



Burberry boss paid £2.6m in nine months despite falling profits and job cuts

Sarah Butler

Burberry has paid its new chief executive, Joshua Schulman, almost £2.6m in his first nine months in the job, including £380,000 in house moving costs, as the ailing British brand announced hundreds of job cuts.

The company also handed its previous boss, Jonathan Akeroyd, a payoff worth about £1.5m – a year's notice including salary, pension and cash benefits – after he left the company in July last year, according to the group's annual report.

The former Versace boss exited less than three years after he was appointed in 2021.

This year Schulman could earn up to £5.6m if he meets bonus targets, excluding a £3.6m potential bonus if he doubles Burberry's share price in three years with the aim of re-entering the FTSE 100.

He is also in line for a further £25,000 a month in "housing allowance" for just over a year on top of £135,171 to help him find a new home and £120,655 towards transporting his effects from New York. In his first nine months, Schulman was handed a £1.2m bonus on top of his £1.356m in salary, which included the moving allowances.

The chunky payments to senior directors are despite Burberry revealing plans to cut 1,700 jobs worldwide by 2027 – including removing the entire night shift of 170 people at its

raincoat factory in Castleford, West Yorkshire – in an effort to tackle sliding profits.

The company disclosed the plan earlier this month as it revealed it had dived to an annual loss of £66m, from

a profit of £383m a year before, as it struggled in a troubled global luxury goods industry after a series of strategic missteps.

Schulman, a former boss of the US fashion brand Coach, was hired last year in an attempt to turn Burberry's fortunes around. The group's share price has risen almost 50% since he was appointed despite fears about the effect of Donald Trump's plans for import tariffs including both US and Chinese consumer spending.

This month Schulman announced a plan to cut about a fifth of Burberry's global workforce to bring £60m in additional cost savings on top of a £40m savings programme that he had unveiled in November.

The annual report shows Burberry has already been reducing

its workforce, with the number of employees down by more than 870 to 8,459 year-on-year.

Burberry's directors said in the report that they had consulted with shareholders about the level of Schulman's pay: "The majority of shareholders appreciated the circumstances of Josh's recruitment

and were supportive of the design of Josh's ongoing remuneration arrangements, the approach to his annual bonus for [the last year] and his recruitment award."

They said directors were "mindful of the feedback received from some of our shareholders during the consultation and took this into account when determining the final level of bonus payout".

Andrew Speke, of the High Pay Centre thinktank, said: "Given Burberry's financial struggles, it's not surprising they're taking cost-cutting measures. But to be cutting thousands of jobs while continuing to pay exorbitant amounts to executives is ethically highly questionable and seems like a big strategic error.

"It will cause major damage to the morale of the workforce and reflects yet another major company who appears to think that business success comes from paying the person at the top a lot of money, rather than investing more equitably in the broader workforce."

170

Number of jobs lost at Burberry's factory in West Yorkshire, part of a planned 1,700 job cuts worldwide





▲ *Burberry has reported an annual loss of £66m* PHOTOGRAPH: JEFF SPICER/GETTY



◄ *Joshua Schulman was paid £380,000 for his house move when appointed CEO of the fashion brand Burberry*

