

Gender and ethnicity pay gap
report 2023/2024

BURBERRY

Foreword



Alexandra McCauley, Chief People Officer

It's been a milestone year for Burberry. In the past 12 months, we have welcomed new colleagues to our leadership team and set about realising our potential as *the* modern British luxury brand.

Since joining in November 2023, I have been impressed by our people's commitment to Burberry's values, their adaptability in a period of change, and their innate understanding that, as a creative brand, our collective strength lies in the diversity of our backgrounds and experiences.

Driven by our belief that transparency drives accountability, we have volunteered ethnicity data as part of our annual gender pay gap reporting for the past two years and we continue to do so with this report. We have received recognition for our efforts, including by the 2024 FTSE Women Leaders Review, in which we maintained our position as the best FTSE 100 performer for women in leadership.

While this is welcome, we know that there is much more to do, and we will use the insights from this report to direct our actions as we seek to reduce our gaps and ensure we meet our commitment to equal pay.

This report outlines Burberry's pay and bonus gaps in the UK as of 5 April 2023. Where the data is segmented by gender, our findings have shown a median gender pay gap of 13.8% and a mean gender pay gap of 26.7%. Where the data is segmented by ethnicity, our findings have shown a median ethnicity pay gap of -10.6% in favour of ethnically diverse colleagues and a mean ethnicity pay gap of 6.4%.

We are proud to be headquartered in the UK and we offer a range of roles across our value chain from design to distribution. The variety of roles and the demographic of our colleague population continue to be the key drivers of our pay gaps.

We are diversifying our hiring practices and strengthening our early careers talent pipelines to ensure our workforce continues to evolve. We are also encouraging colleagues to voluntarily disclose their ethnicity information to inform our actions and are pleased that this has increased to 82% of our UK population.

As we continue our journey, I am excited to work closely with everyone across our business to unlock their potential and to continue to be a brand as enriched by the diversity of its communities as modern Britain is.

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

Alexandra McCauley
Chief People Officer



Our purpose and culture

Underpinned by our rich history and heritage, Burberry's guiding principle is that Creativity Opens Spaces – a shared belief that through creativity we can push boundaries and explore new possibilities for ourselves, our customers and our communities.

Creativity has been at the cornerstone of our brand since Thomas Burberry transformed the future of outerwear with his invention of weatherproof gabardine in 1879. Our legacy of equipping people to go beyond and of creating environments where our people can thrive permeates our culture and is the foundation for the choices we make for Burberry today. Wherever we work, whatever we do, we are committed to sharing our experience, knowledge and passion to support, develop and grow our colleagues and communities.

Our commitment to diversity, equity and inclusion

At Burberry, diversity, equity and inclusion are essential to fulfilling our purpose and are core to our values. We believe that fostering diversity of thought and an inclusive culture enables us to be more creative in everything we do, and we are committed to ensuring that our colleague population is representative of the communities we serve.

To achieve this, we have set out global standards for our colleagues in our Global Diversity and Inclusion Policy, as well as guidance which is enacted daily through our global diversity, equity and inclusion strategy.

To support our ambitions and drive an inclusive culture, we have also built a community to help us actively embed our leadership standards. This community includes our Internal Diversity Council, Employee Resource Groups and Cultural Advisory Council.

Our 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

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

Open and caring

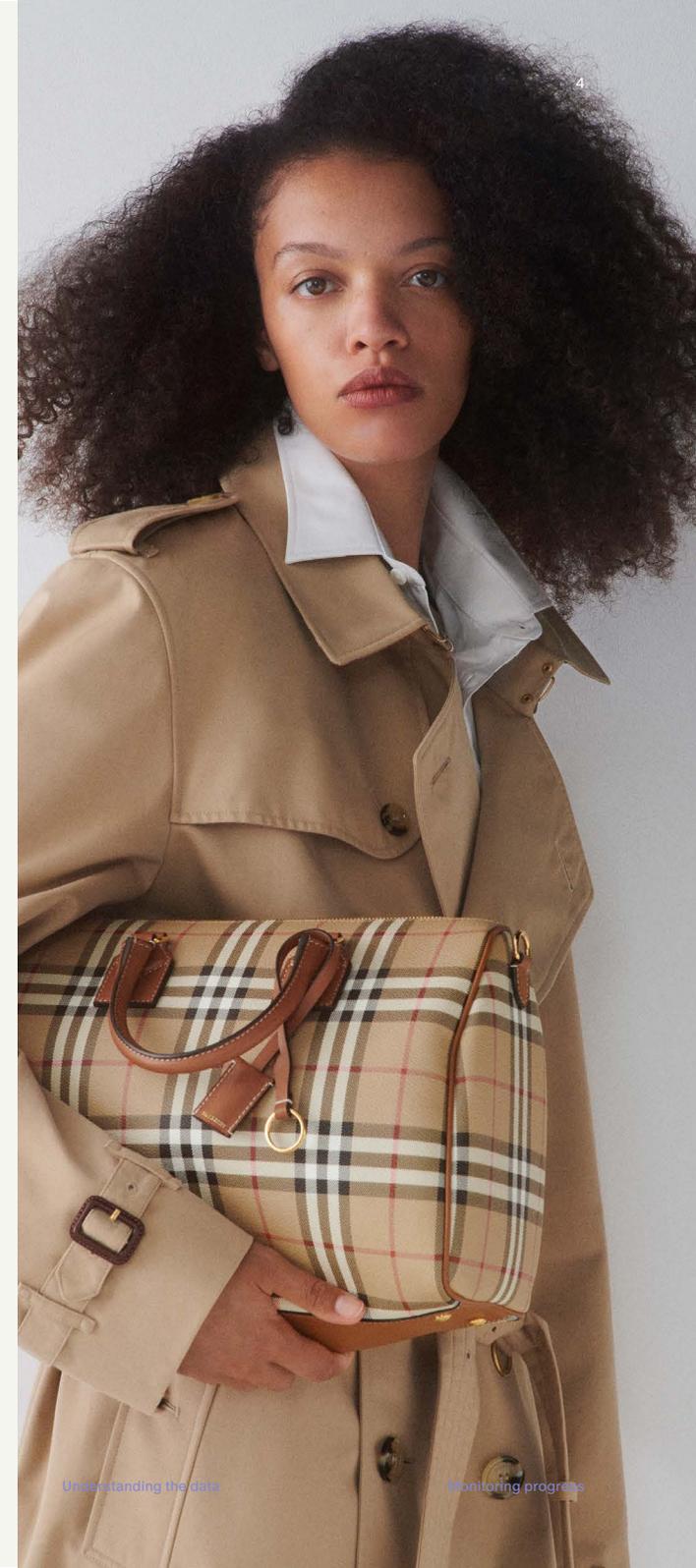
- Takes ownership for a culture of inclusion, sustainability and integrity.
- Prioritises development, cultivates morale and safeguards well-being so all colleagues can bring their authentic selves to work.

Proud of our heritage

- 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

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



Burberry in the UK

Founded in the UK in 1856, Burberry is a modern British luxury brand. We employ c. 9,000 people worldwide, including c. 3,000 in our home market across the following locations:

London Headquarters

- Our global headquarters at Horseferry House serves as a central hub for our entire organisation. Comprising of a range of functions from corporate to creative, our residence at Horseferry House continues a historic connection to central London, with the first Burberry store in London having opened at 30 Haymarket in 1891.

Burberry Business Services, Leeds

- Our Leeds office brings together our UK and EMEA shared service teams from Finance, HR and Procurement, as well as some of our Customer Service and IT roles.

Internal Manufacturing Sites

- We continue to manufacture in the UK with two key sites in Yorkshire. This includes our factory in Castleford, where we make our iconic Heritage Trench Coats by hand, and our mill in Cross Hills near Keighley, where we weave the rain-ready fabric, gabardine, and produce our iconic Burberry Check lining.

Burberry Hub, Blyth

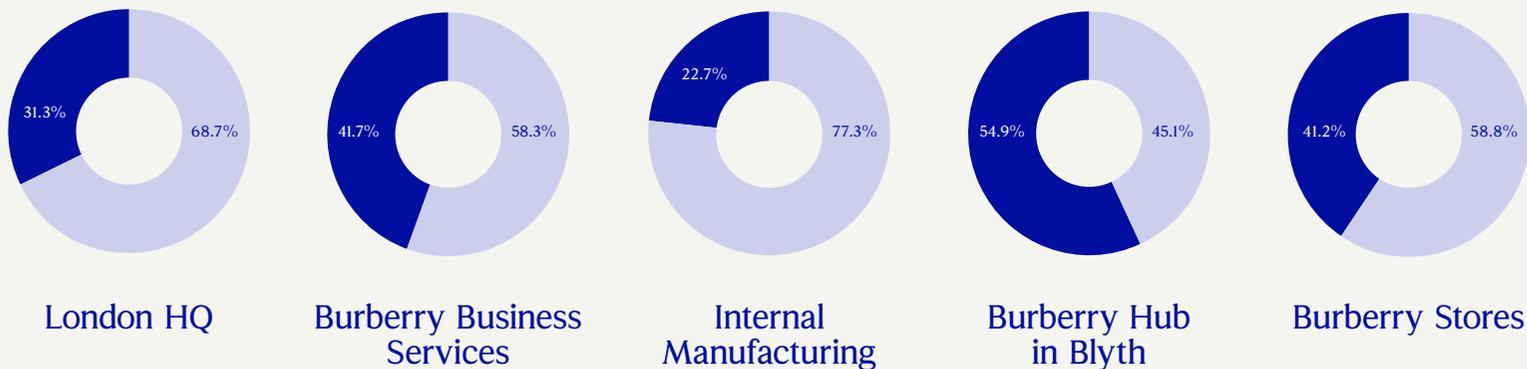
- Our site in Blyth, Northumberland encompasses part of our supply chain operations, warehouse and distribution services, and remains home to our extensive brand archive.

Burberry Stores

- We operate a number of stores across the nation, including our iconic flagship stores on Regent Street, Bond Street and Sloane Street in London.

Our UK colleague population by location¹

■ Male ■ Female



¹As per statutory guidance, colleagues have been excluded if they were not paid their usual full basic pay because they were on leave.



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 colleague population. This report provides a snapshot of Burberry's gender pay gap in the UK as of 5 April 2023.

For the third 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.

While UK colleagues may choose to share their ethnicity data, it is not mandatory to do so. As of 5 April 2023, we held ethnicity data for 71.2% of our UK colleague population – an increase of 3.5% from our previous report – which, based on the information available, has been segmented 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

While 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 and policy, our Pride ERG and other active internal networks.

Our commitment to equal pay

The gender and ethnicity pay gaps are distinct from equal pay, which is a comparison of the pay received by men and women carrying out the same or equivalent roles.

At Burberry, we are committed to paying our male and female colleagues equally for work of equal value, and to providing our colleagues across the Group with competitive total reward. We regularly undertake pay analysis to ensure we meet our commitment to pay all colleagues in line with their level and experience, and at a competitive and fair market rate.



Glossary of terms

Pay

is basic salary as well as regular allowances, full pay for leave, bonuses and commission at the snapshot date. This does not include overtime, payment in lieu of annual leave, or payments received in connection with redundancy or termination of employment.

Bonus

is any additional pay above basic salary during the reporting period from 6 April 2022 to 5 April 2023. 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.

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 quartiles

show men and women, as well as white and ethnically diverse colleagues, across four pay bands. Quartiles 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 individuals in each.



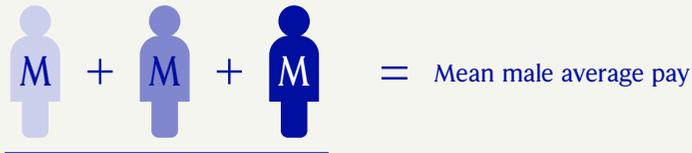
Understanding the data

In line with legal requirements, we measure both the mean and median gender pay gap and bonus gap to better understand the key factors driving any imbalance in remuneration. As per the definitions provided in the glossary, the mean measurement reflects the entire pay range across our UK organisation, while the median measurement excludes the impact of the highest and lowest earners.

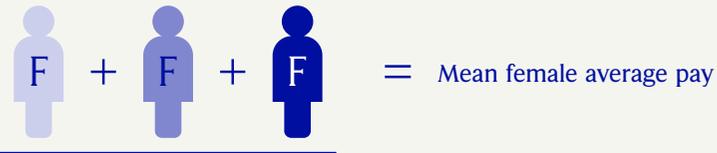
Many of these measurements are represented by both positive and negative percentages. A negative percentage indicates a gap in favour of either women or ethnically diverse colleagues. For example, when comparing men and women, a negative percentage indicates a gap in favour of women and means that hourly pay rates are higher for women than men on a mean or median basis.

Similarly, when comparing white and 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 white individuals on a mean or median basis.

How we calculate the mean pay gap

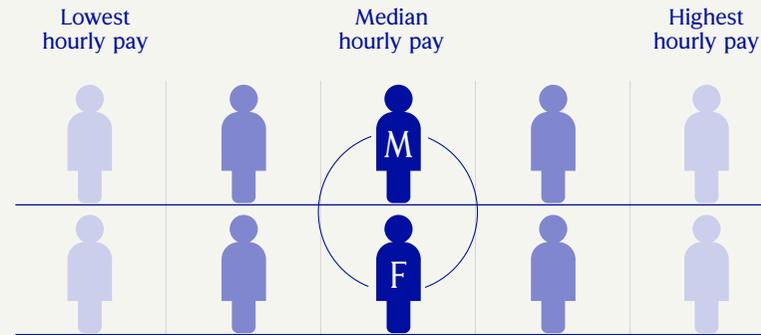


Divided by number of male employees



Divided by number of female employees

How we calculate the median pay gap

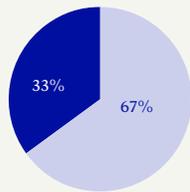


The difference is the median hourly pay gap

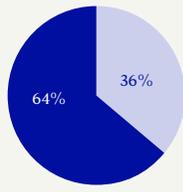
Our gender pay and bonus gap data

Gender diversity at Burberry¹

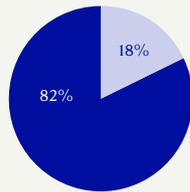
■ Men ■ Women



All Burberry



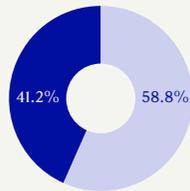
Burberry Board



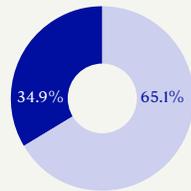
Executive Committee

Proportion of men and women in each pay quartile

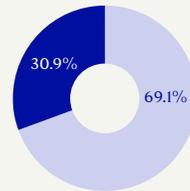
2022/2023



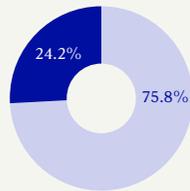
Upper quartile



Upper middle quartile

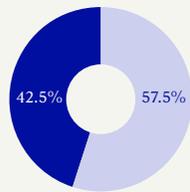


Lower middle quartile

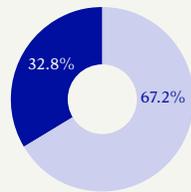


Lower quartile

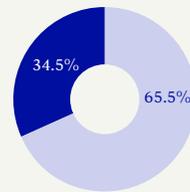
2021/2022



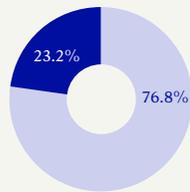
Upper quartile



Upper middle quartile



Lower middle quartile



Lower quartile

Median pay gap 2022/2023

13.8%

2021/2022: 14.2%

Mean pay gap 2022/2023

26.7%

2021/2022: 29.0%

Gender pay gap by quartile

UK pay quartile	2022/2023		2021/2022	
	Median pay gap	Mean pay gap	Median pay gap	Mean pay gap
Upper quartile	10.2%	22.7%	7.6%	24.6%
Upper middle quartile	0.2%	-0.9%	-1.9%	-0.7%
Lower middle quartile	-1.7%	-0.8%	-0.1%	0.2%
Lower quartile	5.1%	0.5%	3.3%	2.1%

Median bonus gap 2022/2023

39.8%

2021/2022: 38.7%

Mean bonus gap 2022/2023

62.8%

2021/2022: 55.8%

Women receiving bonuses 2022/2023

78.5%

2021/2022: 81.8%

Men receiving bonuses 2022/2023

81.4%

2021/2022: 80.5%

¹ Gender diversity at Burberry is based on global data. All other data provided in this report is UK only as per Gender Pay Gap reporting guidelines.

Understanding our gender pay and bonus gaps

At the snapshot date, our median gender pay gap narrowed from 14.2% to 13.8%. A continuing driver of the median gender pay gap is the decreasing proportion of women as we progress upwards through the pay quartiles. The representation of women decreases from 75.8% in the lower quartile, where the rate of pay is lower, to 58.8% in the upper quartile, where the rate of pay is higher. With a higher proportion of women at the lower end of the pay scale, the percentage difference between the 'middle' man and the 'middle' woman increases.

The mean gender pay gap has also narrowed from 29.0% to 26.7%. This is primarily due to delivering greater hourly pay increases to our lowest paid colleagues, the majority of whom are women, in October 2022 as part of our commitment to being a UK Living Wage Employer.

When the data is segmented into quartiles, the upper quartile median pay gap has widened from 7.6% to 10.2% and is a result of there being a higher proportion of women at the bottom of the upper quartile than the top at the snapshot date. Similarly, the upper quartile mean pay gap is also influenced by the composition of our senior leadership.

For this report's bonus data, both the median and mean gender bonus gaps increased in favour of men by 1.1% and 7% respectively. A key reason for this is that the bonuses paid out for this reporting year were significantly higher than in the previous report. This has had a greater impact on our mean bonus gap because we have a higher proportion of men in the upper quartile, where bonus potential is higher.

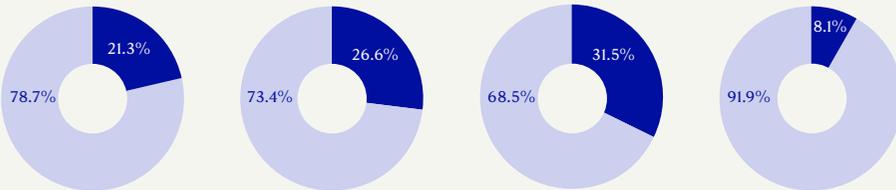


Ethnicity data from our UK population

Proportion of white and ethnically diverse in each quartile

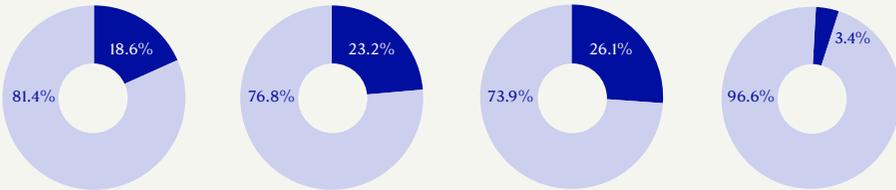
White
Ethnically Diverse

2022/2023



Upper quartile Upper middle quartile Lower middle quartile Lower quartile

2021/2022



Ethnicity pay gap by quartile

UK pay quartile	2022/2023		2021/2022	
	Median pay gap	Mean pay gap	Median pay gap	Mean pay gap
Upper quartile	3.2%	19.5%	1.0%	8.4%
Upper middle quartile	-2.4%	-2.0%	-2.6%	-1.8%
Lower middle quartile	-1.0%	-0.1%	-1.8%	-0.4%
Lower quartile	-9.6%	-5.2%	-2.5%	-2.0%



Understanding our ethnicity pay and bonus gaps

At the snapshot date, the proportion of ethnically diverse colleagues had increased across all quartiles. This increase and the overall demographic of our colleague population are key drivers of the median ethnicity pay gap, which remained in favour of ethnically diverse colleagues at -10.6%. This is because the highest representation of ethnically diverse colleagues is in the middle to upper quartiles, which pushes the 'middle' ethnically diverse individual higher up the pay scale in the median ethnicity pay gap calculation.

While the proportion of ethnically diverse colleagues increased from 18.6% to 21.3% in the upper quartile for this report, the number of ethnically diverse individuals at the top of the pay scale had decreased at the snapshot date. As individuals at the top of the pay scale have larger salaries, they have a significant impact on the mean pay calculation when they leave the business, because their absence causes the average hourly earnings to reduce. For this report, the evolution of our workforce has caused the mean ethnicity pay gap to move from -3.6% to 6.4% in favour of white colleagues, and the upper quartile mean ethnicity gap to move from 8.4% to 19.5%.

Similarly, and with bonus potential being linked to salary, changes in the upper quartile can also have a significant impact on bonus calculations. For this report, the demographic of the upper quartile at the snapshot date resulted in the mean ethnicity bonus gap widening from 23.9% to 28.7%. While the median ethnicity bonus gap also moved in a similar direction, it continued to remain in favour of ethnically diverse colleagues, narrowing from -80.7% to -72%.

Median ethnicity pay gap 2022/2023

Mean ethnicity pay gap 2022/2023

Median ethnicity bonus gap 2022/2023

Mean ethnicity bonus gap 2022/2023

-10.6%

2021/2022: -17.0%

6.4%

2021/2022: -3.6%

-72.0%

2021/2022: -80.7%

28.7%

2021/2022: 23.9%

% of ethnicity data we hold

71.2%

Monitoring progress

With a heritage of equipping explorers to go beyond, we understand the importance of breaking barriers to make progress and will use the insights in this report to continue to address our gender and ethnicity gaps.

Since the reporting period, we have continued to take steps to foster inclusivity and positively impact the gaps over time, including:

- The relaunch of our Internal Diversity Council and expansion of our Cultural Advisory Council.
- The launch of a Disability and Neurodiversity Inclusion ERG.
- The reinforcement of our diverse talent pipeline through dedicated partnerships – including with The Outsider's Perspective and The BRIT School – and more widely through the work of our Burberry Inspire programme, which helps young people across the globe to build better futures.

- The strengthening of colleague education through continued access to e-learning and bespoke training for specific business functions. This has included design-focused training, psychological safety sessions and disability awareness workshops in partnership with the Business Disability Forum.
- The creation of Trans and Non-Binary Inclusive Language Guide to support conversations with and about trans and non-binary people.

We are working to form a more complete picture of our colleague population by encouraging the voluntary disclosure of ethnicity information. Voluntary disclosure by UK colleagues currently stands at 82%, up 10% since April 2023 following an internal campaign. This complements ongoing efforts to diversify hiring practices, provide open and inclusive forums for communication, and enhance our company policies.

For further information on our broader strategic programmes and our diversity, equity and inclusion ambitions, please [click here](#).



