

BURBERRY

GENDER AND ETHNICITY PAY GAP REPORT 2022/2023



JONATHAN AKEROYD
Chief Executive Officer

FOREWORD

At Burberry, we believe in fostering a culture of openness and inclusivity where everyone feels that they can belong and bring their authentic self to work. When this happens, our colleagues are more engaged, drive better results and are empowered to make a more meaningful contribution to the world around us. This belief underpins our longstanding diversity, equity and inclusion (DE&I) agenda, and drives our commitment to making a positive difference within our organisation and beyond.

In this report, we outline our UK gender pay and bonus gap as of 5 April 2022. For the second consecutive year, we have also reported on our ethnicity pay and bonus gaps, reaffirming our belief that transparency drives accountability.

In the reporting period, our mean gender pay gap narrowed to 29.0% from 33%, while our median gender pay gap widened to 14.2% from 9.8%. Our mean gender bonus gap also narrowed to 55.8% from 60.1%, with our median gender bonus gap widening to 38.7% from 31.9%.

From an ethnicity standpoint and with the diversity data available, our median ethnicity pay gap widened to -17.0% from -12.5%, while our median ethnicity bonus gap widened to -80.7% from -27.6%. Both median gaps remain in favour of ethnically diverse colleagues. Within the mean ethnicity calculations our findings have shown that the mean ethnicity pay gap narrowed to -3.6% from 7.5% along with the mean ethnicity bonus gap, which also narrowed to 23.9% from 33.1%.

Overall, the composition of our workforce is the main driver of our pay gaps and an area that we will continue to monitor and address. As we increase the breadth of our diversity data year on year, we will have a more complete picture of our colleague population and the further insight we need to determine our next steps.

Alongside reviewing our gender and ethnicity pay gap data, we continue to perform regular pay analysis to ensure we meet our commitment to equal pay and to introduce initiatives that will help us narrow the gender and ethnicity gaps. These include further diversifying hiring practices, providing meaningful development opportunities and enhancing our policies.

We have received welcome recognition of our efforts across the organisation to date, such as inclusion in the Bloomberg Gender-Equality Index for a third consecutive year and the leading position in the Top 10 Women in Leadership ranking for the 2023 FTSE Women Leaders Review. However, we recognise that there is still much more to do, and that accountability for our goals does not sit with one team or with leadership alone, but with every colleague across our global colleague population.

As we prepare to embark on the next phase of our DE&I journey, I am excited to work with everyone at Burberry to reinforce our ambitions and create lasting change.

We confirm that the information in this report is accurate and published in accordance with the UK gender pay gap reporting guidelines and regulations.

JONATHAN AKEROYD
Chief Executive Officer

**In the process of preparing our 2023/2024 Gender & Ethnicity Pay Gap calculations, we identified a discrepancy in the calculations used in the original 2022/2023 Report. As a result, we have restated our pay gaps for 2022/2023.*



OUR VALUES AND LEADERSHIP STANDARDS

At Burberry, we believe diversity, equity and inclusion are essential to fulfilling our purpose and are at the core of our values.

To help us achieve our DE&I goals, our dedicated global team works with colleagues across all parts of the business – including our senior leadership, the broader HR team and our advisory networks – to drive an inclusive culture by focusing on our four leadership standards. Our leadership standards translate our values into tangible, actionable behaviours and serve as a reference for what we expect of ourselves and each other.

CREATIVELY DRIVEN

Collaboration, Challenge and Excellence

- Inspires passion and role-models creative thinking and sustainable practice.
- Challenges, collaborates and encourages excellence for Burberry, our customers, our communities.

OPEN AND CARING

Inclusivity, Community and Well-being

- Takes ownership for a culture of inclusion, sustainability and integrity.
- Prioritises development, cultivates morale and safeguards well-being so all colleagues can bring their authentic selves to work.

PROUD OF OUR HERITAGE

Brand Ambassador, Purposeful and Legacy

- Celebrates and nurtures brand connection and pride, bringing our purpose to life.
- Acts in the best interests of the brand, the environment and our communities.

FORWARD THINKING

Innovation, Decision-making and Communication

- Creates space for innovation, to take risks and push boundaries.
- Drives decisions and manages workload.
- Celebrates successes and learns from mistakes.

ABOUT THE GENDER AND ETHNICITY PAY GAP REPORT

Since 2017, the UK government has required public and private sector employers with 250 or more employees to publish key data on the gender pay gap in their UK businesses.

We have reported gender pay gap figures annually in that period for our UK colleague population, which makes up about a third of our global workforce. This report provides a snapshot of Burberry's gender pay gap in the UK as of 5 April 2022 and the actions we are taking to narrow the gap.

For the second consecutive year, we have also voluntarily disclosed ethnicity pay gap data, reflecting our commitment to transparency and to creating lasting change by continually monitoring our progress.

Whilst UK colleagues can share their ethnicity data, it is not mandatory to do so. As of 5 April 2022, we hold ethnicity data for 67.7% of our UK workforce – an increase of 3.4% from our previous report – which, based on the information available, has been split into white and ethnically diverse colleagues. We recognise that this segmentation is not a full reflection of our colleague population and that there are large variances amongst different ethnic groups which can directly impact socioeconomic circumstances. As we continue to enhance our data collection and build a more complete picture of our people, we will be able to identify further areas in which we can improve and will set our objectives accordingly.

Our approach to measurement of the ethnicity pay and bonus gaps is consistent with the methodology we use to calculate the gender pay and bonus gaps.

GENDER IDENTITY

Whilst gender pay gap regulations require us to segment our population by men and women, we recognise that gender identity is not binary and that many individuals will identify outside of these binary categories. We actively support our colleagues of all gender identities through our diversity, equity and inclusion strategy, as well as through our Pride Employee Resource Group (ERG) and other active internal networks.

UNDERSTANDING THE DATA

Within this report, there are both positive and negative data points for both our gender and ethnicity gaps. A negative percentage indicates a gap in favour of either women or ethnically diverse colleagues.

For example, when comparing men and women, a negative percentage indicates a gap in favour of women and means that hourly pay rates are higher for women than men on a mean or median basis.

Similarly, when comparing white to ethnically diverse individuals, a negative percentage indicates a gap in favour of the ethnically diverse individual and means that hourly pay rates are higher for ethnically diverse individuals compared to their white colleagues on a mean or median basis.

OUR COMMITMENT TO EQUAL PAY

The gender and ethnicity pay gaps are distinct from equal pay, which is a comparison of the pay of men and women carrying out the same or equivalent roles. Our reward policy is to pay all colleagues in line with their level and experience and at a competitive market level. We regularly undertake pay analysis to ensure we meet our commitment to equal pay.

GLOSSARY OF TERMS

PAY is basic salary as well as regular allowances, pay for leave, bonuses and commission. This does not include overtime, payment in lieu of annual leave, redundancy or termination of employment.

BONUS is any additional pay above your basic salary. This relates to extra remuneration based on productivity, performance incentives and commission. This also includes proceeds from shares that were paid out during the reporting period from 6 April 2021 to 5 April 2022.

MEDIAN shows the percentage difference between the hourly pay of the 'middle' man and woman, or white and ethnically diverse individual, across UK-based roles at Burberry, if all were assembled in a row according to salary.

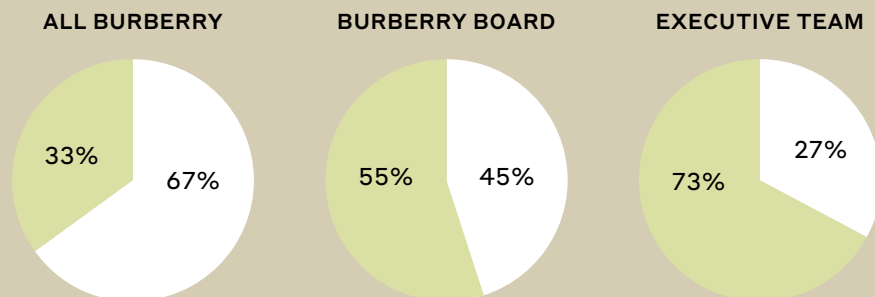
MEAN shows the percentage difference between the average hourly earnings for men and women, or white and ethnically diverse individuals, across UK-based roles at Burberry.

PAY QUANTILES show men and women as well as white and ethnically diverse colleagues across four pay bands. Quantiles are calculated by listing the rates of pay for all colleagues from lowest to highest, before splitting these into four equal-sized groups and calculating the percentage of men and women or white and ethnically diverse in each.



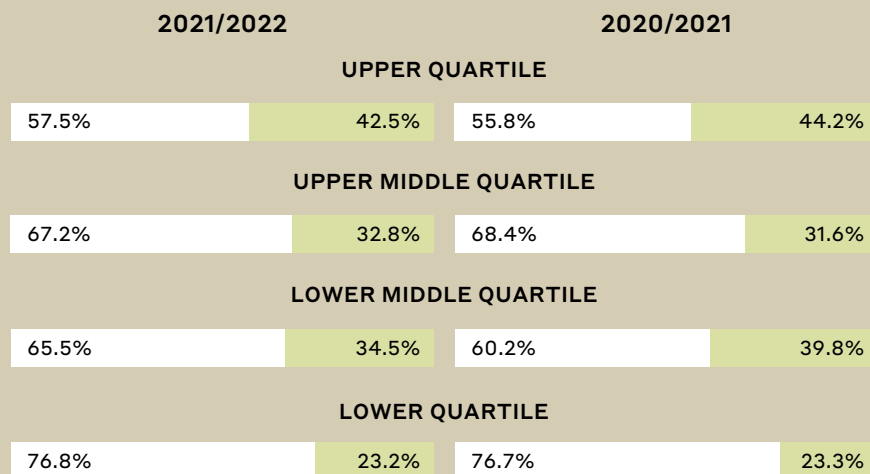
GENDER DIVERSITY AT BURBERRY¹

Women Men



¹Global data

PROPORTION OF MEN AND WOMEN IN EACH PAY QUARTILE²



²UK data

MEDIAN PAY GAP
2021/2022

14.2%

2020/2021: 9.8%

MEAN PAY GAP
2021/2022

29.0%

2020/2021: 33%

GENDER PAY GAP BY QUARTILE

UK PAY QUARTILE	2021/2022		2020/2021	
	MEDIAN PAY GAP	MEAN PAY GAP	MEDIAN PAY GAP	MEAN PAY GAP
Upper Quartile	7.6%	24.6%	12.4%	29%
Upper Middle Quartile	-1.9%	-0.7%	-1.3%	-0.7%
Lower Middle Quartile	-0.1%	0.2%	-0.1%	-0.1%
Lower Quartile	3.3%	2.1%	2.2%	3.4%

MEDIAN BONUS GAP
2021/2022

38.7%

2020/2021: 31.9%

MEAN BONUS GAP
2021/2022

55.8%

2020/2021: 60.1%

WOMEN RECEIVING
BONUSES 2021/2022



81.8%

2020/2021: 88.4%

MEN RECEIVING
BONUSES 2021/2022



80.5%

2020/2021: 88.6%

UNDERSTANDING OUR GENDER PAY AND BONUS GAP

THE GENDER PAY GAP BY QUARTILE

Whilst the median gender pay gap has widened within the reporting period by 4.4%, the mean gender pay gap has narrowed by 4.0%. When the data is segmented into quartiles, there has also been movement in favour of women in four out of eight quartile data points, with three of the four data points having narrowed.

When the quartiles for this reporting period are evaluated as a single data set and not by their movement from FY 2020/2021, five out of the eight quartile data points are positive values, showing that despite progress made in the reporting period, the gender pay gap is currently in favour of men.

INCLUSIVITY IN BOTH JUNIOR AND SENIOR ROLES

Our gender pay gap continues to be driven by the composition of our colleague population. As of 5 April 2022, men occupied about 33% of our global workforce and accounted for over 73% of our executive leadership. Whilst women occupied almost half of our Board and at least 50% of our senior and higher paid positions within the UK, our ongoing objective is to seek a greater balance across the quartiles.

THE IMPACT OF PART-TIME ROLES ON THE GENDER BONUS PAY GAP

As with our gender pay gap, our bonus gap continues to be driven by the composition of our workforce. Within the UK, we have four times more women working part-time than we do men. This impacts gender bonus gap calculations, because it is calculated using only the actual bonus paid across all colleagues and does not account for bonuses being pro-rated for part-time hours. As a result, the inclusion of part-time roles skews the gender bonus pay gap more favourably towards men.

THE EVOLUTION OF OUR WORKFORCE

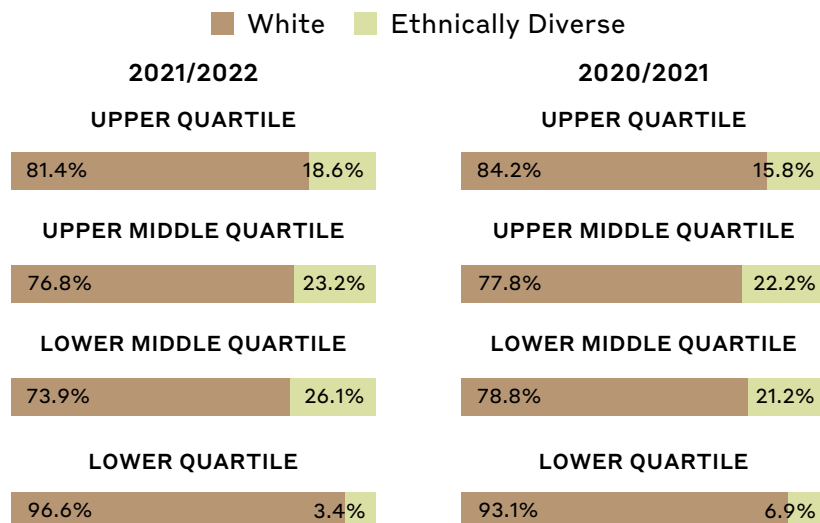
Across Burberry in the UK, the proportion of men and women receiving bonuses decreased by 8.1% and 6.6% respectively. This follows two consecutive years of an increase in bonuses across the organisation and is a result of the evolution of our workforce. Within the reporting period, we have had an increased number of new starters join Burberry. New colleagues are only eligible for a bonus if they have joined within a set period of time, and therefore, fewer individuals qualified to receive a bonus in this reporting period in comparison to our previous report.

Despite this shift, more than 80% of Burberry colleagues continued to earn a bonus in the reporting period.



ETHNICITY DATA FROM OUR UK POPULATION

PROPORTION OF WHITE AND ETHNICALLY DIVERSE IN EACH PAY QUARTILE



ETHNICITY PAY GAP BY QUARTILE

PAY QUARTILE	2021/2022		2020/2021	
	MEDIAN PAY GAP	MEAN PAY GAP	MEDIAN PAY GAP	MEAN PAY GAP
Upper Quartile	1.0%	8.4%	12.3%	22.5%
Upper Middle Quartile	-2.6%	-1.8%	1.2%	2.7%
Lower Middle Quartile	-1.8%	-0.4%	-3.4%	-2.0%
Lower Quartile	-2.5%	-2.0%	1.0%	13.6%

UNDERSTANDING OUR ETHNICITY PAY AND BONUS GAP

THE ETHNICITY PAY AND BONUS GAPS HAVE IMPROVED

For our second year of reporting, the median ethnicity pay gap widened to -17.0% from -12.5% and remained in favour of ethnically diverse colleagues. The median ethnicity bonus gap widened to -80.7% from -27.6% in favour of ethnically diverse colleagues. Meanwhile, the mean ethnicity pay gap narrowed to -3.6% from 7.5% and is now in favour of ethnically diverse colleagues. The mean ethnicity bonus gap, also narrowed to 23.9% from 33.1%.

THE PROPORTION OF ETHNICALLY DIVERSE COLLEAGUES HAS INCREASED BY QUARTILE

Within the reporting period, the percentage of ethnically diverse colleagues within each quartile has increased. The Upper and Upper Middle quartiles have moved to 18.6% and 23.2% from 15.8% and 22.2% respectively. With ethnically diverse colleagues accounting for 26.1% of the Lower Middle quartile and 3.4% of the Lower quartile, there continues to be greater ethnic diversity in the Lower Middle to Upper quartiles.

MEDIAN ETHNICITY GAP 2021/2022

-17.0%
2020/2021: -12.5%

MEAN ETHNICITY GAP 2021/2022

-3.6%
2020/2021: 7.5%

MEDIAN ETHNICITY BONUS GAP 2021/2022

-80.7%
2020/2021: -27.6%

MEAN ETHNICITY BONUS GAP 2021/2022

23.9%
2020/2021: 33.1%

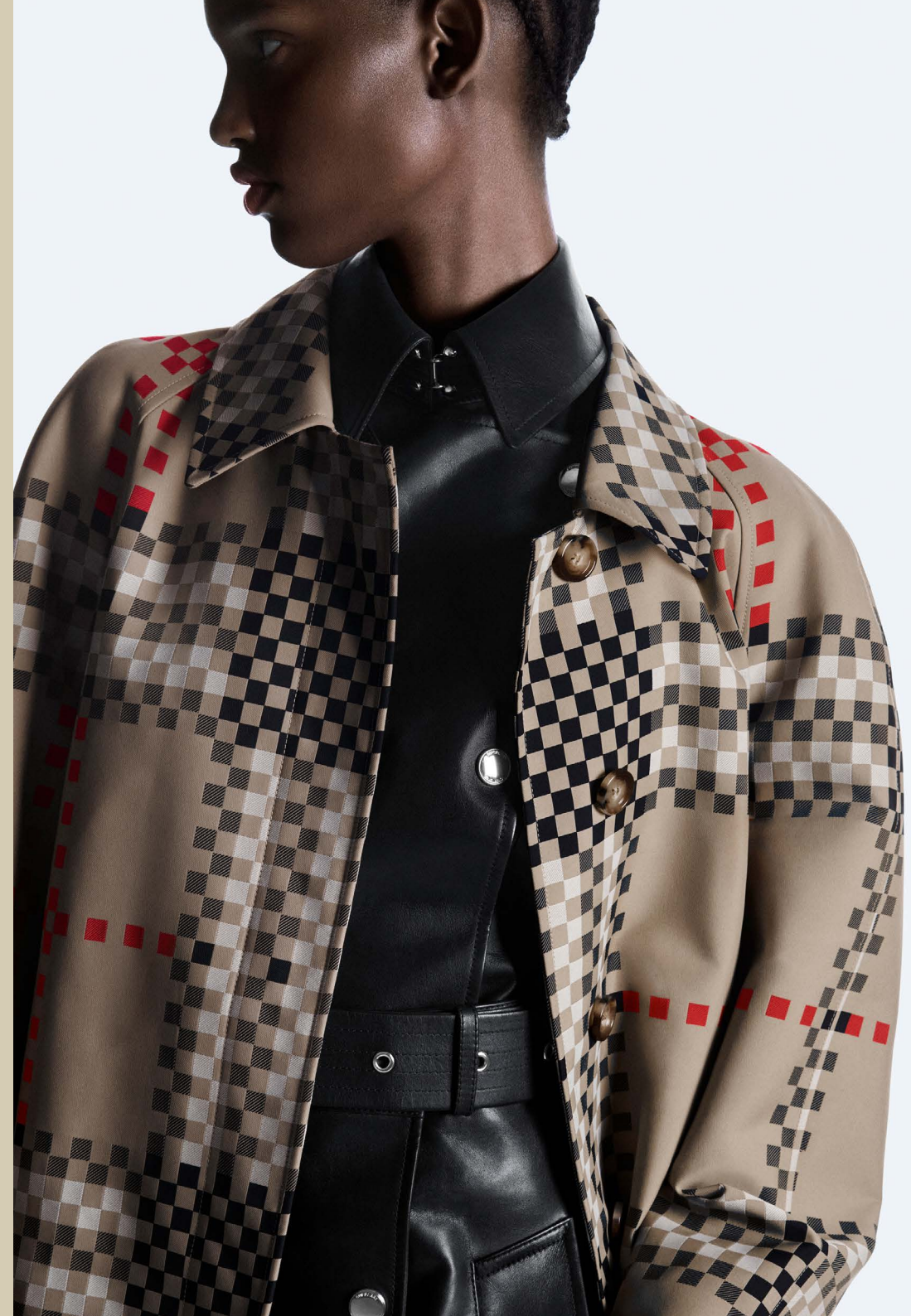
LOCATION IS KEY WHEN UNDERSTANDING OUR ETHNICITY BONUS PAY GAP

As of 5 April, and when split into Headquarters (HQ), Retail and Manufacturing, ethnically diverse colleagues account for 19.3%, 40.6% and 3.2% of our UK colleague population respectively. As the largest representation of ethnically diverse colleagues is in HQ and Retail roles – where earning potential is enhanced by bonus and commission schemes – our ethnicity bonus gap is impacted by the demographic of these populations. The data we have collected also highlights that there is a greater number of white to ethnically diverse colleagues in our manufacturing sector, which we are seeking to change.

NUMBER OF BURBERRY SITES BY TYPE & LOCATION¹



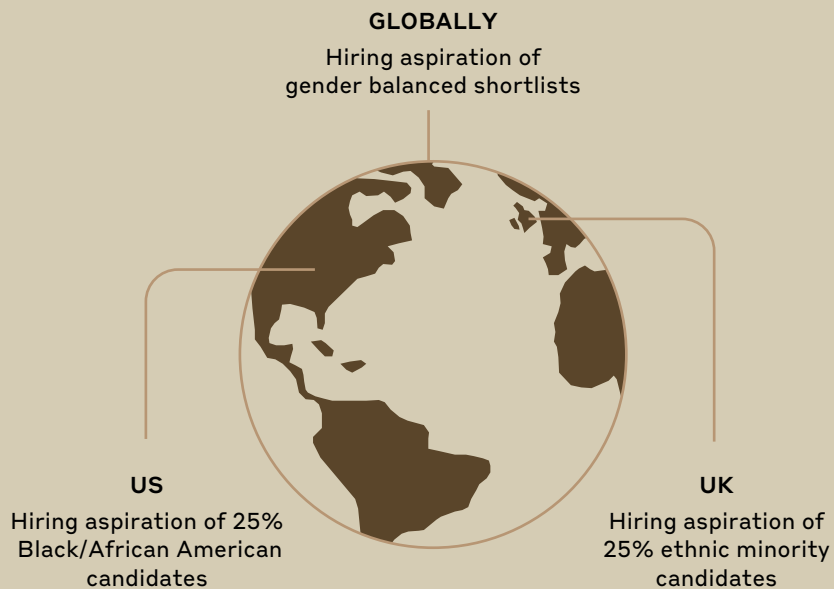
¹UK only



OUR COMMITMENT TO CLOSING THE GAPS

Our ambition is to foster a truly inclusive culture where everyone has a voice and can succeed.

- We are firmly committed to closing the gender and ethnicity pay and bonus gaps at Burberry.
- We aim to increase our ethnicity disclosure rate by our next report. With greater insight, we can review progress more accurately and set further goals to address the ethnicity pay gap.
- We will continue to track our actions in line with our existing targets, below, and report progress to the Executive Board and Remuneration Committee:



OUR PROGRESS

To ensure we are working towards our DE&I ambitions, we measure our progress against four strategic pillars. These focus on attracting and retaining diverse talent, fostering an open and inclusive culture, educating and raising awareness, and implementing a global approach.

During the reporting period, we made progress by encouraging our colleagues to share diversity data and by introducing new policies and initiatives that will help us create a more diverse, inclusive and equitable workforce. We continue to build on this and have included some examples of initiatives that have been devised throughout the reporting period but have come into action since.

We appreciate that gaps remain and that there is still work to do before we can achieve our DE&I ambitions. As policies are integrated over time and progress is reviewed, we continue to monitor and reflect on areas for improvement.

To review our progress within the reporting period against our four strategic pillars, please see the following breakdown.

For further information on our broader strategic programmes, please click [here](#).

ATTRACTING AND RETAINING TOP DIVERSE TALENT

We believe that broadening how we attract and retain top diverse talent is critical to fostering a culture of inclusion.

- We continue to challenge where and how we find talent by partnering and working closely with organisations that support diversity in the workplace, including The Business Disability Forum, The Outsiders Perspective and Mobolise.
- We are broadening our use of technology to eliminate bias in job postings and utilise a gender decoder alongside standardised interview forms.
- In FY 2022/23, we introduced our first Design Graduate Programme and Undergraduate Placement Year programme to help us discover, support and nurture diverse young talent.
- We offer a Manager Development Programme (MDP) and Executive Development Programme (EDP) to equip leaders with tools to enable an open and inclusive culture aligned to our purpose and values. In FY 2022/23, we also introduced a Senior Manager Development Programme (SMDP) to bridge the gap between the MDP and EDP, and to strengthen the leadership capability of a significant leadership population.
- We have expanded our self-directed digital learning platform, B Learning, and our internal apprenticeship programme to enable colleagues at all levels of the business to further develop their skills.



FOSTERING AN OPEN AND INCLUSIVE CULTURE

We want everyone to feel their unique perspectives and backgrounds are valued and believe creating a truly inclusive culture is critical to the long-term success of our business.

- We encourage our colleagues to voluntarily share data on ethnicity, gender identity, sexual orientation, visible and non-visible disabilities in a confidential manner.
- To enable more inclusive hiring practices within our recruitment process, we utilise diversity data monitoring forms as well as offer training to all hiring managers. Our dedicated programme, Interviewing with Impact, supports hiring managers with best practice interviewing and decision-making, and helps to mitigate bias at all stages of the recruitment process.
- In March 2022, we launched a dedicated Menopause support site to provide global guidance for leaders and individuals that are either experiencing or due to begin menopause. For our UK colleagues, we also introduced specialist care through BUPA, which offers professional guidance, private prescriptions and 24/7 access following appointments to menopause-trained nurses through a dedicated healthline.
- In December 2022, we introduced a resolution hub to ensure our colleagues feel they can speak up with the confidence that they will be listened to and protected. The hub is designed to provide tools and resources that help our colleagues seek early, informal resolution when they are experiencing challenges in the workplace.

EDUCATING AND RAISING AWARENESS

We are committed to eliminating bias and encouraging meaningful allyship across our business. We believe this enables all our people to make more inclusive decisions around hiring, recognition and reward reviews.

- In October 2022, we hosted our first annual internal Diversity, Equity & Inclusion Conference called The Gender Edition. Moderated by Dr. June Sarpong OBE and featuring both internal and external speakers, the conference created space for our colleagues to listen, learn and share their experiences, with the event exploring inclusive leadership, intersectionality, gender balance and the role all can play in driving our DE&I ambitions. The conference was held in-person in London for senior leadership and broadcast across the globe to all colleagues.
- In FY 2022/23, we completed the rollout of the first two episodes of our Demonstrating Allyship training programme. The interactive workshops, delivered virtually, were mandatory and designed to guide colleagues on how to become active allies within the workplace and beyond. In Q1 of FY 2023/24, we will be launching episode three of the series on Microaggressions and Intersectionality. The episode will be tailored to each department and made available in 13 languages.





IMPLEMENTING A GLOBAL APPROACH

We are committed to ensuring our leadership standards and brand values are championed by our colleagues across the globe, and that we foster a diverse, equitable and inclusive culture across our business.

- We host global virtual townhalls and internal awards to ensure that the success of local initiatives and the contributions of our colleagues are both recognised and celebrated inclusively across Burberry.
- We take part in globally recognised benchmarks to better understand the success of our diversity, equity and inclusion initiatives. In FY 2022/23, we were recognised for the third consecutive year by the Bloomberg Gender-Equality Index (GEI), which highlighted our performance in the following three categories: leadership and talent pipeline, inclusive culture and external brand. We also maintained a leading position in the FTSE Women Leaders Review for women in leadership for a fifth consecutive year, being named the top performer in 2023 in the Top 10 Women in Leadership ranking.
- As part of our commitment to fostering an open and inclusive culture, we work with our Employee Resource Groups (ERGs) to raise awareness and support the celebration of cultural moments throughout the year. Our networks include the Empowered Black Network, Pride, Women Empowered and Working Parents Group, among others. Pride, Women Empowered and Working Parents Group, among others.

