certain circumstances, such as: • Where an Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role, larger increases may be awarded to move salary positioning closer to typical market level as the Executive Director gains experience and performance warrants this • Where an Executive Director has been promoted or has had a change in responsibilities • Where there has been a significant change in market practice • Where there has been a significant change in the size and/or complexity of the business	N/A

Pension

To offer market-competitive benefits.

Operation	Maximum opportunity	Performance measures
Executive Directors participate in defined contribution arrangements. Participants may elect to receive some or all of their entitlement as a cash allowance.	The maximum Company contribution or allowance for the Executive Directors is aligned with the maximum Company pension contribution available to the majority of the UK workforce (currently 10% of salary).	N/A

Annual bonus

To reward Executive Directors for achieving annual targets linked to the strategic plan agreed by the Board.

Operation	Maximum opportunity	Performance measures
Annual bonuses are normally paid in cash. Executive Directors are required to invest 50% of any net bonus earned into Burberry shares until shareholding guidelines are met. Bonuses are not pensionable. Discretion: the Committee may determine that it is appropriate to adjust the bonus outcome if, for example, outcomes are not considered to be reflective of underlying financial or non-financial performance of the business or the performance of the individual, where targets are no longer considered appropriate or where the outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders. Any adjustment would be within the limits of the 2023 Directors' Remuneration Policy. Clawback provision: during the period of three years from the date of payment, the Company may seek to recover any bonus from individual Executive Directors in whole or in part in the event of a material misstatement in the Company's audited financial statements, if the bonus outcome has been incorrectly calculated or where the participant has engaged in serious misconduct (including breach of a Company policy) which results in serious reputational damage for the Company and/or which justifies, or could justify, summary dismissal of the participant.	Maximum annual bonus opportunity of 200% of base salary. Normally, 50% of the bonus shall pay out for target levels of performance with up to 25% of the bonus paying out for threshold levels of performance. The Committee has the discretion to adjust the portion of the award that pays out for threshold and/or target performance if appropriate.	The Committee shall determine performance measures for the bonus each year. These may include financial measures (for example profitability) and other metrics linked to the delivery of the business strategy or business operations, environmental and social strategy or individual performance. In normal circumstances no less than 70% of the annual bonus will be based on financial measures. The Committee has the discretion in exceptional circumstances to adjust existing performance targets and/or set different measures if events occur outside management's control or where the target no longer satisfies its original purpose of ensuring that pay is aligned with performance. Targets are normally set with reference to budget, the strategic plan, long-term financial goals and market expectations. Targets are considered to be commercially sensitive and will be disclosed retrospectively following completion of the relevant financial year provided they are no longer commercially sensitive.

Burberry Share Plan (BSP)

To focus Executive Directors on, and reward them for, sustainable long-term shareholder value creation and successful execution of the Company's long-term strategy.

To align Executive Directors' interests with those of shareholders.

To simplify the approach to long-term reward.

Operation	Maximum opportunity	Performance measures
Awards are structured as either conditional rights to receive shares on vesting or nil-cost options. Awards will normally vest three years from the date of grant of the award subject to performance underpins. A post-vesting holding period applies to awards granted under the BSP, normally on a net-of-tax basis. Shares that vest will be subject to a sale restriction until the fifth anniversary of the date of grant of the award, aside from in very limited circumstances. If the Company does not meet one or more performance underpins at the date of vesting then the Committee would consider whether it was appropriate to scale back the number of shares that vest under the award. Dividend equivalents may be paid in shares or in cash in respect of shares that vest. Discretion: the Committee may determine that it is appropriate to adjust the vesting outcome if, for example, outcomes are 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 outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders. Any adjustment would be within the limits of the 2023 Directors' Remuneration Policy, although it would be exceptional. Malus and clawback provision: unvested shares or awards may be forfeited or vested shares may be clawed back during the period of six years from the date of grant in whole or in part in the event of a material misstatement in the Company's audited financial statements, if the vesting outcome has been incorrectly calculated or where the participant has engaged in serious misconduct (including breach of a Company policy) which results in serious reputational damage for the Company and/or which justifies, or could justify, summary dismissal of the participant.	Maximum awards are 162.5% of base salary.	Performance underpins may be based around key financial and/or strategic measures and/or share price metrics. Performance underpins for awards granted in 2023 will relate to key financial stability metrics and strategic and sustainability objectives. The Committee may use different performance underpins for future awards if deemed appropriate. Performance underpins will be set taking into account the business strategy and to ensure failure is not rewarded. Performance underpins will normally be disclosed ahead of each annual grant. Details of the performance achieved against the underpins will normally be disclosed.

Other benefits and allowances

To promote the wellbeing of employees, enabling them to focus on the business.

Operation	Maximum opportunity	Performance measures
Executive Directors receive a cash allowance to cover a range of benefits typically provided in the luxury market, such as clothing and car. Cash allowances are currently up to £50,000 per annum. Other benefits for Executive Directors may include, but are not limited to: • Private medical insurance • Life assurance • Long-term disability insurance • Employee discount • Participation in all-employee share plans on the same terms and up to the same maximum amounts as other employees Reasonably incurred expenses will be reimbursed. The Company may meet any tax liabilities which may arise on expenses. The Committee may introduce other benefits for the Executive Directors if this is considered appropriate taking into account the individual's circumstances, the nature of the role and practice for the wider workforce. Where an Executive Director is required to relocate to perform their role, appropriate one-off or ongoing benefits may be provided (such as housing, schooling etc).	The cost of the provision of allowances and benefits varies from year to year depending on the cost to the Company and there is no prescribed maximum limit. However, the Committee monitors annually the overall cost of the benefits provided, to ensure that it remains appropriate.	N/A

Shareholding guidelines

To align the interests of Executive Directors and shareholders and encourage long-term shareholding and commitment to the Company both in and post-employment.

Operation	Maximum opportunity	Performance measures
Executive Directors are expected to build and maintain a holding of Company shares equal to at least 300% of base salary. Executive Directors will normally be expected to maintain a minimum shareholding of 300% of salary (or actual shareholding if lower) for two years after stepping down as an Executive Director. This post-employment guideline will apply to shares from incentive awards vesting from the date of adoption of the Directors' Remuneration Policy in July 2020. The Committee retains discretion to waive this guideline if it is not considered appropriate in the specific circumstances.	N/A	N/A

Notes on share awards:

1. Adjustment of share awards: the number of shares subject to an award (and the option price, where relevant) can be adjusted on a rights issue, special dividend, demerger or variation of capital or similar transaction. Subject to the plan rules, share awards can be satisfied by a cash payment equal to the value of shares the participant would otherwise have received. For Executive Directors, this provision will only be used in exceptional circumstances, such as where, for regulatory reasons, it is not possible to settle awards in shares.
2. In respect of our share plans, this table presents a summary of the key and relevant information for the plan rules. These plans will operate in accordance with the relevant plan rules as approved by shareholders (where applicable).

Summary of decision-making process and changes to Directors' Remuneration Policy

During the year, the Committee undertook a review of the Directors' Remuneration Policy and its implementation to ensure that the Directors' Remuneration Policy supports the execution of strategy and the delivery of sustainable long-term shareholder value. The Committee discussed the content of the Directors' Remuneration Policy at Committee meetings during the year. Throughout the review process, the Committee took into account the 2018 UK Corporate Governance Code, wider workforce remuneration and emerging best practice in relation to Executive Director remuneration. The Committee also considered input from management and our independent advisors as well as considering best practice and guidance from major shareholders. The Committee considers the potential for conflicts of interest and manages them as necessary. No Director was present when their own remuneration was discussed.

The main change to the Directors' Remuneration Policy is to simplify the vesting period for BSP awards. Under the existing Directors' Remuneration Policy, BSP awards vest in equal tranches after three, four and five years following the date of award, with a holding period to year five. Under the 2023 Directors' Remuneration Policy, to simplify the approach and to better align with market practice, BSP awards vest after three years with a two-year post-vesting holding period.

Other changes have been made to the wording of the Directors' Remuneration Policy to increase flexibility, to aid operation, to increase transparency and to reflect typical market practice.

Selection of performance measures

- The annual bonus is normally based on a combination of financial, strategic and environmental and social metrics to support the delivery of key business priorities
- BSP awards are subject to performance underpins. For 2023, awards will be linked to financial measures, brand and sustainability. These underpins have been selected as they are considered to be good yardsticks of the overall financial stability and sustainability of the organisation and are therefore aligned with shareholder value creation and the long-term interests of the Company

Policy table – Non-Executive Directors

Purpose	Operation	Maximum annual opportunity
Chair – fees To attract and retain a high-calibre Chair by offering a market-competitive fee.	The Chair is paid a single fee for all responsibilities. The fee level is reviewed at appropriate intervals by the Committee, taking into account time commitment, the experience and calibre of the individual and personal contribution and fee levels at other companies of a similar size and complexity. The fee is paid in cash.	There is no maximum fee level or maximum fee increase.
Non-Executive Directors – fees To attract and retain high-calibre Non-Executive Directors by offering market-competitive fees.	The Non-Executive Directors are paid a basic fee. The Chairs of the Audit and Remuneration Committees and the Senior Independent Director are paid an additional fee to reflect their extra responsibilities and the required time commitment. Fee levels are reviewed at appropriate intervals by the Board, taking into account time commitment and fee levels at other companies of a similar size and complexity. The Company may pay an additional fee to a Non-Executive Director should the Company require additional time commitment or responsibilities. Fees are paid in cash.	There is no maximum fee level or maximum fee increase.
Chair and Non-Executive Directors – other benefits To enable the Chair and Non-Executive Directors to undertake their roles.	The Non-Executive Directors (other than the Chair) may receive a Board attendance allowance per meeting for attendance at Board meetings outside their country or territory of residence. Attendance allowances are paid in cash. As brand ambassadors, the Chair and Non-Executive Directors receive discounts on Burberry products. Reasonably incurred expenses will be reimbursed. The Company may meet any tax liabilities that may arise on expenses. Additional benefits may be introduced if considered appropriate. The Chair is eligible to receive healthcare cover and to have access to a car and driver.	Benefit levels are reviewed on an annual basis and the value can vary year on year. Any additional benefits will be set at a level appropriate to the role and the individual. The Company may meet any tax liabilities that may arise on expenses or benefits.

Approved payments

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the 2023 Directors' Remuneration Policy set out in the document where the terms of the payment were agreed (i) before the 2023 Directors' Remuneration Policy came into effect, provided that the terms of the payment were consistent with any applicable shareholder-approved Directors' Remuneration Policy in force at the time they were agreed or were otherwise approved by shareholders; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Directors' Remuneration Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

Policy on recruitment and promotion arrangements

When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:

- The package should be market-competitive to facilitate the recruitment of individuals of sufficient calibre to lead the business. At the same time, the Committee would intend to pay no more than it believes is necessary to secure the required talent
- New Executive Directors will normally receive a base salary, benefits and pension contributions in line with the Directors' Remuneration Policy described on pages 213 to 218 and would also be eligible to join the bonus and share incentive plans up to the limits set out in the Directors' Remuneration Policy
- In addition, the Committee has discretion to include any other remuneration component or award, including a performance-based award, which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the limit on variable remuneration set out below. The key terms and rationale for any such component would be disclosed as appropriate in the Directors' Remuneration Report for the relevant year
- Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities. When determining any such buy-out award, the guiding principle would be that awards would generally be on a like-for-like basis unless this is considered by the Committee not to be practical or appropriate
- Excluding any buy-out awards (referred to above), the maximum level of variable remuneration which may be awarded in respect of recruitment is 362.5% of salary (which is in line with the maximum limit under the annual bonus and BSP in this Directors' Remuneration Policy)

- Where an Executive Director is required to relocate to take up their role, the Committee may provide assistance with relocation (via either one-off or ongoing payments or benefits)
- In the event that an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards

To facilitate any buy-out awards outlined above, in the event of recruitment the Committee may grant awards to a new Executive Director relying on the exemption in the Listing Rules, which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director, without seeking prior shareholder approval or under any other appropriate Company incentive plan.

Supplementary information

Remuneration policy in the rest of the Company

The remuneration arrangements for Executive Directors outlined earlier in this report are consistent with those for other senior executives, although quantum and award opportunities vary by executive level.

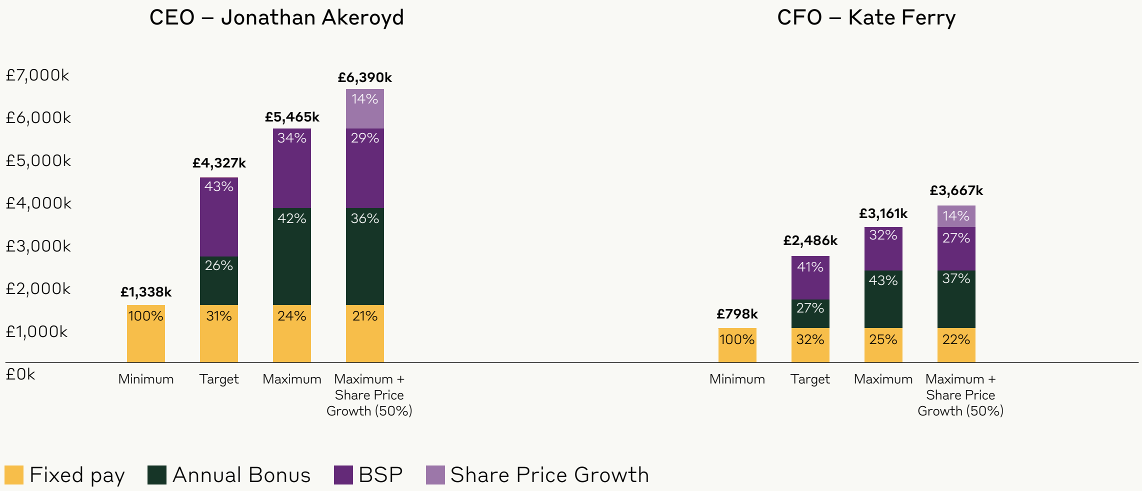
In making its decisions on executive remuneration, the Committee considers the reward framework for all employees globally, ensuring that the principles applied are consistent with the Directors' Remuneration Policy. Merit increases awarded to Executive Directors are determined within the broader context of employee remuneration. All our employees are eligible for a variable incentive based on performance and the principle of shareholder alignment is reflected throughout the organisation through our all-employee share plans, which are (where legally possible) extended to all eligible Burberry employees globally.

Burberry is a partner of the Living Wage Foundation and accredited as a UK Living Wage employer.

Indicative total remuneration levels

A substantial portion of Executive Director remuneration is dependent on Company performance. The charts below illustrate indicative levels of total remuneration which would be received by each Executive Director under the 2023 Directors' Remuneration Policy set out on pages 213 to 218 for the first financial year in which it will apply (from FY 2023/24). These are shown at each of the following performance scenarios: (1) minimum, (2) target, (3) maximum and (4) maximum + 50% share price growth.

Executive Director total remuneration at different levels of performance



Notes:

1. In order to provide a meaningful comparison, the figures in the chart above have been calculated on a full-year equivalent basis for Kate Ferry.
2. "Minimum" remuneration includes fixed pay only (salary from 1 July 2023 of £1,138,500 for Jonathan Akeroyd and from the commencement of her employment of £675,000 for Kate Ferry), pension of 10% of salary, cash allowances (£50,000 for Jonathan Akeroyd and £20,000 for Kate Ferry) plus an estimate of the value of other non-cash benefits (£36,000).
3. "Target" remuneration includes fixed pay plus target annual bonus (50% of maximum) and 100% vesting of the BSP award.
4. "Maximum" remuneration includes fixed pay plus maximum annual bonus (100% of maximum) and 100% vesting of the BSP award.
5. "Maximum + 50% share price growth" is as outlined for the maximum scenario above with a 50% increase in share price applied to the BSP award.
6. The maximum annual bonus for FY 2023/24 is 200% of salary for both Executive Directors and the maximum BSP awards are 162.5% of salary for Jonathan Akeroyd and 150% of salary for Kate Ferry.
7. No share price growth or dividend payments have been applied to share awards included in these indicative total remuneration figures other than where noted.

Policy on service agreements and termination provisions

Executive Directors

The Company's general policy on Executive Directors' service agreements is that they operate on a rolling basis with no specific end date and include a 12-month or less notice period both to and from the Company. The table below sets out information on service agreements for the current Executive Directors.

	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

Standard terms on termination

Salary, pension, benefits and allowances: Executive Directors continue to receive salary, pension/pension allowance, benefits and cash allowances during their notice period (which will not normally exceed 12 months). Alternatively, the Company may terminate the employment early and pay in lieu of notice, either in a lump sum or in monthly instalments. Payments in lieu of notice will be no more than the salary, cash allowance and pension allowance payable for the period of notice not worked. Any such monthly payments will be reduced to the extent the former Executive Director receives income from alternative remunerative employment as the Executive Director will be required to mitigate their loss.

Annual bonus paid in cash: an executive considered to be a "good leaver" may remain eligible for an annual bonus payable at the normal time for the financial year in which they cease employment subject to achievement of bonus targets. Any bonus would normally be pro-rated taking into account the period of time the Executive Director was in active employment during the financial year. An Executive Director who has left employment for other reasons during the performance period or before the payment is due will normally not be eligible to receive an annual bonus. The Committee retains discretion to vary the approach and the payment of annual bonus to leavers, as outlined below.

BSP awards: for an Executive Director considered to be a "good leaver" before vesting, outstanding awards will normally be pro-rated for time over the vesting period and vest on the original vesting dates subject to the performance underpins. Good leavers' awards will normally be required to remain subject to post-vesting holding periods and leaving employment will not normally impact shares already subject to a holding period. For an Executive Director who leaves for any other reason, any unvested BSP awards will normally lapse in full. The Committee retains discretion to vary the approach and the extent to which awards vest for leavers, as outlined below.

Good leavers include leaving the Company on retirement, redundancy, ill health, as a result of death in service or in other circumstances determined by the Committee.

Other: reasonable disbursements (for example, legal or professional fees, relocation/repatriation costs) may be paid. Any other employee share plan entitlements (such as under all-employee share incentives) will be dealt with in accordance with the rules of the relevant plan and the Committee may exercise the discretions provided under those plans.

Discretion: the Committee retains discretion to approve payments to individuals based on individual circumstances and performance while in office or employment. In applying any such discretion, the Committee will make any decisions by considering the specific circumstances and performance of the individual and the best interests of shareholders and those of the remaining employees, including Executive Directors. Where awards are subject to performance conditions/underpins, these would normally be tested at the end of the relevant period(s), unless the Committee determined otherwise, and any award which is allowed to vest would normally be pro-rated for time in office or employment, unless the Committee determined otherwise.

Corporate events

Upon a change in control of the Company before the vesting date, outstanding BSP awards will, unless the Committee determines otherwise, be pro-rated for time over the vesting period of the award and vest, at the point of change in control, subject to the performance underpins. Alternatively, BSP awards can be exchanged for equivalent awards over shares in the acquiring company. The Committee can also allow full or partial vesting on a demerger, special dividend, distribution in specie or if the participant is relocated in circumstances which would give rise to unfavourable tax treatment. Malus, clawback and holding period requirements will cease to apply following a change of control.

Any other employee share plan entitlements (such as under all-employee share incentives) will be dealt with in accordance with the rules of the relevant plan and the Committee may exercise the discretions provided under those plans.

Non-Executive Directors

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. There are no provisions for compensation for loss of office in the Letters of Appointment.

Development of 2023 Directors' Remuneration Policy

In developing and reviewing the 2023 Directors' Remuneration Policy, the Committee is mindful of the views of shareholders and is sensitive to the relativities of arrangements for Executive Directors to those for employees more generally.

The Committee proactively seeks feedback from shareholders when considering any significant changes to remuneration for Executive Directors. The Committee also listens to and takes into consideration investor views more generally throughout the year. In developing the 2023 Directors' Remuneration Policy, the Committee undertook a consultation with shareholders to understand their feedback in relation to the changes proposed.

Employees are able to communicate their views internally on any topic including the Directors' Remuneration Policy by using the Burberry internal communications platform (Yammer) or by raising questions at global and functional town halls. They are also able to refer to the Burberry Resolution Hub which provides guidance on the channels for providing feedback or sharing concerns at Burberry, including our Steps to Resolution Framework and global confidential helpline. Burberry regularly undertakes an Employee Engagement Survey. Views of our employees generally and on their remuneration will be taken into account when building future plans. The two-way dialogue we have developed with our Global Workforce Advisory Forum gives the Committee important insight into employees' views on the overall remuneration framework and how this aligns to the Directors' Remuneration Policy. However, given the scale, geographic spread and diversity of roles of Burberry's employees, the Committee does not proactively consult with employees specifically on the Directors' Remuneration Policy. In addition, many Burberry employees are shareholders, through participation in the ShareSave and FreeShare plans, and they, like other shareholders, are able to express their views on Directors' remuneration at each general meeting.

Annual Report on Remuneration

FY 2022/23 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 2022/23 (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	Executive Share Plan (ESP)[2] £'000	All-employee share plans[3] £'000	Prior company buy-out awards[4] £'000	**Total £'000**	Total fixed remuneration £'000	Total variable remuneration £'000
Jonathan Akeroyd										
Year to 1 April 2023	1,096	86	110	1,298	–	–	1,699	**4,289**	1,292	2,997
Year to 2 April 2022[1]	55	25	6	–	–	–	4,377	**4,463**	86	4,377
Julie Brown										
Year to 1 April 2023	739	123	129	–	–	1	–	**992**	992	–
Year to 2 April 2022	726	88	145	1,364	397	1	–	**2,721**	960	1,761

1. Remuneration in the table above in relation to Jonathan Akeroyd for the year to 2 April 2022 relates to his period of employment as CEO from 15 March 2022.
2. 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 updated to reflect the share price on the date of vesting (31 July 2022) of £17.960. The figure disclosed in last year's single figure table was £392k for Julie Brown. The amount now includes the value of dividends on these shares using a cumulative dividend per share of 101 pence. The share price used to calculate the number of shares at grant (31 July 2019) was £22.8917. The share price on vesting of £17.960 was lower than this price and therefore no portion of the amount disclosed relates to share price growth.
3. The value shown in the all-employee share plans column in respect of FY 2022/23 for Julie Brown represents the vesting of her 2019 award of free shares granted under the Share Incentive Plan (SIP).
4. 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 in the Directors' Remuneration Report FY 2021/22. The value in respect of FY 2021/22 has been updated to reflect the share price on the date of vesting of part of his buy-out awards (15 June 2022) of £16.41.

Salary (audited)

The table below details annual salaries as at 1 April 2023 and those that will apply from 1 July 2023. When setting Jonathan Akeroyd's salary with effect from 1 July 2023, 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 3.5% for Jonathan Akeroyd is below the rate for the broader UK employee population. The budgeted salary increase for our UK workforce for 2023, including increases to reflect the UK real Living Wage, was 6.7%.

Julie Brown's annual salary was £747,300 until her departure from Burberry on 1 April 2023.

Kate Ferry will join as CFO on 17 July 2023 and will receive an annual salary of £675,000.

	As at 1 April 2023	As at 1 July 2023	% change
Jonathan Akeroyd	£1,100,000	£1,138,500	3.5%

Pension (audited)

Jonathan Akeroyd's pension cash allowance is 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 20% 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.

Kate Ferry will be entitled to a pension cash allowance of 10% of base salary, which is aligned 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 2022/23 in accordance with the Directors' Remuneration Policy and as disclosed in the single figure table.

FY 2022/23 (£'000)	Cash allowance	Private medical insurance	Life assurance	Long-term disability insurance	Tax advice	Other[1]
Jonathan Akeroyd	50	14	15	2	5	–
Julie Brown	30	44	8	9	2	30

1. In accordance with our policy for the wider UK workforce, Julie Brown received a payment of £30,179 in respect of 10.5 days of untaken accrued annual leave.

There were no changes to benefits policies during the year.

Annual bonus for FY 2022/23 (audited)

Executive Directors were eligible for a maximum bonus of 200% of base salary. The annual bonus for FY 2022/23 was based 75% on Group adjusted operating profit performance (at FY 2021/22 CER) and 25% on strategic objectives including measures related to strategy and brand and environmental and social measures.

Adjusted operating profit performance

The table below sets out the targets and the performance achieved for FY 2022/23 in relation to the Group adjusted operating profit performance measure:

	Maximum bonus opportunity (% of salary)	FY 2022/23 Group adjusted operating profit targets (£m)			FY 2022/23 Group adjusted operating profit achieved (CER[1]) (£m)
		Threshold	Target	Maximum	
Jonathan Akeroyd	200%	£514m	£554m	£594m	£556m
Julie Brown	200%	£514m	£554m	£594m	£556m

1. This measure removes the effect of changes in exchange rates.

Adjusted operating profit for bonus purposes is calculated using the average exchange rates of FY 2021/22 and on a pro forma basis. Details of pro forma results for FY 2022/23 are set out on page 41.

Based on the adjusted operating profit delivered this element of the annual bonus will pay out at 39% (out of 75%).

Strategic performance

Taking into account the progress achieved during the year against key strategic, brand and environmental and social measures as well as the CEO's personal contribution to the delivery of this performance, the Committee determined that this element would pay out at 20% (out of 25%). Performance highlights delivered include:

- Strategy and brand – in November 2022, the CEO set out the ambition and strategy for Burberry's next phase, to realise our potential as the modern British luxury brand, building on our strong foundations, reinterpreting our heritage and unique attributes with a modern vision and aesthetic and leveraging them to drive revenue growth and acceleration. This was well received by both the market and colleagues. During the year, we made good progress on executing our plan, while delivering a strong financial performance, and have started to bring more clarity to the brand, refocusing on Britishness and broadening our appeal. During FY 2022/23, we developed and elevated our product offer, exciting our customers with new and desirable products supported by a strong programme of brand activations. In outerwear, comparable store sales grew 7% in the period. We put the iconic Burberry Trench Coat front and centre of our brand campaign which helped deliver a very strong acceleration in heritage rainwear sales in the last quarter. In leather goods, comparable store sales grew 12% in the year. Ready-to-wear excluding outerwear grew broadly in line with the Group average for the year with womenswear increasing a double-digit percentage and men's up a mid single-digit percentage.
- Sustainability – we continued to advance our decarbonisation agenda, including year-on-year reductions in our scope 1, 2 and 3 GHG emissions against our FY 2018/19 base year. Scope 1 and 2 emissions reduced by 93% from our FY 2016/17 baseline and scope 3 emissions reduced by 40%^ from our FY 2018/19 baseline. We also made good progress during the year on achieving our targets for sourcing sustainable materials, including 31%^ of our cotton being certified organic; 44% of our nylon and polyester being recycled; 100% of our viscose being Canopy 'Green Shirt' rated; 46% of our wool in soft accessories and knits being certified; and 96% of our leather coming from tanneries with environmental, traceability and social compliance certification. For further details see pages 50 to 67.
- People – during the year we made meaningful progress against our Diversity, Equity and Inclusion and leadership objectives. In FY 2022/23, shortlists across all recruitment campaigns consisted of 60% female, 38% male and 2% 'other' candidates. In FY 2022/23, hiring representation consisted in the UK of 39.5% ethnic minority candidates and in the US of 16% Black/ African-American candidates. The CEO has also made excellent progress on repositioning our talent capabilities to ensure we have the leadership team in place to successfully execute the strategy.

^ Burberry appointed PricewaterhouseCoopers LLP (PwC) to provide independent limited assurance over selected planet and product information for FY 2022/23. Information subject to assurance is denoted with a ^. PwC's assurance report and Burberry's Basis of Reporting for data subject to assurance are available on Burberryplc.com.

Annual bonus outcome for FY 2022/23

Based on the performance against targets, Jonathan Akeroyd will receive an annual bonus for FY 2022/23 of £1,298,000. This represents a bonus payment of 59% of his maximum bonus. The Committee considers that this level of bonus payout is appropriate given the progress delivered this year, the CEO's personal contribution to the business and his excellent start at Burberry, the actions that the Company has taken to support our colleagues and the shareholder experience which has seen the share price rise significantly during the course of the year.

Under the Directors' 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. Jonathan Akeroyd had already met his shareholding guideline and therefore this requirement does not apply to his bonus for FY 2022/23.

Julie Brown forfeited her entitlement to an annual bonus for FY 2022/23 on her departure from Burberry.

Annual bonus for FY 2023/24

For FY 2023/24 the Executive Directors will be eligible for a maximum bonus of 200% of salary.

The annual bonus for FY 2023/24 will be based 75% on Group adjusted operating profit performance (at FY 2022/23 CER) and 25% on strategic objectives. The adjusted operating profit targets are considered to be commercially sensitive and will be disclosed in the Directors' Remuneration Report FY 2023/24.

The strategic objectives for FY 2023/24 for the CEO and the CFO will continue to be based on a combination of strategic, operational and environmental and social measures, with strategic and operational KPIs related to strategy execution, growth in key product areas, store productivity and growth in digital sales. The environmental and social measures will be assessed based on progress embedding sustainability across the business, driving execution of climate positive ambitions through decarbonisation interventions and the delivery of key people goals based on talent retention and Diversity, Equity and Inclusion.

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's determination of bonus outcomes will be provided in the Directors' Remuneration Report FY 2023/24.

Under the Directors' 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 section sets out details of:

- 2020 BSP awards vesting based on performance to FY 2022/23
- 2022 BSP awards granted during FY 2022/23
- 2023 BSP awards to be granted during FY 2023/24

2020 BSP awards vesting subject to performance underpin to FY 2022/23 (audited)

Jonathan Akeroyd was not in role when the 2020 BSP awards were granted. Julie Brown's 2020 BSP award lapsed on 1 April 2023 when her employment with Burberry ended.

2022 BSP awards granted during FY 2022/23 (audited)

The Committee granted a 2022 BSP award of 162.5% of salary on 27 July 2022 to Jonathan Akeroyd and Julie Brown in line with the Directors' Remuneration Policy approved by the shareholders at the 2020 AGM.

The table below summarises the BSP share awards granted to the Executive Directors during FY 2022/23.

	Type of award	Basis of award	Shares awarded	Face value at grant (£'000)	Performance underpin period
Jonathan Akeroyd	BSP share award	162.5% of salary	104,131	£1,787	3, 4 and 5 financial years starting from FY 2022/23
Julie Brown	BSP share award	162.5% of salary	70,743	£1,214	3, 4 and 5 financial years starting from FY 2022/23

Julie Brown's 2022 BSP award lapsed on 1 April 2023 when her employment with Burberry ended.

Jonathan Akeroyd's 2022 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 below. 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 (£17.1658), which was the price used to determine the number of shares awarded.

BSP awards granted in 2022 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 £2,800 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 in the year of vesting (the Group's WACC was c.9% at the time of award)
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

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.

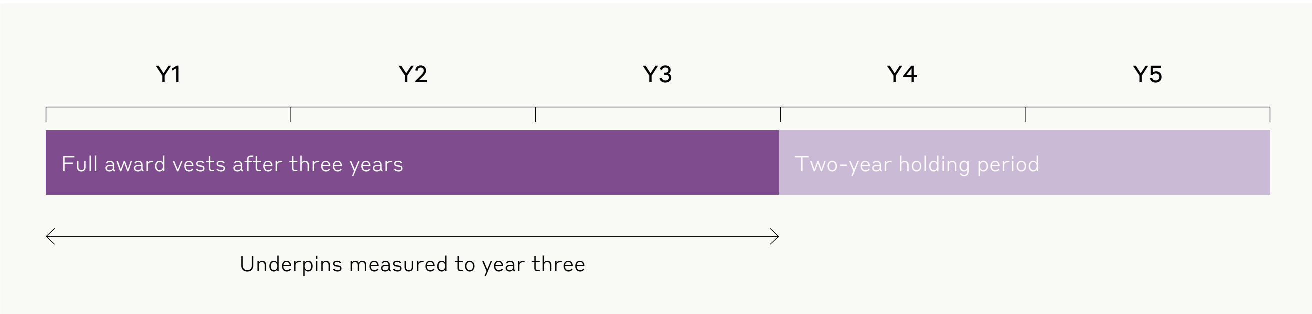
2023 BSP awards to be granted in FY 2023/24

The Committee intends to grant 2023 BSP awards of 162.5% of salary to the CEO and 150% of salary to the CFO. The current share price is higher than the share price used to determine BSP awards last year and therefore the Committee does not intend to reduce the 2023 BSP award levels. Provided that shareholders approve the 2023 Directors' Remuneration Policy, the awards will vest in full after three years following the date of grant, subject to the performance underpins. The awards will be subject to a two-year 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 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 relative to the 2022 BSP awards. The following performance underpins will apply for the 2023 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 £3,200 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.10%) 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 Climate Positive by 2040 (as set out on pages 50 to 67)

In addition to the underpins described on page 233, 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 above a de minimis limit of £3,000 during the year.

Leaving arrangements for Julie Brown

Julie Brown left Burberry on 1 April 2023. She was paid salary, allowances and pension and received contractual benefits up to that date. These are shown in the single figure table on page 226. She did not receive any bonus in respect of FY 2022/23 and all unvested or unexercised share awards lapsed on her departure from Burberry, with the exception of 45 shares (net of tax) in respect of her 2018 and 2019 awards under the all-employee SIP, which she retained in line with the plan rules.

Julie will be provided with reasonable assistance to prepare and file her tax return in respect of the 2022/2023 tax year.

In addition, in accordance with our policy for the wider UK workforce, Julie received a payment of £30,179 in respect of 10.5 days of untaken accrued annual leave.

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

As a former Executive Director, Julie 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 she will be expected to retain a shareholding of 10,319 Burberry shares until 1 April 2025. In addition she will be required to retain the net number of 45 Burberry shares from her 2018 and 2019 SIP awards until 1 April 2025. Details of Julie's shareholding guideline compliance as at 1 April 2023 are set out on page 236.

Joining arrangements for Kate Ferry

Kate Ferry will join the Board as an Executive Director and our CFO on 17 July 2023. Her remuneration package has been set in line with the Directors' Remuneration Policy and comprises an annual base salary of £675,000, a cash allowance of £20,000 per annum and a pension cash allowance of 10% of base salary. Kate is eligible to receive a maximum discretionary annual cash bonus of 200% of her base salary and will be required to invest 50% of any net bonus payment into Burberry Group plc shares until she has satisfied the shareholding guideline of 300% of salary. Kate is also eligible for a maximum BSP award of 150% of salary. In lieu of a direct buy-out of Kate's forfeited 2023 bonus and a long-term incentive award, Kate will be able to participate in the Burberry annual bonus for FY 2023/24 with no time pro-rating and will receive a full-year BSP award. The maximum value of not time pro-rating these awards is less than the maximum value of the awards forfeited. In addition, Kate will receive other benefits including private medical insurance, life assurance, long-term disability insurance, an employee discount, reasonable assistance with her tax returns and participation in our all-employee share plans.

Buy-out awards

As set out in the announcement on 15 March 2023, in order to secure Kate's appointment, the Committee agreed to buy out certain cash incentives that she will forfeit on leaving her previous employer. In line with the Directors' Remuneration Policy, the Committee took into account all relevant factors, including the form of awards and the expected value and vesting timeframes of the forfeited awards. The Committee is satisfied that the buy-out awards represent a like-for-like basis with the forfeited awards. The following buy-out awards will be granted to Kate on the commencement of her employment:

- A gross cash payment to compensate Kate for her forfeited 2022 bonus up to a maximum of £556,500. The forfeited award was due to be paid in April 2023 and therefore the buy-out award will be paid shortly after the commencement of Kate's employment. This award will be reported in the single figure table for FY 2023/24
- A gross cash payment of £1 million will be paid to Kate in May 2024 to compensate her for a forfeited award of £1 million that would have been payable in May 2024. This award will be reported in the single figure table for FY 2023/24

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/underpins to count towards the shareholding requirement at 50% of their face value. Other 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 1 April 2023, 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 1 April 2023 (our standard approach to assessing the guideline), both Jonathan Akeroyd and Julie Brown had met the guideline.

	Beneficially held shares				Share/option awards			
	Number of shares beneficially owned as at 1 April 2023[1]	As % of salary[2]	Shareholding guideline (% of salary)	Guideline met as at 1 April 2023	Vested but unexercised awards	Unvested – subject to performance measures (ESP)	Unvested – subject to performance underpins (BSP)	Unvested – subject to continued employment[4]
Jonathan Akeroyd	89,074	360%	300%	Yes	0	0	104,131	155,190
Julie Brown[3]	123,412	412%	300%	Yes	0	0	194,177	10,536

1. There have been no changes in the period up to and including 17 May 2023.
2. Based on the three-month average share price as at 1 April 2023 of £23.91.
3. On 1 August 2022, Julie Brown exercised a nil-cost option over 2,788 shares granted to her on 31 July 2018 under the ESP and retained these shares (post tax liabilities). On the same day she also exercised a nil-cost option over 10,458 shares granted to her on 31 July 2019 under the ESP and retained these shares (post tax liabilities). The market value of Burberry shares on the date of exercise was £17.85. On 2 August 2022, Julie Brown transferred 30 shares from her 2017 SIP award to her nominee account with no change to her beneficial ownership other than the sale of two shares to fund the fee arising from the transfer. On 30 November 2022, Julie Brown sold 16,000 shares.
4. In line with the shareholding guideline, only 50% of the face value of these shares counts 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). This also includes ShareSave options (which do not count towards the Executive Director's shareholding guideline calculation).

As a former Executive Director, Marco Gobbetti 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 is expected to retain a shareholding of 21,393 shares in Burberry Group plc until 31 December 2023. As at 1 April 2023, Marco complied with his obligation.

The following table provides further underlying detail on the unvested awards at 1 April 2023 included in the table on page 236.

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	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
	2022 BSP[5]	27 July 2022	104,131	3 years to 29 March 2025 4 years to 28 March 2026 5 years to 27 March 2027	1/3 on 27 July 2025 1/3 on 27 July 2026 1/3 on 27 July 2027
	ShareSave[7]	15 December 2022	1,794	N/A	1 February 2028
	SIP	15 December 2022	23	N/A	15 December 2025
Julie Brown[8]	2019 ESP[2]	31 July 2019	10,459	3 years to 2 April 2022	31 July 2023
	2020 BSP[3]	20 August 2020	71,323	3 years to 1 April 2023 4 years to 30 March 2024 5 years to 29 March 2025	1/3 on 20 August 2023 1/3 on 20 August 2024 1/3 on 20 August 2025
	2021 BSP[4]	27 July 2021	52,111	3 years to 30 March 2024 4 years to 29 March 2025 5 years to 28 March 2026	1/3 on 27 July 2024 1/3 on 27 July 2025 1/3 on 27 July 2026
	2022 BSP[5]	27 July 2022	70,743	3 years to 29 March 2025 4 years to 28 March 2026 5 years to 27 March 2027	1/3 on 27 July 2025 1/3 on 27 July 2026 1/3 on 27 July 2027
	SIP	11 December 2020	27	N/A	11 December 2023
	SIP	10 December 2021	27	N/A	10 December 2024
	SIP	15 December 2022	23	N/A	15 December 2025

1. Further details in relation to the buy-out awards granted to Jonathan Akeroyd are set out on pages 202 to 203 of the FY 2021/22 Annual Report.
2. The performance conditions and final vesting outcome for the 2019 ESP award are set out on page 199 of the FY 2021/22 Annual Report. 50% of the award vested on 31 July 2022 and the remaining 50% was eligible to vest on 31 July 2023 but lapsed following Julie Brown's departure on 1 April 2023.
3. The performance underpins for the 2020 BSP award are set out on page 193 of the FY 2020/21 Annual Report.
4. The performance underpins for the 2021 BSP award are set out on page 200 of the FY 2021/22 Annual Report.
5. The performance underpins for the 2022 BSP award are set out on page 231.
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.
7. On 15 December 2022, Jonathan Akeroyd was granted a ShareSave option over 1,794 shares at an option price of £16.72 per share.
8. Julie Brown's unvested and unexercised share awards lapsed following her departure from Burberry on 1 April 2023, other than 45 shares held for her under the all-employee SIP.

Director remuneration relative to employees

The table below summarises the change in each Director's base salary/fee, benefits and bonus received for FY 2022/23, 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			**FY 2022/23**		
Year-on-year change (%)	Salary/fee	Allowances and benefits	Bonus	Salary/fee	Allowances and benefits	Bonus	**Salary/fee**	**Allowances and benefits**	**Bonus**
Executive Directors									
Jonathan Akeroyd	–	–	–	N/A	N/A	N/A	**0%**	**17.4%**	**N/A**
Julie Brown	-4.6%	-3.1%	N/A	5.3%	14.6%	276%	**1.9%**	**38.4%**	**-100%**
Non-Executive Directors									
Gerry Murphy	-5.0%	-93.3%	–	5.3%	-21.4%	–	**0%**	**-75.4%**	**–**
Fabiola Arredondo	-5.0%	-100%	–	5.3%	N/A	–	**0%**	**N/A**	**–**
Sam Fischer	-5.0%	-100%	–	5.3%	N/A	–	**0%**	**1,453.6%**	**–**
Ron Frasch	-5.0%	-100%	–	5.3%	N/A	–	**0%**	**171.1%**	**–**
Danuta Gray	–	–	–	N/A	N/A	N/A	**25.1%**	**1,267.2%**	**–**
Matthew Key	-3.5%	-100%	–	3.6%	N/A	–	**0%**	**133.3%**	**–**
Debra Lee	-5.0%	-100%	–	5.3%	N/A	–	**0%**	**N/A**	**–**
Orna NíChionna	-3.5%	-66.3%	–	3.6%	-21.7%	–	**-0.9%**	**96.2%**	**–**
Antoine de Saint-Affrique	N/A	N/A	N/A	0%	N/A	–	**0%**	**155.2%**	**–**
Alan Stewart	–	–	–	–	–	–	**N/A**	**N/A**	**N/A**
UK Employees	0%	0%	-7.7%	0%	0%	233.3%	**4.0%**	**0%**	**-48.0%**

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 in July but exclude any additional changes made in the year, for example on promotion. For FY 2021/22 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. 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. Jonathan Akeroyd did not receive an annual bonus for FY 2021/22 and therefore it is not possible to calculate a percentage change on bonus in respect of FY 2022/23.
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 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 was calculated relative to the allowances and benefits figure for FY 2019/20.
7. Allowances and benefits increased for Non-Executive Directors during FY 2022/23 due to the return of regular in-person meetings.
8. Orna NíChionna was appointed as Senior Independent Director with effect from 2 April 2022.
9. Danuta Gray replaced Orna NíChionna as Remuneration Committee Chair on 1 September 2022.

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 226) 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 2022/23	Option A	153:1	116:1	73:1
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 226. 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 total remuneration in respect of FY 2022/23 for the employees identified at P25, P50 and P75 is £28k, £37k and £59k, respectively. The base salary in respect of FY 2022/23 for the employees identified at P25, P50 and P75 is £23k, £30k and £51k, 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 2022/23 has decreased compared to the ratio for FY 2021/22. This is primarily driven by the fact that Jonathan Akeroyd's single figure for FY 2021/22 included the majority of his buy-out awards which had a higher value than the bonus and buy-out award values for FY 2022/23.

The Committee considers that the median pay ratio for FY 2022/23 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.

Relative importance of spend on pay for FY 2022/23

The table below sets out the total payroll costs for all employees over FY 2022/23 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 2022/23**	FY 2021/22
Dividends paid during the year (total)	£m	**203**	219
	% change	**-7%**	
Amounts paid to buy back shares during the year	£m	**400**	150
	% change	**167%**	
Payroll costs for all employees	£m	**575**	547
	% change	**5%**	
Average number of full-time equivalent employees		**8,868**	8,979
	% change	**-1%**	

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.

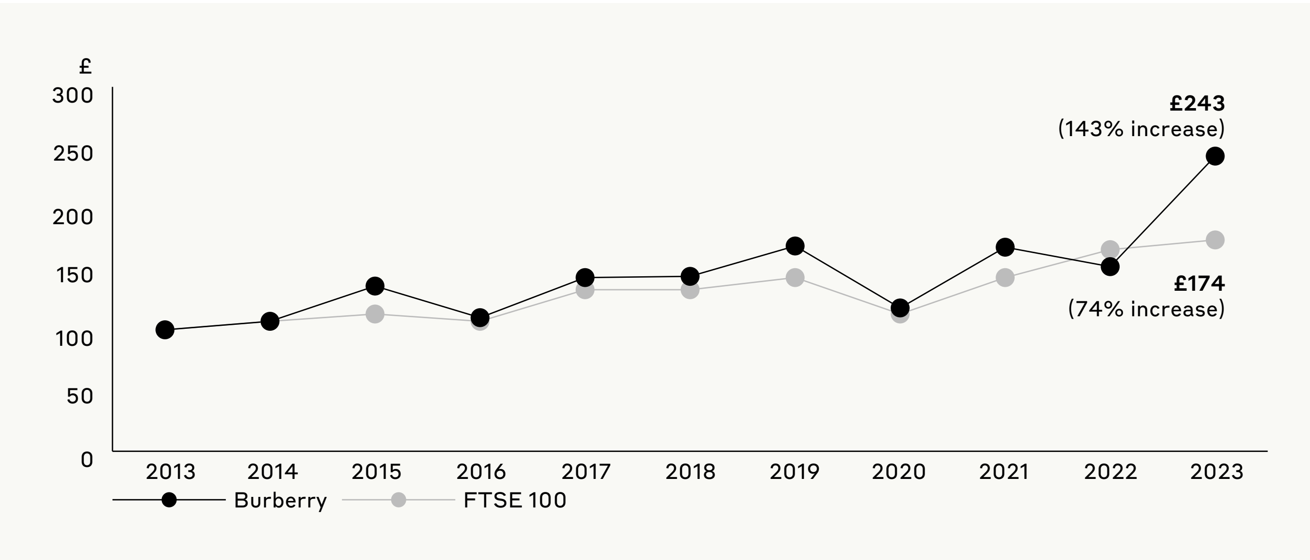
	Date of current service agreement	Date employment commenced	Notice period to and from the Company
Jonathan Akeroyd	19 October 2021	15 March 2022	12 months

Kate Ferry entered into a service agreement on 14 March 2023 with a 12-month notice period.

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.

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 2013. 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 2022/23 on page 226.



FY[1]	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)	**2022/23 (JA)**
Total remuneration (£'000)	8,007	157	7,508	1,894	3,508	1,091	6,330	4,078	1,618	2,245	1,205	4,428	**4,289**
Bonus (% of maximum)	70%	–	81%	0%	0%	51%	51%	60%	0%	25%	–	–	**59%**
ESP (% of maximum)	–	–	–	–	–	5%	–	25%	0%	5.5%	–	–	**–**
Legacy incentive plans (no longer in operation):													
CIP[2] (% of maximum)	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 2022/23 (and the prior financial year).

	Year to 1 April 2023			Year to 2 April 2022		
	Fees[1] £'000	**Benefits & allowances[2] £'000**	**Total £'000**	Fees[1] £'000	Benefits & allowances[2] £'000	Total £'000
Gerry Murphy[3]	**423**	**1**	**424**	425	4	429
Fabiola Arredondo	**80**	**20**	**100**	80	–	80
Sam Fischer	**80**	**31**	**111**	80	2	82
Ron Frasch	**80**	**22**	**102**	80	8	88
Danuta Gray[4]	**100**	**3**	**103**	27	1	28
Matthew Key	**115**	**3**	**118**	115	2	117
Debra Lee	**80**	**20**	**100**	80	–	80
Orna NíChionna[5]	**114**	**3**	**117**	115	1	116
Antoine de Saint-Affrique	**80**	**19**	**99**	80	7	87
Alan Stewart[6]	**47**	**2**	**49**	–	–	–

1. Fees include the base fee and additional Committee fees in line with the existing Directors' 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. During FY 2021/22, following Marco Gobbetti's departure from Burberry 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 in relation to FY 2021/22 relate to the period from 1 December 2021 when she joined the Board and in relation to FY 2022/23 include the Remuneration Committee Chair fee from 1 September 2022.
5. Fees for Orna NíChionna in relation to FY 2022/23 include the Remuneration Committee Chair fee for the period 2 April to 31 August 2022 and the Senior Independent Director fee.
6. Fees for Alan Stewart relate to the period from 1 September 2022 when he joined the Board.

Summary of Non-Executive Director fees for FY 2023/24

Following a review, the Chair's fee and the base fee for the Non-Executive Directors will both be increased by 3.5% for FY 2023/24.

The fee structure for the Non-Executive Directors for FY 2023/24 is set out in the table below.

	Fee level £'000
Chair	440
Non-Executive Director	82.8
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. Any Non-Executive Directors (other than the Chair) appointed after 11 May 2023 will receive an attendance allowance only in connection with inter-continental travel to meetings 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 1 April 2023 (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 1 April 2023 (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	1,475
Orna NíChionna	3,067
Antoine de Saint-Affrique	1,100
Alan Stewart	0

There have been no changes in the period up to and including 17 May 2023.

Remuneration Committee in FY 2022/23

Committee membership

Danuta Gray, Orna NíChionna, Fabiola Arredondo, Sam Fischer, Ron Frasch and Matthew Key served as members of the Committee throughout the year ended 1 April 2023. Danuta Gray succeeded Orna NíChionna as Chair of the Committee with effect from 1 September 2022.

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 2022/23, the Committee held four scheduled meetings and one additional meeting which was held at short notice. Other ad hoc discussions were held as required. Details of attendance at Committee meetings are set out on page 201. 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 the four scheduled meetings are summarised below. Other Committee matters, including the remuneration arrangements for our new CFO and others within the Committee's remit, such as Executive Committee members, and the Chief Creative Officer transition, were determined by the Committee outside the scheduled meetings.

May 2022	• Update on external environment from independent advisors • Shareholder engagement strategy • FY 2021/22 incentive outcomes • FY 2022/23 performance targets and incentive awards • BSP 2022 awards, including underpins for Executive Directors • FY 2022/23 senior executive remuneration • Chair fees for FY 2022/23 • Approval of Directors' Remuneration Report FY 2021/22 • Update on share plan dilution • US operation of ShareSave
November 2022	• Update on external environment from independent advisors • 2022 AGM season shareholder and proxy body feedback • Initial review of Directors' Remuneration Policy • Incentives performance update • Approach to cost-of-living challenges • All-employee share plan awards 2022 • Actions following FY 2022 Committee Effectiveness review • Committee annual planner
February 2023	• Update on external environment from independent advisors • Directors' Remuneration Policy update • Incentives performance update • Overview of broader employee reward and proposed engagement with the Global Workforce Advisory Forum • Gender and Ethnicity Pay Gap Report for 2022/23 reporting year • Update on Executive Committee members' shareholding guideline compliance
March 2023	• Update on external environment from independent advisors • Update on shareholder feedback on Directors' Remuneration Policy • Incentives performance update • FY 2023/24 annual bonus plan proposals and 2023 BSP award underpins • Sustainability metrics for the FY 2023/24 annual bonus plan for the wider workforce • Approach to Directors' Remuneration Report FY 2022/23 • Disclosure requirements for CO&FO's departure • Feedback from the March 2023 meeting of the Global Workforce Advisory Forum • Review of Committee's terms of reference

Regular attendees at Committee meetings include: the Chair of the Board; the CEO; the Company Secretary; the Chief People Officer; the VP Head of Reward; and representatives of the Committee's advisors. Other members of the senior management team may attend Committee meetings from time to time. No one is present when their own remuneration is being discussed.

Advisors to the Committee

Deloitte was appointed as an independent advisor to the Committee in 2017 and reappointed in 2021 following a competitive tender process. 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 £125,400 (plus VAT) during FY 2022/23. During the year Deloitte also provided other consulting services (including mergers and acquisitions and due diligence advice, 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 2022 AGM) and the Directors' Remuneration Policy (at the 2020 AGM).

We have continued to engage with and listen to our shareholders during FY 2022/23 as we have developed our remuneration proposals. 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, as part of our commitment to build on the constructive dialogue we have established, we look forward to continuing to engage with you.

AGM voting results	Votes for	Votes against	Votes withheld
To approve the Directors' Remuneration Report for the year ended 2 April 2022 – 2022 AGM	304,409,889 (93.81%)	20,097,041 (6.19%)	2,779,770
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:

Danuta Gray
Chair, Remuneration Committee

17 May 2023

Directors' Report

The Directors present their Annual Report and the audited consolidated Financial Statements of the Company for the year ended 1 April 2023. 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 3 to 151
- Corporate Governance Statement, which includes the Board of Directors, the Corporate Governance Report and the Directors' Remuneration Report, on pages 155 to 245
- Global GHG emissions disclosure on page 60

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 1 April 2023, the Company had 384,267,928 ordinary shares in issue including 6,052,720 ordinary shares held in treasury. At the AGM in 2022, shareholders approved resolutions to allot shares up to an aggregate nominal value of £66,117, 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 1 April 2023, 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	19,361,546	5.10

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

Since 1 April 2023, the Company has received no further notifications of major interests in its issued ordinary share capital.

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 2022, we launched a £400 million share buyback programme in June, which we completed in two tranches: June 2022 to November 2022 and November 2022 to March 2023. In total, 21,075,496 shares with a nominal value of 0.05p each were purchased and cancelled. Further details of the share buyback can be found in note 25 to the Financial Statements. The authority granted by shareholders at the 2022 AGM will remain in place until 12 October 2023 or until a new authority is granted by shareholders at the 2023 AGM. No further purchases of shares by the Company have been made since the programme described above was completed and the date of this report.

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 plans.

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 Burberry Group plc SIP Trust (SIP Trust) 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 44.5p per ordinary share (FY 2021/22: 35.4p) in respect of the year ended 1 April 2023 be paid on 4 August 2023 to those persons on the Register of Members as at 30 June 2023.

An interim dividend of 16.5p per ordinary share was paid to shareholders on 27 January 2023 (FY 2021/22: 11.6p). This will make a total dividend of 61.0p per ordinary share in respect of the financial year to 1 April 2023. The aggregate dividends paid and recommended in respect of the year to 1 April 2023 total £230 million (FY 2021/22: £187 million).

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

Revenue and profit

Revenue from continuing business during the year amounted to £3,094 million (FY 2021/22: £2,826 million). The adjusted operating profit for the year was £634 million (FY 2021/22: £523 million).

The profit for the year attributable to equity holders of the Company was £490 million (FY 2021/22: £396 million) up 24% with the year-on-year increase predominantly related to the increase in operating profit due to the 10% increase in revenue and cost management in the year.

Financial instruments and risks

The Group's financial risk management objectives and policies are set out within note 27 of the Financial Statements. Note 27 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 271 and 325 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 149 to 151. The Risk and Viability Report can be found on pages 118 to 151.

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 currently undrawn £300 million Revolving Credit Facility, 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 the proposed new Directors' Remuneration Policy on page 212, which will be submitted to shareholders for approval at the 2023 AGM.

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 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 2023/24 will be proposed at the 2023 AGM. The Independent Auditor's Report starting on page 253 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 209. The Group intends to operate these all-employee share plans during FY 2023/24 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 plans are set out in note 28 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 140 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, equity and inclusion can be found on pages 68 to 81.

Stakeholder engagement

Reflecting the importance of our stakeholders, 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 112 to 115.

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 is in line with the FCA's requirements for climate-related financial disclosures and consistent with the TCFD recommendations as set out on pages 94 to 110.

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 this approach was strongly reinforced as we navigated through the COVID-19 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 2021/22: £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 157 to 162 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 2023 AGM, with the exception of Matthew Key, 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 240 of the Directors' Remuneration Report. For information on the Directors' professional development, see page 178.

Directors' share interests

The interests of the Directors holding office as at 1 April 2023 in the shares of the Company are shown within the Directors' Remuneration Report on pages 200 to 245. There were no changes to the beneficial interests of the Directors between the period 1 April 2023 and 17 May 2023.

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, which 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 1 April 2023 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 W.L.L.: Bahrain
- Burberry (Spain) Retail S.L.: Portugal
- Burberry (Shanghai) Trading Co., Ltd: Mainland China

Annual General Meeting (AGM)

The AGM of the Company will be held on Wednesday, 12 July 2023 at Conrad London St. James, 22-28 Broadway, London, SW1H 0BH at 11:00 am. The Notice of this year's AGM is available to view on the Company's website at Burberryplc.com.

The Directors consider that each of the proposed resolutions to be considered at the AGM is in the best interests of the Company and its shareholders, and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of each of the proposed resolutions, as the Directors intend to do in respect of their own shareholdings.

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(12)	Waivers of dividends	See Dividends paragraph on page 247

The Strategic Report from pages 3 to 151 and Directors' Report from pages 246 to 251 have been approved by the Board on 17 May 2023 in accordance with the Companies Act 2006.

By order of the Board

Gemma Parsons
Company Secretary

17 May 2023

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

Registered in England and Wales
Registered number: 03458224