

# **BURBERRY**

**LONDON ENGLAND**

**GENDER PAY GAP REPORT 2018/2019**



“At Burberry we are committed to fostering an inclusive environment where all our employees have opportunities to achieve their ambitions.

We are proud that we do not have a gender pay gap in our retail teams and of the progress we have made at board and executive team level where we have the highest representation of women in executive team and direct report positions in the FTSE100\*.

We recognise that we have more work to do to strengthen the pipeline of women leaders. The measures we are putting in place to address this will take time but we are confident they will positively impact our business, help narrow our gender pay and bonus gaps, and promote a culture that encourages women to develop and progress their careers at Burberry.”

**MARCO GOBETTI, BURBERRY CEO**

\*Burberry has the highest representation of women in executive team and direct report positions in the FTSE100 at 58.5%. This was recognised in the 2018 Hampton Alexander Review where Burberry was named the top performer.

## GENDER PAY

Our gender pay gap report for 2017/18 provides a snapshot of the difference between the average pay for men and women at Burberry in the UK at 5th April 2018, as well as any variable pay received in the 12 months prior to this date. It is a legal requirement for all companies with more than 250 employees in the UK.

## MEASURING GENDER PAY

Gender pay is measured in two ways. The mean shows the difference between the average hourly pay of men and women in UK-based roles at Burberry. The median shows the difference in hourly pay between the middle man and middle woman if all employees in the UK were assembled in a row.

Gender pay is distinct from equal pay, which compares the pay of men and women carrying out the same or similar jobs.

Burberry's policy is to pay employees in line with the pay bands for their role, irrespective of gender.

### 2017/18 MEAN PAY GAP

**24.7%**

2016/17 Mean pay gap: 25.9%

### 2017/18 MEDIAN PAY GAP

**8.7%**

2016/17 Median pay gap: 7.8%

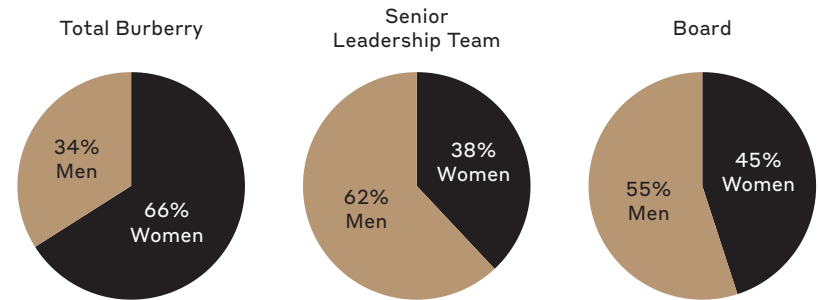
## OUR GENDER PAY GAP

Burberry's gender pay gap at 5th April 2018 was broadly unchanged on both measures compared to the prior year. This was driven by the differences in the gender mix across quartiles, with a higher proportion of women in lower paid roles and more men than women in our senior leadership team.

The gender pay gap was also impacted by a senior management transition at the time of reporting. Two of the highest paid executives, who were men, have since left Burberry.

Excluding the upper quartile, Burberry's pay gap was 1% or less and in retail, one of our largest employee groups, there was no pay gap.

## GENDER DIVERSITY AT BURBERRY



### PROPORTION OF WOMEN AT BURBERRY

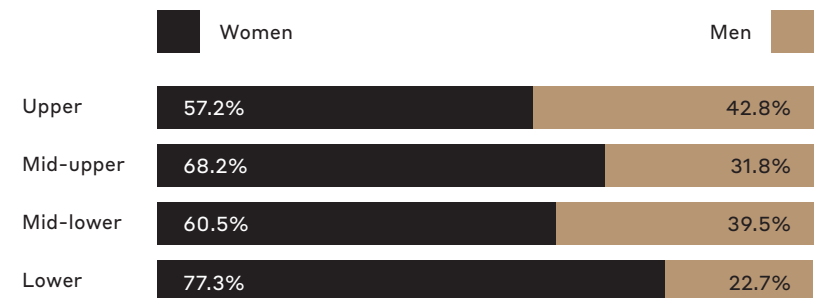
**66%**

### PROPORTION OF MEN AT BURBERRY

**34%**

## THE PROPORTION OF WOMEN AND MEN IN EACH PAY QUARTILE

In line with the reporting guidelines, gender representation is divided into four equal parts, or quartiles. The lower quartile consists of people who received the lowest pay at Burberry; the upper quarter consists of those who were paid the most; and the mid-lower and mid-upper fall between these.



## OUR GENDER BONUS GAP

The gender bonus gap shows the average difference in bonus, commission or incentives paid in the 12 month reporting period and proceeds from shares that were exercised in that period.

Burberry's mean and median bonus gap both widened in the 12 months prior to 5th April 2018 as the group bonus scheme paid out having not done so in the previous year. Again, this reflects the differences in the gender mix across quartiles.

The bonus gap was also impacted by the difference in the number of hours worked by men and women, particularly in our stores where our sales associates benefit from incentives and collect commission. While nearly twice the number of women than men worked in our stores in the period, male sales associates worked longer hours on average as more women worked part time.

### 2017/18 MEAN BONUS GAP

**61.8%**

2016/17 Mean bonus gap: 34%

### 2017/18 MEDIAN BONUS GAP

**34%**

2016/17 Median bonus gap: 15.9%

### 2017/18 WOMEN RECEIVING BONUSES

**78.5%**

2016/17 Women receiving bonuses: 33%

### 2017/18 MEN RECEIVING BONUSES

**74.2%**

2016/17 Men receiving bonuses: 36%

## OUR PROGRESS

**AT BURBERRY, WE ARE COMMITTED TO FOSTERING AN INCLUSIVE ENVIRONMENT WHERE ALL OUR EMPLOYEES HAVE OPPORTUNITIES TO ACHIEVE THEIR AMBITIONS.**

**OVER THE PAST 12 MONTHS, WE HAVE CONTINUED TO TAKE STEPS TO ENSURE WOMEN AS WELL AS MEN ARE ABLE TO FULFIL THEIR POTENTIAL AND FURTHER THEIR CAREERS, WHILE BEING RECOGNISED FOR THEIR CONTRIBUTIONS.**

## ACTIONS TAKEN

We have made good progress at board and executive team level. There are five women on our 11-person board, including one woman Executive Director, and we have the highest representation (58.5%) of women in executive team and direct report positions in the FTSE100. This was recognised in the 2018 Hampton Alexander Review where Burberry was named the top performer.

We appointed or promoted three women and two men to our senior leadership team. We rolled out a new leadership development programme. We also introduced mentoring and unconscious bias training for hiring managers.

## LOOKING TO THE FUTURE

We recognise that we have more work to do to strengthen our pipeline of women leaders, particularly at vice president and senior vice president level, and we are implementing actions to facilitate this.

We are also expanding our unconscious bias programme to make it mandatory for all managers; putting in place additional training for all employees; and establishing employee councils focused on diversity and inclusion.

It will take time for these measures to take effect. However, we are confident that they will positively impact our business, help narrow our gender pay and bonus gaps, and promote a culture that encourages women to develop and progress their careers at Burberry.