MADE STRONG

DR. MARTENS PLC
ANNUAL REPORT 2024

MADE STRONG SINCE 1960.

Reflecting on a year of challenges, we stand firm in our belief that our fundamentals remain strong. Despite macroeconomic shifts, our commitment to building on our brand has remained unwavering.

As we look forward to the year ahead, we will focus on relentless product innovation, compelling product marketing and expanding brand engagement across our key markets. Alongside this we will be laser-focused on cost efficiency and driving savings where possible.

STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

drmartensplc.com Dr. Martens plc drmartensofficial

FINANCIAL HIGHLIGHTS

Pairs m

11.5M

2023: 13.8m

Revenue £m

£877.1M

Constant currency: £904.7m
2023: £1,000.3m

EBITDA[1] £m

£197.5M

Constant currency: £205.7m
2023: £245.0m

PBT £m

£93.0M

2023: £159.4m

1. EBITDA – Earnings before exchange gains/losses, finance income/expense, income tax, depreciation and amortisation.

OPERATIONAL HIGHLIGHTS

D

Direct-to-consumer (DTC) revenue up 2%

£533.1M

O

TRANSFORMATION

OF OUR NORTH AMERICAN DISTRIBUTION CENTRE NETWORK

C

Launched new brand platform

MADE STRONG

S

Wholesale revenues down

28%

SUSTAINABILITY HIGHLIGHTS

Planet

Sourced

93.5%

of the electricity for our EMEA and UK operations from renewable sources

Product

Launch of our

RESALE

platform in the USA

Product

Launch of our authorised

REPAIR

service in the UK

People

100%

of our Tier 1 and Key Tier 2 suppliers CSR audited met our high standards[1]

1. Audit results above 75% scoring for Tier 1, and above 70% for Key Tier 2, in line with Intertek Workplace Conditions Assessment scoring methodology.

WHAT WE'RE WORKING TOWARDS

What we stand for

Our purpose is to empower Rebellious Self Expression.

Our responsibility is to act as brand custodians. Our aim is to deliver long-term value for the business.

This is where Dr. Martens is heading. This is what we're working towards together.

What we do

The business is focused on executing its tried and tested DOCS strategy:

D **DIRECT-TO-CUSTOMER FIRST**

We aim to build brand equity and drive margin expansion.

O **ORGANISATIONAL AND OPERATIONAL EXCELLENCE**

We are investing in and improving our organisation, operations and IT to enable growth and unlock value.

C **CONSUMER CONNECTION**

We are focused on acquiring new consumers and driving loyalty.

S **SUPPORT BRAND EXPANSION WITH B2B**

We aim to manage B2B, which is made up of wholesale and distributors, holistically and purposefully to support our brand.

AT A GLANCE P4

OUR STRATEGY P22

TOGETHER

Who we work for

Dr. Martens is focused on delivering sustainable and profitable growth to drive long-term value for the brand and its shareholders:

STAKEHOLDER ENGAGEMENT P18

Why we do it

There are three core values at the heart of Rebellious Self Expression. They never stand alone, but work together to support what Rebellious Self Expression is for Dr. Martens. Our values are:

BE YOURSELF

We want our people to do what they are brilliant at. Being themselves is their superpower and it's the value they bring to work every day.

ACT COURAGEOUSLY

We want our people to try new things, let others see our successes and mistakes, so we can all learn.

SHOW YOU CARE

Our people should think like an owner to advance the brand first and collaborate across functions and regions.

SUSTAINABILITY P46

A GLOBAL

OUR UNIQUE DNA

Our product range is centred on our originals and made up of two groups, main-line and AMP.

INVESTMENT CASE: OUR UNIQUE PROPOSITION

We believe that our competitive strengths are what set us apart and position us to succeed in a rapidly changing world.

1 ICONIC, GLOBAL BRAND

The unique DNA of the 1460 boot is preserved across all our products, sitting at the core of our product strategy.

74%

brand awareness

2 BRAND-FIRST DTC-LED STRATEGY

Our DOCS strategy is about selling to more people, through our own direct-to-consumer (DTC) channel.

15%

average annual DTC revenue growth since FY20

3 SIGNIFICANT MARKET OPPORTUNITY

We are a global brand with a focus on seven priority markets – UK, USA, Japan, Germany, Italy, France and China.

85%

of revenues from priority markets

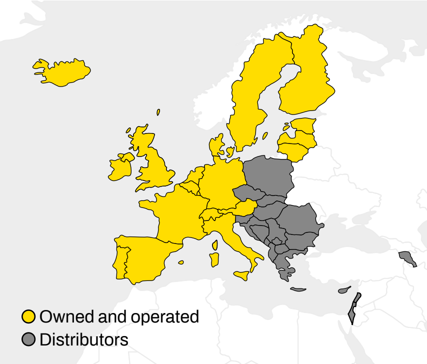
BRAND ICON

OUR MARKETS

Our DOCS strategy is about selling more pairs of boots, shoes and sandals, to more people, through our own DTC, in our seven priority markets.

EMEA

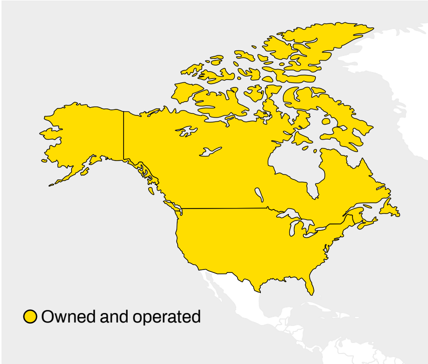
£431.8M
revenue
2023: £443.0m



OWN STORES	**102** 2023: 88
THIRD-PARTY STORES	**–** 2023: 3
DTC MIX	**+8%pts** 2023: +4%pts

AMERICAS

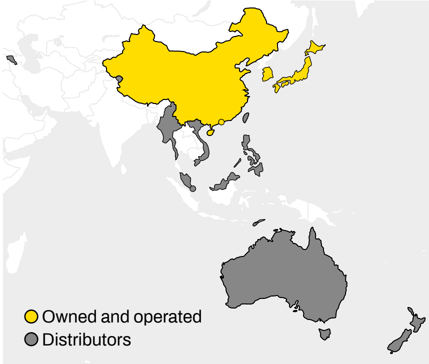
£325.8M
revenue
2023: £428.2m



OWN STORES	**61** 2023: 54
THIRD-PARTY STORES	**4** 2023: 4
DTC MIX	**+8%pts** 2023: +1%pts

APAC

£119.5M
revenue
2023: £129.1m



OWN STORES	**76** 2023: 62
THIRD-PARTY STORES	**70** 2023: 112
DTC MIX	**+10%pts** 2023: +4%pts

SEE MORE ONLINE
DRMARTENSPLC.COM/INVESTORS/INVESTMENT-CASE

4 APPEALING TO A BROAD CONSUMER BASE
A balanced demographic mix of consumers across all metrics, including gender, age, income level and geography.

43/56[1]%
male/female split

5 ROBUST FINANCIALS
The business generates a strong gross margin and is highly cash generative.

7%
average annual revenue growth since FY20

6 CUSTODIANSHIP CULTURE
Dr. Martens culture has ‘custodianship’ at its core and we are committed to standing by our belief in leaving things better than we found them for the next generation.

FY40
Net-Zero target by FY40

1. The remaining 1% are those that don’t identify as male or female.

In last year's Annual Report I shared my disappointment that, whilst we'd reached £1bn of revenue, growth had been below expectations and we'd made execution mistakes which had impacted our performance.

FY24 has been another disappointing year, with a challenging consumer environment in the USA, particularly in our core boots category, combined with our brand implementation in this market not being as strong as it should have been.

At a Group level, revenue declined by 9.8% (constant currency basis) to £877.1m. Within these results there is a mixed picture regionally, with EMEA and APAC revenues broadly flat, but Americas seeing a significant step down. EBITDA of £197.5m compared with £245.0m last year. Profit was further impacted by increased depreciation and amortisation charges as a result of our ongoing investment programmes, together with significantly higher net interest charges.

The weakness in the Americas performance is in part due to the wholesale-reliant nature of this business, which has meant that widespread caution from wholesale customers has had a significant impact. I'd contrast this with our Japanese business, where DTC accounts for the significant majority of our revenue and we had a much stronger performance. As we look to FY25 and beyond, we must ensure that we build back in a more resilient and sustainable way, with the right balance of wholesale partners and a DTC-first approach, to reduce the impact of future wholesale cycles.

DOING THE RIGHT THING

PAUL MASON, CHAIR

As our guidance indicates, we face a tough outlook for FY25, with our USA wholesale customers not expected to fully restock this year, and inflation coming through in our operating cost base, without the usual benefit of price increases to offset at least some of this cost. This backdrop also means that there is more uncertainty around our full year outturn than is usually the case. I can assure our investors that we will look to deliver cost savings and efficiencies wherever possible, whilst protecting the brand and our future growth prospects.

We still remain very confident in the headroom for our brand in the medium to long term, and we will take a step change in our brand communications to ensure our marketing is focused on our product offering, which will be an important part of reigniting boots demand, particularly in the USA.

Governance

A few weeks ago we welcomed our new CFO, Giles Wilson, following the retirement of Jon Mortimore in March. Giles brings with him a wealth of experience, having been both CFO and CEO at John Menzies plc, and he joined us from William Grant & Sons Limited, one of the largest global spirits companies. He is an operationally focused CFO and his time in the branded spirits industry has given him good grounding in global brands. I am excited about the experience and capability he will bring to the top team.

In late 2023 we also announced that Ije Nwokorie, a Non-Executive for almost three years, would be stepping down from the Board to join the business full time as Chief Brand Officer (CBO) in February 2024. This newly created role encompasses Product, Marketing and Strategy, responsible for setting the overall brand strategy, vision and future direction. Ije is a brand visionary and experienced business leader and joined us from Apple Inc., where he was a Senior Director in Apple Retail since 2018. Prior to this Ije spent 11 years at global brand consultancy Wolff Olins, latterly as CEO.

> **“This was another disappointing year for our business in a challenging external environment. Against this backdrop, our brand remains strong and I remain exceptionally proud of the passion and dedication of our people.**
>
> **PAUL MASON**
> Non-Executive Chair

WELCOME Q&A

GILES WILSON
CHIEF FINANCIAL OFFICER

We're thrilled to welcome Giles, whose extensive experience across sectors, most recently in the branded spirits industry, together with his knowledge of the public markets, will be a valuable asset to the Board.

PAUL MASON
Non-Executive Chair

FINANCE REVIEW P32

Q

Can you tell us a little about your background?

Having qualified as a chartered accountant with PwC, I spent the early part of my career in finance roles for Gallaher Group Plc and Commercial Estates Group Limited. I then joined John Menzies plc in 2011, where I spent almost a decade, including as a main Board Director initially as CFO for four years and then subsequently became CEO.

During my time there, we dealt with a variety of business challenges, including the full Board-led strategic review of the Group, leading to raising equity via a rights issue to fund a transformational acquisition for the Aviation business, to become one of the largest global aviation services businesses in the world; the decision and execution of the divestment of the Newspaper Distribution business to become a pure play aviation business; and finally leading the business through initial phases of Covid lockdown and securing the long-term funding through this unprecedented time. Latterly, before joining Dr. Martens, I was the CFO of William Grant & Sons Limited for four years, one of the world's largest family owned branded spirits business, owners of globally renowned brands Glenfiddich, The Balvenie and Hendricks Gin.

Q

What attracted you to the role at Dr. Martens?

I've learnt through my career that working for great brands always gives you an advantage, and the opportunity that high-margin branded products offer. Looking at Dr. Martens, I see an incredibly well-loved, durable brand, with strong gross margins and cash generation. I was also attracted by how underpenetrated the brand still is in major markets globally, such as the USA and Japan.

I have enjoyed meeting people from the business and the unique culture, where people can authentically be themselves and thrive, resonated with me. Finally, I felt that my experience, particularly as a PLC CFO, would add value to the business.

Q

What are your first priorities as you settle into the role?

We know we have disappointed investors, missing our guidance several times and impacting the level of trust the market has in us. Whilst some of the reasons for this are external forces outside of our control, we need to do a better job communicating with our external stakeholders and laying out the financial metrics we're focused on delivering this year. You can read more about this in my Finance Review on page 32.

I'll also be spending time understanding the cost base and investment plans of the business, to ensure we're managing costs tightly without impacting our future growth potential.

More generally, I'm looking forward to getting to know the business, including meeting our people globally, our supplier base and our wholesale partners.

I am excited to be joining the Company at this time of transition and I am looking forward to working with the team to drive the strategy forward.

GILES WILSON
Chief Financial Officer

Q

What will define success in the role for you?
As I've just described, success in the coming year will be starting to rebuild trust and credibility with our investor base, through clear communication and disclosure, laying out the near-term metrics to judge us on and delivering against these. Looking further out, I am excited to play my role in the continued professionalisation of the business, leveraging the cost base which will enable us to unlock the growth potential ahead.

Q

How do you feel about the growth potential of the business?
I'd long known about the brand having grown up in the UK, however as I got to know the business, even after such strong top-line growth over the past ten years I was surprised by just how much opportunity there is in major countries such as the USA, Japan, Germany and Italy – to name just a few. It's important we grow in the right way – with a DTC-first approach, supported by enhancing wholesale. As the systems investments we're currently undertaking fall away, this will further drive growth in profitability.

In mid-April 2024 we announced that FY25 would be Kenny Wilson's last year as CEO. As part of an orderly succession plan, and following a thorough search process, the Board was delighted to announce that Ije will succeed Kenny as CEO. Kenny and Ije will work together to ensure a smooth handover, with Ije becoming CEO before the end of FY25. Ije will remain as CBO in the meantime, with his focus being on the brand and driving demand ahead of the important AW24 season.

Kenny will have served as CEO for almost seven years, through which the business has professionalised and delivered significant growth. Kenny's focus on product, brand and custodianship has instilled a strong culture through the organisation. I am grateful that Kenny will ensure an orderly transition to Ije over the coming year and I will also be actively involved in helping to ensure that the handover is as seamless as possible.

I am excited about the future combination of Ije and Giles and believe that their complementary skill sets and experiences will be a powerful force in driving the business forward in the years ahead.

More information can be found in our Governance Report from page 85.

People

I remain so impressed by the resilience and hard work of our people, through another challenging year. Without their determination and dedication, we would not be able to serve our customers with care and passion day in, day out; work closely with our partners and suppliers and continue to step forward in sustainability. I'd like to express the Board's thanks to all of our people for their efforts this year.

Sustainability

Our products have embodied timeless design, longevity and durability for over six decades, and sustainability is embedded across the business. This year we made further strides, with the launch of an authorised repair service in the UK, the launch of ReWair, our dedicated resale site, in the USA and the launch of our first products using reclaimed leather, Genix Nappa. You can read more about these developments and the wider progress against our sustainability commitments in our Sustainability Report on page 46 onwards.

Dividend

The Board recognises the importance of dividends to our shareholders. We have proposed, subject to shareholder approval, a final dividend of 0.99p, taking the total dividend for FY24, including the interim dividend of 1.56p, to 2.55p. Whilst this is a year-on-year reduction given the lower earnings achieved this year, the 35% payout for FY24 is at the top of the policy range. We are also sharing that the Board's intention is to hold the FY25 dividend flat in absolute terms, before returning to an earnings payout in line with our dividend policy (of 25% to 35% payout) in FY26 onwards. Finally, we're making some changes to our approach to setting the interim dividend and payment dates, which you can read about in the Finance review on page 32.

PAUL MASON
Non-Executive Chair
29 May 2024

Our FY24 results reflect continued weak USA demand. This particularly impacted our USA wholesale business and offset our group DTC performance, where pairs grew by 7%. I am confident that the actions we are taking as we enter this year of transition will put us in good shape for the years ahead.

FY24 was a challenging year for our business, with a difficult trading environment and considerable macroeconomic uncertainty. Our largest market, the USA, continues to face two significant external headwinds, namely weak consumer confidence impacting spending and a particularly challenging boots segment, which was down 17% for the year overall (source: Circana data). This resulted in widespread caution from wholesale customers, leading to weaker wholesale order books, as well as impacting our DTC ('Direct-to-consumer') performance. The USA has the highest wholesale penetration of any major market, and therefore the weak performance here had a significant impact on our business overall. We have a new leadership team in the Americas which is still embedding, and our marketing and trading execution during the year was not as strong as it should have been. In the next section we detail the changes we're making in our marketing approach and the action plan we're implementing to reignite demand in this market.

In FY24 we took the strategic decision to reduce the breadth and depth of volume we sell to EMEA etailers, which reduced wholesale revenues in this region. The 11.8% EMEA DTC growth is therefore more indicative of our underlying performance, albeit it was partially flattered by the earlier timing of Easter. Within EMEA, our conversion markets of Germany, Italy and Spain saw strong double-digit DTC growth and UK DTC growth was positive, although at a lower level. Japan makes up the majority of our APAC region and we saw continued good growth in this largely DTC market.

We achieved significant supply chain savings through the year, which benefited gross margin. These savings were due to our supply chain transformation strategy together with a relatively benign sourcing backdrop. The ongoing supply chain transformation has steadily increased direct control over our supply chain inputs, from around 10% five years ago to around 70% today. This has enabled improved quality and consistency, diversification of risk from single point dependency and direct negotiation of costs. The savings delivered in FY24 as a result of this strategy include lower costs for key components, factory benchmarking to align profit, re-negotiation of our inbound shipping contract and optimisation and re-tender of retail outbound freight.

Our product strategy is 'icons and innovation', meaning that we aim to grow revenue of our iconic continuity products through constant innovation around this core, to drive brand heat and newness. We aim to grow all three categories of boots, shoes and sandals simultaneously. Pairs sold declined by 17% year-on-year, however this was entirely due to weakness in wholesale orders, with DTC pairs up 7%. By category, DTC pairs for both shoes and sandals grew more than 20% year-on-year, whilst DTC boots pairs saw a small decline. Growing shoes and sandals, alongside growing boots, is an important part of our strategy to broaden our product portfolio over the medium-term, and we saw particularly good success during the year with our mules range within sandals and loafers within shoes. We are steadfastly focused on growing our boots category, with this accounting for 66% of Group revenues in FY24.

During AW23 we launched a capsule collection of our new Amp category: 14XX. Amp and 14XX represents the pinnacle of our creative expression, with cutting-edge innovation at the forefront while still remaining true to our product handwriting and design principles of durability and versatility. The capsule collection, built around our original 1460 boot, 1461 shoe and 2976 Chelsea boot, saw encouraging consumer feedback and in AW24 we will launch a larger 14XX range to consumers. The purpose of these collections is to create a 'trickle down' effect, creating demand for the mainline product range.

OUR CULTURE AND VALUES

At Dr. Martens, we value integrity, teamwork, professionalism and passion, but Rebellious Self Expression is how we define what's unique about our culture and our brand. Our people have the right to be themselves and express that self to the world. But in everything they do, they also need to think about how it impacts others and how they work together for the brand. This is the Dr. Martens manifesto for how our people live and lead through Rebellious Self Expression. This is our culture.

BE YOURSELF:

We want our people to do what they are brilliant at. Being themselves is their superpower and it's the value they bring to work every day.

We value difference and diversity. While everyone's moment of Rebellious Self Expression is different, all are equally valid and should be respected.

ACT COURAGEOUSLY:

Be bold, not reckless, and make mistakes in the open. We want our people to try new things and let others see our successes and mistakes so we can all learn. We strive together for progress, not perfection.

We want our people to have the courage to challenge themselves and others. This means being relentlessly curious to understand others and challenging decisions constructively to help make better ones. Every voice matters but once a decision is made, we all stand by it.

We can do anything, but we can't do everything. We want our people to take responsibility for being both proactive and efficient: to adopt, adapt and invent in that order.

SHOW YOU CARE:

Success at DM's impacts our consumers and shareholders as well as our people. They should think like an owner to advance the brand first and collaborate across functions and regions.

Our people should put the consumer at the heart of their actions. DM's are shaped by the people who wear them and our actions should always serve them first and foremost.

Be direct and be kind. Difficult conversations are sometimes needed. We think about our impact, we are open to other perspectives while giving direct, factual feedback that aims to build someone up, not tear them down.

We live and love the brand, including on our feet. Everyone at DOCS has a DM's story and they tell it every day through showing up to work in their Dr. Martens. We believe we stand taller, prouder and together in DM's.

SUSTAINABILITY P46

100%

Our target is to have 100% of products made from sustainable materials by 2040

Collaborations have always been an important part of our product strategy, being an incubator for future product success and scale, whilst also driving brand heat. In FY24 our collaborations included a partnership with Lagos-born, London-based collective Motherlan, which reinterpreted our 1461 shoe. We also worked with streetwear brand Girls Don't Cry with our creeper shoe, which was released through our ecommerce channels globally together with Dover Street Market locations and sold out worldwide within 48 hours. As part of our celebration of 10 years of the Jadon, our biggest product within our Fusion category and one of our four icon products, we launched a collaboration with fashion-forward brand Ganni, with a high impact activation event in New York. We also returned to our highly successful partnership with Rick Owens, this time creating two iterations of our 1460 boot together with our 18 eyelet 1918 boot. These boots stood on our inflated DMXL sole which originated in our 14XX range. Exaggerating our classic construction, the sole combines lightweight EVA with durable PVC pods.

The business continues on a professionalisation journey, of which a key element is the next phase of our technology investment programme. The projects currently underway are the Customer Data Platform and the Supply and Demand Planning System. The Customer Data Platform will give us a single customer view across both DTC channels (retail and ecommerce), enabling more targeted marketing and consumer engagement. The Supply and Demand Planning System is a modern and agile planning system, which will improve availability and accuracy of product forecasting. This will drive meaningful working capital savings, beginning in FY26. Alongside these two projects we have a number of other technology workstreams underway to improve our data capabilities, increase our speed of decision making and drive efficiency.

We continue to make significant strides in sustainability. Our Science Based Targets were verified and approved by the Science Based Target Initiative in October. We have committed to reducing our absolute greenhouse gas emissions aligned with the Science Based Targets initiative to achieve near-term reduction targets by 2030 and Net Zero by FY40.

In October we launched our Authorised Repair service to consumers in the UK. The service enables consumers to repair their Dr. Martens products, working with a third-party repair partner and using our own machines and materials. Consumer reaction so far has been very encouraging and we will look to roll this out in our other key markets in the future.

In March we launched our own resale offering in the USA, named ReWair. We repair and restore second hand Dr. Martens products and sell them through a directly run dedicated resale site. ReWair is an important part of our Net Zero by FY40 target as the carbon generated from a resale is substantially lower than a new product. Although relatively early days, performance since launch has exceeded expectations, for both revenue and conversion rate, and we've had high positive engagement on social media.

In late March we also launched three products in Genix Nappa, a new upper material made from reclaimed leather. This is an important step in our efforts to achieve our target of 100% of products made from sustainable materials by 2040. It is early days, however press and consumer engagement has been positive.

LOOKING TO FY25 AND BEYOND

FY25 will be a year of transition for our business. In EMEA and APAC regions we will continue to execute our successful DOCS strategy, to take advantage of the significant whitespace growth opportunity in both.

We continue to see good brand metrics globally. Total brand awareness has increased by 2% to 74%. In EMEA, our key conversion markets of Germany, Italy and Spain each saw brand awareness growth of 2-3%pts. Our home market of UK saw a marginal decline in brand awareness although this remains significantly above the Group at 92%. In Japan our brand awareness increased by 1%pts to 53%, with continued opportunity to close the gap to the Group average.

In the USA, where we have seen a disappointing trading performance, brand awareness is flat at 73%, however we have seen a meaningful decline in consideration from consumers who have not purchased recently and therefore our efforts will be particularly focused on broadening our appeal to attract new consumers.

Under the direction of Ije Nwokorie, in his current role as Chief Brand Officer (CBO), we are shifting our marketing efforts globally from storytelling focused on culture to a relentless focus on product marketing. Our AW24 marketing will lead and be dominated by boots and the marketing organisation has been reorganised to product-led marketing, centred around icons.

The USA remains our number one priority across the business and we are implementing a detailed action plan to return this business to growth, targeting a return to positive DTC growth in H2 FY25. Against this action plan we are increasing marketing investment as a percentage of revenue in the USA in the year ahead, whilst ensuring that we maximise the return and efficiency of this spend.

The key pillars of this action plan are:

USA ACTION PLAN

Marketing
We will have an 'always on' product marketing approach to icons, a re-energisation of boots in AW24 and four key seasonal boot stories to ensure we drive newness and excitement. Marketing spend will be increased on mid to lower funnel activity, to drive consideration.

Digital
We will improve the quality of our product detail pages and optimise our checkout process to maximise ecommerce conversion. We will seek to drive more qualified traffic to our site, again to improve conversion. Finally, we will implement an order in store offering.

Wholesale
Given the nature of wholesale order books, there will be a lag between when we see our USA DTC performance improve and when our wholesale business will return to growth. Our expectation is that we won't see an in-market restock driving a recovery in our USA wholesale revenues until AW25 at the earliest, which equates to the second half of FY26. We therefore anticipate our USA wholesale revenue declining double-digit percentage in FY25. Through FY25, however, we will work with key USA wholesale customers to focus actions on driving boots sell-through in store.

Over recent years we have invested in the business and built an operating cost base in anticipation of a larger business, and with revenues weaker we are therefore seeing significant deleverage. Alongside our action plan to reignite DTC boots growth, we will also be implementing a cost action plan across the Group, led by new CFO Giles Wilson and the leadership team. We will target £20m to £25m of cost reduction, with savings from organisational efficiency and design, better procurement and operational streamlining. We will see the benefit of this saving in FY26, with the FY25 benefit likely to be immaterial due to the costs of implementation. Further details and a progress update will be provided at our first half results in November.

KENNY WILSON
Chief Executive Officer
29 May 2024

MARKET TRENDS AND OPPORTUNITIES

MACROECONOMIC TRENDS

Market context

Consumer confidence
The global macroeconomic environment remains challenging, with weak consumer confidence and continued high inflation impacting both our costs and consumers' discretionary spending. As a consumer brand, this represents a difficult trading backdrop.

Inflation
Across the medium term we price to broadly offset inflation, with individual prices by market set utilising an in-depth pricing elasticity survey. Having increased prices in recent seasons we are broadly holding prices flat for FY25, and this means that inflationary cost increases will impact our financial performance in a more significant way than is typically the case.

How we are responding

We continue to expect the consumer backdrop to remain weak, particularly in the USA. We are implementing an action plan to reignite our performance in this market.

READ MORE P13

With inflation impacting our cost base we will do all we can to tightly manage costs and drive efficiencies.

Globally we continue to view the brand as underpenetrated, presenting a significant future growth opportunity. We will capture this opportunity through a targeted store rollout programme, focused marketing and digital investment and working with wholesale partners to drive brand awareness and deliver incremental revenue.

Opportunities

- Although still elevated, the inflationary backdrop is improving, which should lessen the impact on both our cost base and consumer spending.
- In a more challenged consumer backdrop it is typically versatile, long-lasting, high-quality brands that outperform. Our product marketing aims to reinforce the durable, high-quality nature of our products to consumers.

SOCIETAL TRENDS

Market context

Expressions of identity
Expressions of identity of today's consumers are more fluid than ever, and our products provide a blank canvas through which consumers can express themselves. We pride ourselves on being a democratic brand which empowers consumers.

Sustainability
Sustainability is an increasingly important factor when consumers make purchasing decisions. This includes product considerations, end-of-life options and a brand's wider impact on the world around it.

How we are responding

Our products and brand are well-positioned against a backdrop of significant societal shifts including gender fluidity and the casualisation of dress codes. Our products are predominantly unisex and therefore inclusive to all gender identities. Furthermore, our timeless products are worn by all age groups and for multiple occasions, making them extremely versatile.

This year we launched two new sustainability initiatives, authorised repair in the UK, which allows consumers to repair their worn Dr. Martens products, and ReWair in the USA which allows consumers to buy second-hand restored Dr. Martens footwear and bags. Consumer reaction to both has been very encouraging.

At the end of FY24 we also launched Genix Nappa, our latest material innovation made from reclaimed leather offcuts, with our three most iconic products now being available to buy using this material.

Opportunities

- Rollout of both authorised repair and ReWair to other markets in the future.
- We are working to develop, test and trial other sustainable materials. Read more on pages 57, 58 and 59.

RE-ENGAGEMENT WITH PHYSICAL SHOPPING

Market context

Consumers returning to stores
The trend of consumers returning to physical shopping has continued through FY24, with our retail channel outperforming ecommerce despite footfall still below pre-Covid levels. Our stores enable us to showcase the depth of our brand and the breadth of our product range, with our experienced in-store teams acting as brand ambassadors.

The role of opinion-leading wholesale stores
We partner with some of the world's most influential multi-brand wholesale partners. Our products being showcased in these stores helps to further grow brand equity and elevate our positioning in the market.

How we are responding

Having begun the year with 204 stores, we have opened a further 46 and closed 11. This took our total retail stores to 239 at year end. Our store rollout programme will continue through FY25 with a focus on EMEA conversion markets and Japan.

We continue to attract and partner with leading wholesale partners globally. We also aim to work closer with them in certain markets, for example with exclusive collaborations, in-store events and marketing content.

Opportunities

- With traffic still below pre-Covid levels across many stores, we are focused on driving in-store conversion.
- Rollout of omnichannel in continental Europe expected to drive further growth and engagement.

+6%
Retail revenue growth in FY24

Market trends in the USA

Consumer confidence
The wider macro and consumer environment in the USA has been challenging this year. According to The Conference Board, the consumer confidence expectations index[1] continued to fall in March 2024. Expectations for the next six months show that consumers remain concerned over cost of living and the political environment in the USA. Looking forward, ongoing geopolitical uncertainty together with the presidential election in November mean that we expect this backdrop to continue.

USA boots market
In addition to a weak consumer, the overall boots market segment in the USA has been challenging, with our performance broadly in line with this segment. Boots are our biggest and most profitable category, and the revenue decline has therefore had a significant impact on our USA business.

Caution amongst wholesale customers
The weaker consumer backdrop, combined with a particularly challenging boots market, means that we are seeing widespread caution from wholesale customers leading to weaker order books. We are well positioned for when USA sentiment improves, driving USA wholesale customers to restock. Read more in the CEO's Statement on pages 10 to 13.

1. The expectations index is based on consumers' short-term outlook for income, business and labour market conditions.

HOW WE CREATE VALUE

Doing the right thing for the long term is at the heart of our custodian mindset at Dr. Martens. This means focusing on creating long-term, sustainable value for our stakeholders.

CORE COMMERCIAL ACTIVITIES

GLOBAL REVENUE CHANNELS

61%
DIRECT-TO-CONSUMER

ECOMMERCE
Our single most important store is our own .com websites, which cover the majority of our markets. In FY24, ecommerce generated 32% of revenue.

RETAIL
We operate 239 own stores globally and they provide the opportunity to showcase our brand and products in the best possible physical environment.

39%
WHOLESALE

This encompasses wholesale partner relationships, together with country distributor models and franchised stores, giving the brand extra reach and awareness.

OUR FOUNDATIONS:

PEOPLE	BRAND	CONSUMERS
Our 2,630 passionate and dedicated people are the core building block of our long-term success	Our iconic, global brand is the equity that drives sustainable, long-term growth	We are proud to play a role in our consumers' moments of Rebellious Self Expression

What we do

Dr. Martens is an iconic, global footwear brand. We make boots, shoes and sandals which we sell through our DTC channel via our ecommerce platforms and our stores, and through our business-to-business channel via both wholesalers and distributors.

We operate in three regions – EMEA, Americas and APAC – and have seven priority markets – USA, UK, Germany, Italy, France, Japan and China. Our biggest selling products remain our 'Originals' including the 1460 boot, the 1461 shoe and the 2976 Chelsea boot.

READ MORE P4

WHO WE CREATE VALUE FOR

OWNERS

Long-term business success driving share price appreciation, a progressive dividend and a £50m share buyback programme undertaken in FY24

£25M
total FY24 dividend payout

OUR PEOPLE

Ongoing training and development within a supportive and inclusive working environment

92%
response rate to our Engagement and Inclusion Survey

CONSUMERS

Being able to buy a timeless, durable product for a fair price

#1
Dr. Martens ranked number 1 for unprompted brand awareness in our Brand Survey in Boots

PARTNERS

Working with an iconic, global brand that resonates strongly with their consumers

1.6K
wholesale customers in FY24

SUPPLIERS

Association with a strong, responsible brand that can generate long-term demand growth

HELD FACE-TO-FACE CONFERENCES WITH OUR KEY TIER 1 SUPPLIERS DURING THE YEAR

ENVIRONMENT & COMMUNITIES

Reducing our environmental impact and leaving things better than we found them

SUCCESSFUL LAUNCH OF AUTHORISED REPAIR IN THE UK

PARTNERS

Our strong wholesale partner relationships provide support to our DTC expansion plans

SUPPLIERS

Our long-term supplier relationships ensure consistently high product quality around the globe

FINANCIAL

Strong margins, high cash conversion and a robust Balance Sheet support continued investment in long-term growth

MEETING THE NEEDS OF OUR STAKEHOLDERS

In this section we identify our key stakeholder groups, explain why and how the Company actively engages with them, set out a number of the metrics used to measure success and summarise some of the outcomes of our engagement.

In a change to the approach taken in last year's Annual Report, we have included a separate section dedicated to explaining how the Board engages with each of these groups and how their interests influence its decision-making. This can be found on pages 101 to 104 in the Governance Report and should be read in conjunction with the wider business context provided on the following pages.

Further information regarding how the principles underpinning Section 172 are reflected across the wider business are incorporated by cross-reference and in the table to the right, while our formal 'S.172 Statement' is set out below.

S.172 PRINCIPLE	LOCATION OF MORE INFORMATION	
The likely consequences of any decision in the long term	• Chair's Statement (pages 6 to 9) • CEO's Statement (pages 10 to 13) • Our business model (pages 16 and 17) • Our strategy (pages 22 and 23) • Key performance indicators (pages 30 and 31)	• Effective risk management (pages 38 and 39) • Board activities (pages 96 and 97) • Viability assessment and going concern (pages 44 and 45)
The interests of the Company's employees	• Stakeholder engagement: Our people (page 19) • Sustainability Report: People (pages 63 to 72) • Nomination Committee Report (pages 108 to 115)	• Whistleblowing (page 143) • Remuneration Committee Report (pages 116 to 118) • Governance Report: Our People (page 101) and Key Hires (page 104)
The need to foster business relationships with suppliers, customers and others	• Our business model (pages 16 and 17) • Our strategy (pages 22 and 23) • Our strategy in action (pages 24 to 29)	• Sustainability Report (pages 46 to 74) • Anti-bribery and corruption (page 143) • Governance Report: Our Suppliers (page 103)
The impact of the Company's operations on the community and the environment	• Stakeholder engagement: Environment and Communities (page 21)	• Sustainability Report (pages 46 to 74) • TCFD (pages 75 to 83) • Governance Report: Our Environment and Communities (page 103)
The desirability of the Company maintaining a reputation for high standards of business conduct	• Effective risk management (pages 38 and 39) • Division of responsibilities (page 98)	• Audit and Risk Committee Report (pages 134 to 143) • Directors' Report (pages 144 to 148)
The need to act fairly as between members of the Company	• Stakeholder engagement: Owners (page 19) • Relationship with largest shareholder (page 147)	• Annual General Meeting (page 147) • Governance Report: Owners (page 101) and Key Board Decisions in FY24 (page 104)

SECTION 172 STATEMENT

A key responsibility of all Directors of UK companies under the Companies Act 2006 (the Act) is their duty to promote the success of the company. Specifically, the Act requires that each of the Directors of Dr. Martens plc must act in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

MAINTAINING A LONG-TERM, CUSTODIAN MINDSET (PAGES 101 TO 104)
'the likely consequences of any decision in the long term' and 'the desirability of the Company maintaining a reputation for high standards of business conduct'

OUR PEOPLE (PAGE 19)
'the interests of the Company's employees'

CONSUMERS, PARTNERS AND SUPPLIERS (PAGES 20 AND 21)
'the need to foster the Company's business relationships with suppliers, customers and others'

ENVIRONMENT AND COMMUNITIES (PAGE 21)
'the impact of the Company's operations on the community and the environment'

OWNERS (PAGE 19)
'the need to act fairly as between members of the Company'

The Board recognises that maintaining strong relationships and healthy dialogue with the Groups' stakeholders remains critical to our objective of delivering sustainable growth over the longer term. The needs of our stakeholders are closely considered by the Board when discussing matters of strategic significance. The Board also pays due regard to the potential impact of proposals tabled for its approval on our stakeholders and has sought to establish a wider business culture that keeps stakeholder interests at the heart of decision-making below Board level.

The Board therefore confirms that, throughout the year under review, it acted, and continues to act, to promote the long-term success of the Company for the benefit of shareholders, while having due regard to the matters set out in Section 172(1)(a) to (f) of the Act.

While the Board will always favour outcomes that benefit all stakeholder groups to the greatest extent possible, it is mindful that achieving this is not always possible. Stakeholder priorities are wide-ranging and do, at times, compete and conflict. The Board therefore seeks to take decisions that it believes are most likely to provide results that deliver our strategy, thereby serving the interests of all stakeholders over the longer term. How stakeholders were considered in certain key decisions taken by the Board during the year can be found in the 'Our stakeholders' section of the Governance Report on pages 101 to 104.

The general principles set out in Section 172 are also intrinsic to how the Company operates below Board level and are firmly embedded within our culture. The interests of our stakeholders and the ways in which the actions we take as a business impact their interests are considered as part of decision-making processes across the Company. Some examples of these are provided below and more information can be found in our Strategic and Sustainability Reports, located from pages 1 and 46 respectively.

OWNERS

Shareholders of Dr. Martens plc, be they large institutional investors, employees, private individuals or our largest single investor, IngreLux S.àr.L.

Why we engage

- Our shareholders are the owners of our Company. Engaging with them is an essential and ongoing process for the Board and an important means through which it discharges its duty under Section 172 of the Companies Act 2006, conducted through a range of channels.
- Understanding our investors' priorities and ensuring we maintain clear and open dialogue is an important part of being a listed business.

How the Company engages

- Our Investor Relations function is focused on ongoing, open engagement with our shareholders through regular meetings and investor roadshows, including one-to-one meetings with our largest institutional shareholders, investor group meetings and meetings with prospective investors.
- Management and, where appropriate, Non-Executive Directors regularly meet with institutional shareholders following results and at other key junctures during the year.
- The Director of Investor Relations is responsible for investor engagement and ensuring that the Board is kept apprised of investors' views.
- Regular in-depth feedback on investor views provided directly and by our corporate brokers, following results, meetings, conferences and teach-in events.
- Trading updates announced via the London Stock Exchange Regulatory News Service in addition to our half and full year results.

Metrics

- A total of 141 investor meetings covering 111 separate firms in FY24, 77 of which were attended by at least one of the Chief Executive Officer, Chief Financial Officer or Chairman.
- Regular qualitative feedback received from investors following results and other key announcements.
- Movements in our share register and share price analysis reported to the Board.
- Major institutional investors and proxy advisory firms consulted in respect of the Company's draft new Remuneration Policy.

Outcomes

- Regular dialogue with investors throughout the year enabled investors to discuss questions and concerns directly.
- All resolutions passed at the 2023 AGM with at least 91.84% of votes in favour and over 78% of total voting capital instructed.
- A 'Product Teach-in' event held to provide investors with the chance to engage with our product, sustainability and marketing teams, giving a deep-dive insight into the strategy in each area and latest product innovations.

OUR PEOPLE

All Dr. Martens employees globally, whether based in our own stores, offices, distribution centres or factories.

Why we engage

- Regular, high-quality engagement with our people drives high performance and a willingness to go above and beyond at all levels of the organisation, starting from the very top.
- Engaging with our people allows the business's leadership teams to measure the 'mood music' of the organisation through constructive, two-way dialogue to understand what is working well and to identify areas for improvement.
- To unite our people, creating a sense of belonging which in turn promotes collaboration across the business and our unique culture and values.
- To attract and retain the key talent required to help us deliver our DOCS strategy.

How the Company engages

- Our global Engagement and Inclusion Survey is distributed to all employees annually and provides valuable insight into their experience of working at Dr. Martens.
- 'On Brand', the monthly blog shared with the global business by our CBO, Ije Nwokorie, provides employees with regular insights into his priorities and the activities of our Brand functions, including highlights from key projects, in an engaging, digestible format.
- Our quarterly employee magazine, 'On Air', provides news from across the business and is delivered by email and in office to our employees.
- Global and regional Town Halls keep employees updated on business developments, share insight into key initiatives and provide opportunities to ask questions of the Global Leadership Team (GLT).
- Team events are encouraged to create opportunities for people to connect and to shape individual team priorities and align our people behind the wider strategy.

Metrics

- 92% response rate to the FY24 Engagement and Inclusion Survey.
- A target score for our Engagement and Inclusion Survey is a strategic bonus target for the Global Management Team and Senior Management Team, linking effective engagement with the potential remuneration of the Company's most senior leaders.
- 1,584 of our people communicated with the business's HR functions using Menti, a digital feedback tool.

Outcomes

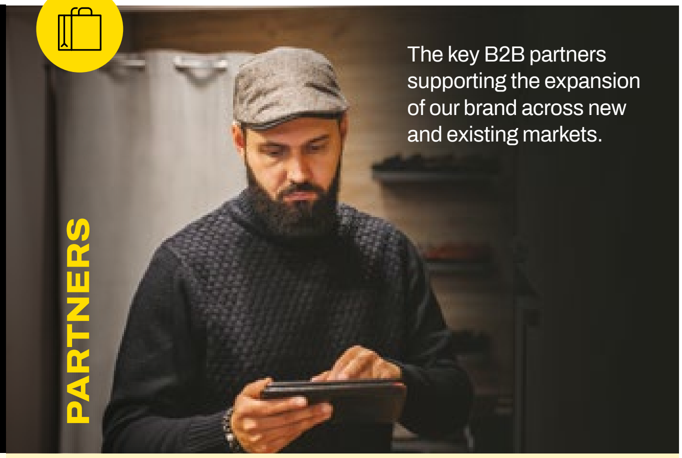
- Regular Group Town Halls established in FY24 to bring supporting group functions together, mirroring the set up of our regions.
- 'Speak Up' policy governing internal whistleblowing procedures refreshed and rolled out globally.
- 'Webinar Wednesdays' offer online sessions on a range of topics to assist our people in developing their skills and knowledge.
- A Group social committee was established, serving the London and Cobbs Lane offices in the UK.
- A monthly 'Inside Tracks' newsletter was launched in the USA.
- In APAC leaders conducted a holistic organisation assessment from which several high impact actions were taken to enhance people's engagement including connection forums and robust communication cadence.

Why we engage
- Engaging with, and acting in the interests of, our consumers is critical to the health of the Dr. Martens brand and the long-term success of the Company. Without them, our Company would not exist. As such, it is essential that the business, led by the Board, understands what matters to them so that we can continue to provide a product offer that is relevant and appealing while remaining true to our brand DNA.

How the Company engages
- Dedicated social media maintain ongoing dialogue and engagement with our online consumer community, establishing a continuous connection between the business and consumers and providing an essential source of actionable insight.
- Harnessing the expertise of our retail colleague network to engage directly with consumers in stores and through digital platforms, feeding key themes back to management.
- Developing understanding of our global consumer segments through specific and qualitative research, helping to drive more localised and targeted brand initiatives.
- An ongoing commitment to provide products which meet our consumers' ethical and environmental expectations.
- Providing opportunities for consumers to familiarise themselves with new sustainable materials and learn more about them from our knowledgeable retail colleagues in a selection of key stores globally.

Metrics
- Insights from the annual and quarterly consumer surveys into the relative performance of our brand and products, including brand awareness, familiarity, Net Promoter Score and value for money perception.
- Extensive qualitative research into our consumer segments, including demographics, purchase behaviour, interests, attitudes and values.
- Monitoring consumer sentiment in relation to sustainability via metrics tracking the success of specific product launches, recommerce initiatives and general consumer perceptions of our sustainability credentials.

Outcomes
- Continued growth and high levels of engagement and brand resonance among our online consumer community.
- Successfully launched our new 'Made Strong' brand platform during the year.
- Investment in consumer insights to develop our understanding of consumer segments.
- Consumer feedback on the importance of sustainable products and sale platforms, resulting in new recycled leather material trial and the launch of ReWair in the USA.

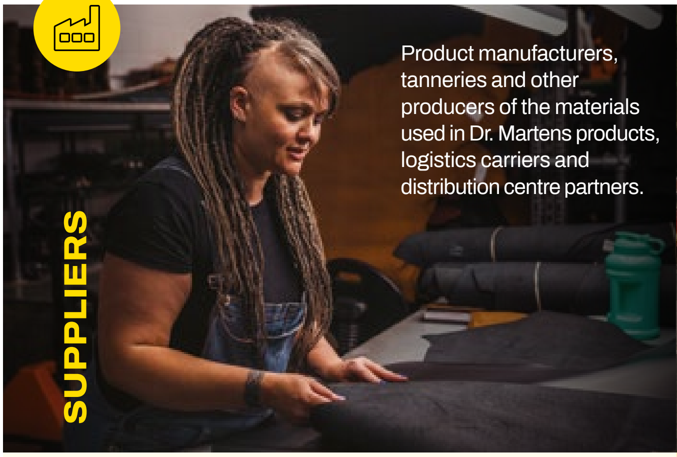


Why we engage
- As the source of a significant proportion of Group revenue, it is imperative that we continue to foster close, strong working relationships with our key B2B partners and ensure our brand is showing up in an authentic way, with the quality experience and product assortments our consumers expect.
- In large geographically dispersed markets such as the USA, the wholesale channel allows us to reach more consumers to introduce them to our Dr. Martens brand.
- To ensure that appropriate inventory and product mix are planned for the right times of year, with an assortment that supports the consumer who shops in those stores.
- Close management of our B2B orderbook ensures we deliver goods on time and enables us to review opportunities to upsell to partners based on our inventory.

How the Company engages
- We work closely with our partners on their operational strategies, ensuring that our brand is always well represented. We control and approve store network expansion plans and have established minimums that each partner must purchase in order to ensure the continued growth of each respective business.
- Regional B2B functions manage and maintain relationships with our wholesale partners, including regular communication and engagement.
- Reviewing, evaluating and implementing the product segmentation strategy within the B2B marketplace, ensuring we get the right product into the right locations to serve the needs of our partners and consumers.
- Engaging with our key B2B partners on the end-to-end go-to-market process ensures that our brand and products are presented in line with our seasonal strategies and brand stories.

Metrics
- Continuous and consistent analysis of stock to sales metrics and sell-through data to mitigate risk and maximise in-season opportunities.
- Our B2B partners are tiered into a segmentation programme, which is constantly re-evaluated with a consumer first mindset, to ensure our product range lands with differentiation across the marketplace.

Outcomes
- Steps taken during the year to elevate and expand the penetration of our account base, keeping to fewer but higher-quality partners to expand the reach of the brand and increase awareness, manage brand presentation and improve the overall customer experience.
- Continued investment in the refurbishment of distributor and franchise stores to enhance the consumer experience and ensure brand presentation is in line with our standards.
- Leveraging local distributor expertise allows us to take advantage of short-term opportunities to increase brand awareness and test DTC viability.



SUPPLIERS

Product manufacturers, tanneries and other producers of the materials used in Dr. Martens products, logistics carriers and distribution centre partners.

Why we engage

- Our supply chain is fundamental to the ability of the business to operate effectively and deliver our DTC first strategy, enabling the sourcing, manufacture, storage and distribution of our products to consumers globally and at the scale needed to support our growth ambitions.
- The Supply Chain function is responsible for delivering many aspects of the sustainability strategy and works with suppliers to drive a sustainable, responsible supply chain.
- Our suppliers are critical partners in realising the objectives of our sustainability strategy and achieving our science-based targets. Embedding our environmental principles and expectations in terms of workplace standards across the supply chain is only possible through constructive engagement with them.

How the Company engages

- Regular supplier conferences hosted by our Chief Operating Officer, Geert Peeters, who leads the Global Supply Chain function.
- Monthly Tier 1 operational calls facilitated by the Global Supply Chain leadership team.
- Seasonal costing reviews and update meetings held with all Tier 1 suppliers.
- An ongoing process of regular assessment of manufacturing facilities, including periodic inspections, improvement activities and CSR audits conducted through the CSR monitoring programme, which focuses on managing human rights risks in the supply chain.
- The Dr. Martens Master Supplier Agreement and Supplier Code of Conduct is communicated to all suppliers, who are required to comply with it at all times.
- The Chief Operating Officer is a member of the Sustainability Committee and plays a critical role in ensuring our supply chain and sustainability strategies are aligned.

Metrics

- Data acquired through the CSR monitoring programme provides insight into levels of compliance with relevant labour laws, regulations, industry standards and our own Supplier Code of Conduct.
- Environmental data requested from Tier 1 suppliers to enable us to understand our Scope 3 emissions.
- Close monitoring of our payment performance ensures our suppliers are paid in full and in a timely fashion, providing assurance in a challenging economic environment.

Outcomes

- Long-lasting, strong relationships established with key suppliers which encourage high standards of delivery and constructive ways of working.
- A good level of supplier alignment with our sustainability priorities through the adoption of a range of relevant policies and standards, including the Supplier Environmental Standard and General Material Requirement Policy and sustainable leather commitments.

ENVIRONMENT & COMMUNITIES

The environment on which our activities have an impact and the communities in which the business operates globally.

Why we engage

- As a footwear retailer we have to be mindful of the impact our operations have on the environment. We have developed a clear strategy that manages our prioritised impacts on the environment and the communities we reach, while embedding sustainability across the business and supply chain. This includes our science-based target to be Net-Zero across the value chain by FY40.
- A commitment to supporting causes that matter to our people, including through the work of the Dr. Martens Foundation.
- Corporate social responsibility is as important to our stakeholders as it is to the business itself. As such, the Company is committed to transparency in respect of CSR matters and recognises the importance of this in maintaining trusting relationships with our key stakeholders.

How the Company engages

- Our 'Planet, Product, People' sustainability strategy captures the Company's environmental and social impact commitments; the Sustainability Committee oversees the strategy and monitors sustainability initiatives across the business.
- Two paid volunteering days provided to employees per year to enable them to support local community initiatives.
- Updates on the activities of the Dr. Martens Foundation are regularly shared via internal communication channels.
- Employee participation in the Dr. Martens Foundation is encouraged, from nominating charities to receive grants to volunteering at charity events.

Metrics

- 100% of the leather sourced for the AW24 season was from Leather Working Group (LWG) certified tanneries.
- 93.5% of the electricity used by DTC operations in the UK and EMEA was from renewable sources in FY24.
- £1.9m in funding awarded to 65 organisations by the Dr. Martens Foundation in FY24.
- An internal climate-related engagement and educational event during FY24 reached nearly 700 of our employees.
- Monitoring the performance of our repair and resale initiatives to inform future plans and gauge consumer sentiment.
- Environmental data from Tier 1 suppliers enables us to understand our suppliers' environmental impacts.

Outcomes

- Continued progress in each of the sustainability strategic pillars of 'Planet, Product, People', detailed in the Sustainability Report from page 46.
- Approval of our science-based targets received from the Science Based Targets initiative.
- The launch of reclaimed leather material, 'Genix Nappa', in partnership with Generation Phoenix Limited.
- Several global internal engagement and educational events provided opportunities for our people to learn more about our sustainability strategy and progress made in recommerce and sustainable materials.

DELIVERING AGAINST OUR STRATEGY

D — DTC FIRST
Build brand equity and drive margin expansion

WHAT IT MEANS
Drive revenue growth and margin expansion via direct-to-consumer channels which means expanding and improving our owned retail stores and ecommerce platforms. We want to develop frictionless and brand-enhancing omnichannel consumer journeys. We also want to build a profitable resale, repair and end-of-life business model.

HOW WE PERFORMED IN FY24
- Grew our DTC revenue with mix increasing by 9%pts to 61%
- Opened 46 new stores globally
- Successful rollout of omnichannel in the UK
- Successful launch of authorised repair in the UK, maximising the useable life of our products
- Launched ReWair in the USA, which allows consumers to buy second-hand, restored Dr. Martens footwear and bags, with encouraging early results

NEXT STEPS FOR FY25
- Continue to roll out omnichannel in EMEA starting with Germany
- Open 25-30 stores globally, with a focus on continental Europe and Japan
- Continue to optimise the omnichannel consumer journey

O — ORGANISATIONAL AND OPERATIONAL EXCELLENCE
Enable growth and unlock value

WHAT IT MEANS
Drive DM's culture with a focus on organisational engagement and developing our people for growth. We want to build a best-in-class, resilient, sustainable and scalable supply chain and continue to transform data and technology into a key business enabler, strengthening organisational resilience and information security.

HOW WE PERFORMED IN FY24
- Transformation of our North America distribution centre (DC) network, with the expansion of our New Jersey DC, the introduction of automation in our LA DC and the opening of a new DC in Canada. You can read more about our North America DC network on page 24
- Made some significant investments in talent, including the creation of a Chief Brand Officer role to oversee all aspects of brand
- Continued to implement our supply chain strategy, unlocking value through cost savings

NEXT STEPS FOR FY25
- Further embedding use of our product life cycle management system into the business, which will give us detailed visibility to drive efficiency and speed to market
- Implement our new Supply and Demand Planning system into the business which will improve planning capability at a more granular level

Our DOCS strategy is underpinned by **our Planet, Product, People** sustainability strategy

Planet
- Climate
- Operations

We want the world to wear DM's footwear when they have their moments of Rebellious Self Expression.

Our DOCS strategy is about selling more pairs of boots, shoes and sandals, to more people, through our own DTC channel, in our seven priority markets.

UK / USA / FRANCE / GERMANY / ITALY / JAPAN / CHINA

C — CONSUMER CONNECTION

Acquire new consumers and drive loyalty

WHAT IT MEANS

Ignite the brand engine to inspire Rebellious Self Expression. Our product innovation is grounded in icons and year-round relevance. We aim to lead in sustainability through durability and innovation. Finally, we will harness insights and a digital-first mindset to drive cut-through marketing initiatives.

HOW WE PERFORMED IN FY24

- Launched a new brand platform, Made Strong, to build brand awareness and bring new consumers into the brand. You can read more about Made Strong on page 27
- Launched a new category within our AMP collection, 14XX, which is focused on innovating around our core products, the 1460 boot, 1461 shoe and 2976 Chelsea boot
- Launch of new product range made from reclaimed leather, following our partnership with Gen Phoenix

NEXT STEPS FOR FY25

- Reorganise the brand organisation under the new Chief Brand Officer
- Pivot our marketing to focus on our iconic products, particularly boots
- Continue to develop our Customer Data Platform, allowing us to better understand our consumers and use more targeted marketing
- Continue to focus on testing, developing and including more sustainable materials across our product range

S — SUPPORT BRAND EXPANSION WITH B2B

Manage B2B holistically and purposefully

WHAT IT MEANS

We aim to partner with fewer and better B2B partners to reach more consumers with greater brand presence. We will continue to improve our brand presentation and increase controlled spaces to enhance the consumer experience. Finally, this pillar includes our conversion market strategy, which enables us to implement our DOCS strategy in more geographies.

HOW WE PERFORMED IN FY24

- Wholesale revenues down 28% driven by widespread customer caution, particularly in the USA
- Took the strategic decision to reduce both the breadth of product and the total volumes sold to EMEA e-tailers to accelerate migration of demand to our own channels
- Continued success in our continental European conversion markets. Read more on page 28

NEXT STEPS FOR FY25

- Work to form stronger and deeper partnerships with key USA wholesale accounts
- Continue to drive growth in EMEA conversion markets; these represent a multi-year growth opportunity

Product

- Materials
- Packaging
- Lifecycle

People

- DE&I
- Human rights
- Community

BOOSTING

NORTH AMERICA DISTRIBUTION NETWORK

During the year, we have transformed our North American distribution centre (DC) network for future growth. Firstly, we completed automation in our Los Angeles DC, configuring it to deliver speed and cost efficiencies. Secondly, we expanded our primarily direct-to-consumer New Jersey DC, enabling us to pick, pack and ship wholesale orders from the East Coast of the country. Finally, in Canada, we have moved to a larger DC in Toronto, which is better placed to serve our business in this market as it grows.

We are currently using temporary storage facilities around our Los Angeles DC due to our elevated levels of inventory; we expect to exit these in FY26.

EXTENDING LASTING RELATIONSHIPS WITH OUR SUPPLIERS
Strengthening our strategic partnership with key suppliers to deliver continued high standards, constructive ways of working and profitable business for the long term.

RAW MATERIAL

MAKING AND SOURCING

DISTRIBUTION

LINKS TO STRATEGY
D O C S

EFFICIENCY

ENHANCING OUR SUPPLY CHAIN

SUPPLY CHAIN STRATEGY

Over the last five years, we have been executing our supply chain strategy and increasing the control we have over our end-to-end supply chain inputs. Back in 2018, Dr. Martens used to buy a finished product from a supplier and had limited visibility of the production process and cost components of that product.

C.70%

direct control over our supply chain inputs today – increased from c.10% five years ago

Fast forward to today, we now source all of the key components of our products and work with our suppliers on detailed costing to ensure they make a fair profit, but also giving us greater control over product quality and consistency.

During this financial year, we have seen material savings in supply chain costs, benefitting our gross margin, and as we move forward, we believe there are further opportunities to optimise cost, whilst guaranteeing quality and therefore further gross margin improvement.

→ FINANCE REVIEW P32

SUSTAINABLE INITIATIVES

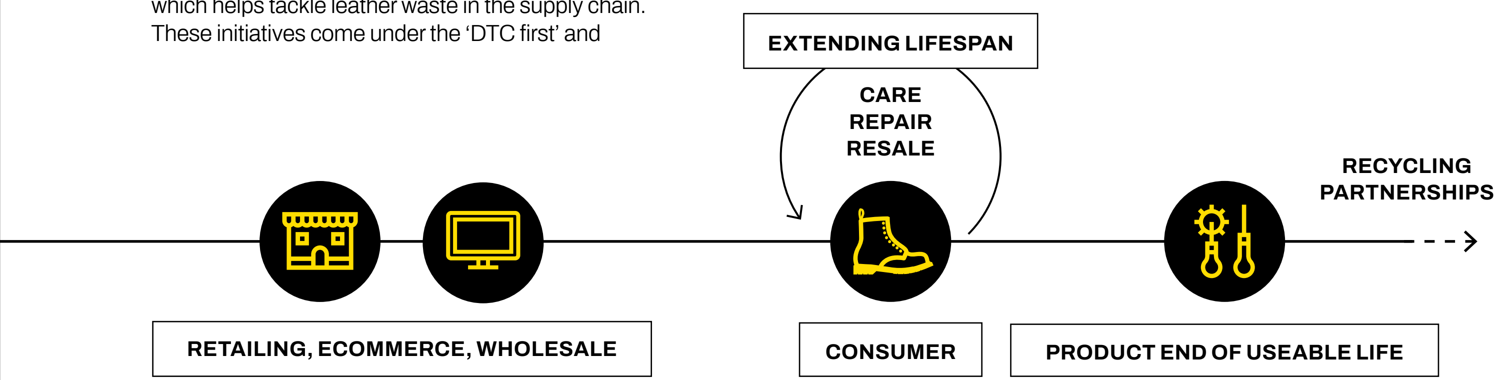
During FY24, we launched two repair and resale initiatives to help our consumers extend the useable life of their Dr. Martens products. In the UK we launched an authorised repair service in partnership with The Boot Repair Company, who have over 120 years' experience of expertly repairing and restoring boots, shoes and leather goods. Repairs are carried out by The Boot Repair Company using the same machinery and components that make our boots and shoes.

In the USA, we launched our resale platform, ReWair, following the success of our UK resale trial. Consumers can purchase pre-loved Dr. Martens footwear and bags from our dedicated ReWair website. For the first time, we also launched products made from reclaimed leather, which helps tackle leather waste in the supply chain. These initiatives come under the 'DTC first' and 'Consumer connection' pillars of our DOCS strategy and support progress towards our sustainability commitments. You can read more in our Sustainability Report from page 46.

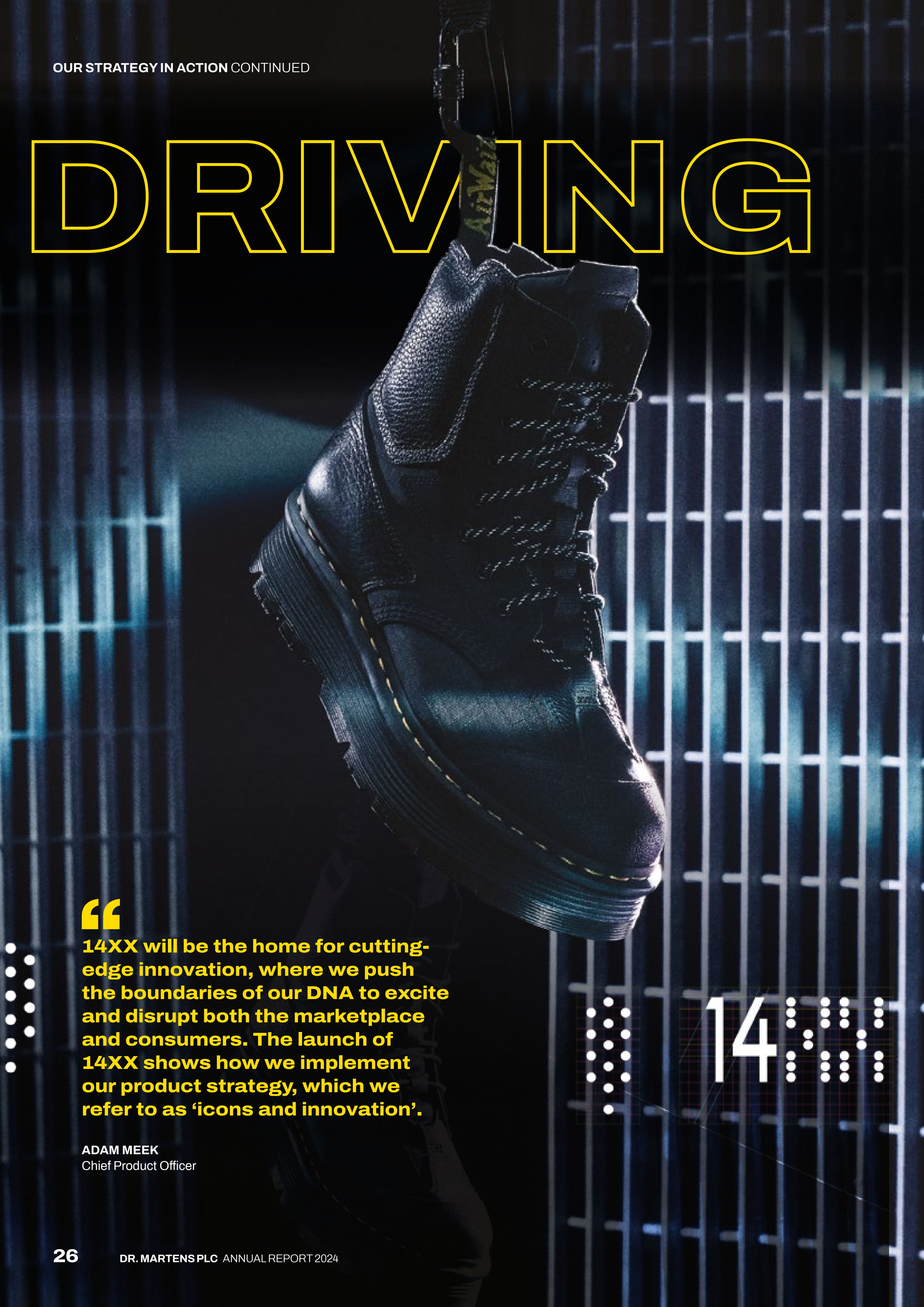
MOVING TOWARDS CIRCULARITY

By offering care, repair and resale, and building global recycling partnerships, we are supporting the development of the circular economy.

→ SUSTAINABILITY P46
→ DRMARTENSREPAIRS.COM
→ US.REWAIR.DRMARTENS.COM



DRIVING



> **“14XX will be the home for cutting-edge innovation, where we push the boundaries of our DNA to excite and disrupt both the marketplace and consumers. The launch of 14XX shows how we implement our product strategy, which we refer to as ‘icons and innovation’.**

ADAM MEEK
Chief Product Officer

LINKS TO STRATEGY
D O C S

INNOVATION

PUSHING THE BOUNDARIES OF OUR DNA

STRENGTHENING OUR GLOBAL BRAND

A new Made Strong brand platform

During FY24, we launched our new brand platform, Made Strong. This was a global campaign where we brought together product and brand storytelling under the idea of 'Made Strong'. Made Strong brings our brand purpose to life for our consumers.

The campaign talked to the rational and emotional truths about the Dr. Martens brand and our wearers. From a product lens, we talked to the attributes of quality and durability of our products and highlighted upcoming newness as well as our core iconic products.

In executing the campaign, we adopted a key city approach with high energy events in New York, Tokyo and London which saw significant press coverage. This was coupled with out of home marketing and social media content.

Launching our 14XX collection

Alongside Made Strong, we also launched the capsule collection of a brand new category within AMP – 14XX – which will be the home for cutting-edge innovation, where we push the boundaries of our DNA to excite and disrupt both the marketplace and consumers. The full launch of 14XX will be coming in Autumn Winter 24. The launch of 14XX shows how we implement our product strategy, which we refer to as 'icons and innovation'. In practice, this means we innovate around the core products to bring newness and excitement.

SCAN TO VIEW THE 14XX PRODUCT LAUNCH VIDEO

AW23
- Global 14XX launch with strategic seeding
- Beta pack

SS24
- Global launch of DMXL 14XX collab with Rick Owens
- Paris Fashion Week 14XX Styling

AW24
- Main range introduction of 2976 DMXL
- 14XX sub boot launch

GROWING

BUILDING BRAND AWARENESS

CONVERSION MARKET STRATEGY

The conversion market strategy is a multi-year growth opportunity for our EMEA region. At the end of a distributor contract, we 'take back' the market, allowing us to implement the full DOCS strategy – opening our own stores, running ecommerce and working with the right wholesale partners. This gives us greater control of our brand, allowing us to invest in a market, engage with our consumers and showcase our full product range.

Over the past five years, we have converted a number of markets, starting with Germany back in FY19, to Italy and Spain most recently in FY22. Since conversion, these markets have significantly grown brand awareness, DTC mix and pairs per capita with further growth opportunity ahead.

42%

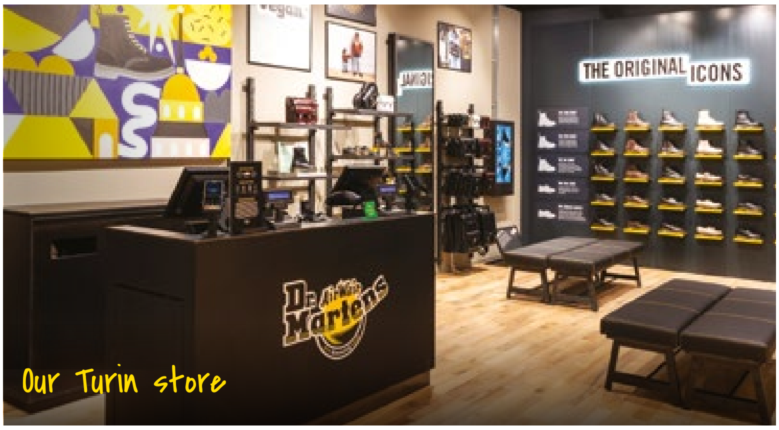
Italy FY24 DTC mix

CAPTURING THE GROWTH OPPORTUNITY IN ITALY

Taking Italy as an example, we now have 12 stores and have been taking a two store city approach, opening two stores in key cities such as Rome, Milan and Turin. Since conversion in FY22, DTC mix has increased to 42% and brand awareness has increased by 3%.

+3%

YoY increase in Italy brand awareness

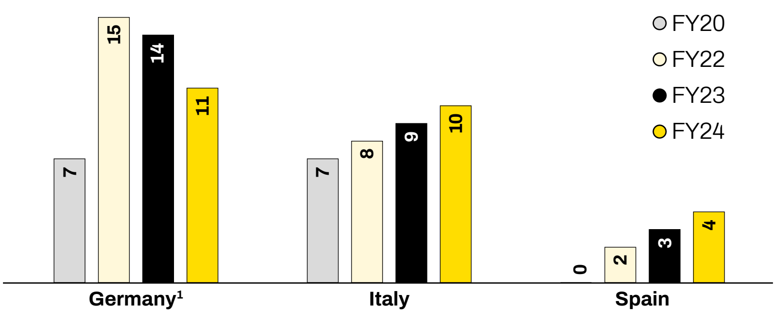


Our Turin store

PAIRS PER CAPITA

Pairs per capita in our most mature market, the UK, was 30 in FY24. Although not all priority markets will reach this level, we believe they can get significantly closer to UK levels. Our most mature conversion market Germany is currently around a third the pairs per capita of the UK. More recently converted markets Italy and Spain stand at 10 and 4 respectively. This further highlights the growth opportunity still to come from this strategy.

Pairs/Capita (000s)



1. Germany impacted by reduced EMEA etailer volumes in FY23 and FY24.

LINKS TO STRATEGY
D O C S

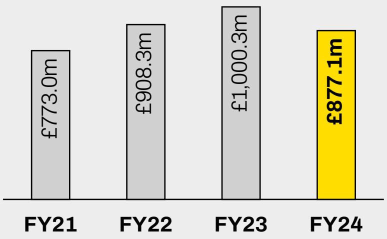
New store in Turin, Italy

CONVERSIONS

MEASURING OUR PERFORMANCE

FINANCIAL

REVENUE



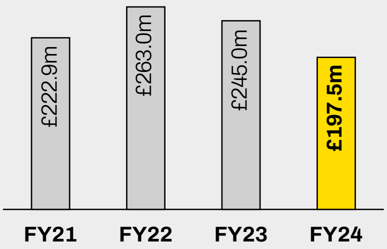
What are we measuring and why?
Revenue arises from the sale of products to consumers and is stated excluding value added tax and other sales-related taxes. Revenue growth is crucial for sustainable long-term growth and is driven through increasing the number of pairs sold, attracting and retaining customers and the shift to DTC.

Performance
Revenue decreased by 12% in FY24, driven by weaker wholesale, particularly in the USA.

KEY ASSOCIATED RISKS: 1 3 4 8

LINKS TO STRATEGIC PILLAR: D O C S

EBITDA[1,2]



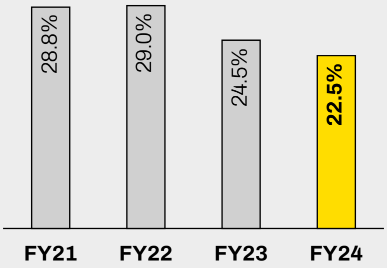
What are we measuring and why?
EBITDA is the Group's key profit measure to show performance from operations. EBITDA demonstrates our ability to grow cash profits and deliver a return on our revenue.

Performance
EBITDA fell by 19%, mainly due to the impact of lower wholesale revenues and continued investment into the business.

KEY ASSOCIATED RISKS: 1 4 6 8

LINKS TO STRATEGIC PILLAR: D O C S

EBITDA MARGIN[1,2]



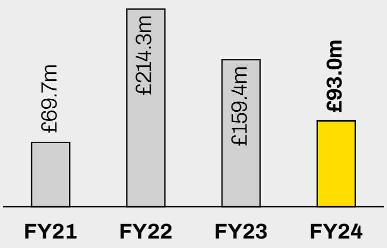
What are we measuring and why?
EBITDA margin expresses EBITDA as a percentage of revenue. Our EBITDA margin demonstrates how effective we are at converting revenues into profits, and assessing operational performance and efficiencies.

Performance
EBITDA margin declined by 2.0%pts to 22.5% due to lower than expected revenues combined with an increasing operating cost base.

KEY ASSOCIATED RISKS: 1 4 6 8

LINKS TO STRATEGIC PILLAR: D O C S

PBT



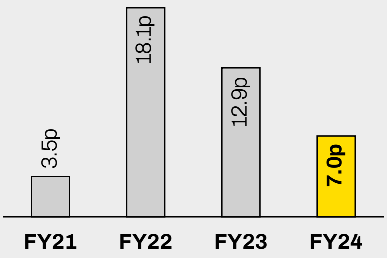
What are we measuring and why?
PBT shows the Group's profit performance before exceptional costs and after financing costs. PBT includes depreciation, amortisation and net interest costs and therefore provides another view of our profitability.

Performance
PBT declined by 42% due to lower EBITDA, higher depreciation and amortisation from new stores and IT investment projects, and higher net interest costs due to increased debt.

KEY ASSOCIATED RISKS: 1 2 3 4 8

LINKS TO STRATEGIC PILLAR: D O C S

BASIC EPS[1,3]



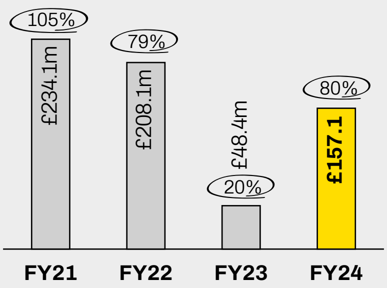
What are we measuring and why?
EPS is profit after tax per share in issue and indicates how much profit a company generates for each share of its stock. EPS represents the earnings achieved for each share and over time growth of this metric should result in increased shareholder value.

Performance
Basic EPS declined by 46%. This was due to the lower profits achieved in the year.

KEY ASSOCIATED RISKS: 1 3 4 6 8

LINKS TO STRATEGIC PILLAR: D O C S

OPERATING CASH FLOW[1,4]



What are we measuring and why?
Operating cash flow shows the Group's cash from operations after capital expenditure. The level of operating cash flow generated by the business is important in assessing the underlying quality of performance and the sustainability of growth.

Performance
Operating cash flow as a percentage of EBITDA was 80%, a 60%pts increase compared to FY23. This is due to lower working capital outflow due to reduced purchases.

Operating cash conversion.

KEY ASSOCIATED RISKS: 1 4 6 8

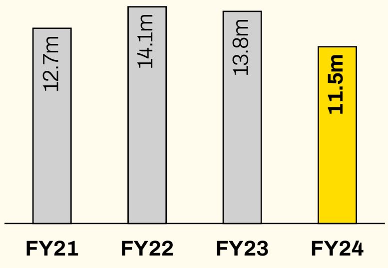
LINKS TO STRATEGIC PILLAR: D O C S

1. Alternative Performance Measures as defined in the Glossary on pages 220 and 221.
2. Before exceptional items.
3. Refer to Finance review and note 10 of the Consolidated Financial Statements for further information on EPS and diluted EPS.
4. Before exceptional items.

The Group monitors several key metrics to track the financial and non-financial performance of its business. APMs[1] are used as we believe they provide additional useful information on underlying trends. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs.

NON-FINANCIAL

PAIRS



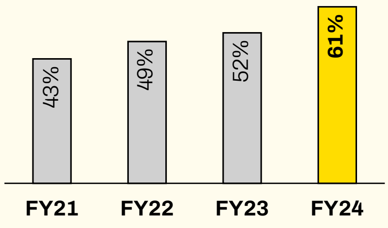
What are we measuring and why?
The number of boots, shoes and sandals sold during the year, through all channels. We have a volume-led growth strategy and therefore pairs is a key metric for our business.

Performance
In FY24, we sold 11.5 million pairs, a 17% decline compared with FY23. This was due to weakness in wholesale, with DTC pairs up 7%.

KEY ASSOCIATED RISKS: 1 2 4 6 8

LINKS TO STRATEGIC PILLAR: D O C S

DIRECT-TO-CONSUMER MIX



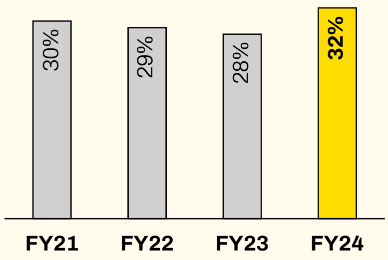
What are we measuring and why?
DTC mix shows the combined ecommerce and retail revenues as a percentage of total revenue. We aim to grow DTC revenue to at least 60% mix in the medium term, and this metric therefore demonstrates our progress against this target.

Performance
DTC mix improved by 9pts to 61% driven by strong retail growth and lower wholesale revenues.

KEY ASSOCIATED RISKS: 1 3 4 8

LINKS TO STRATEGIC PILLAR: D O C S

ECOMMERCE MIX



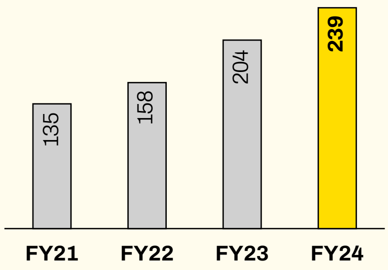
What are we measuring and why?
Ecommerce mix shows the total ecommerce revenue as a percentage of total revenue. We aim to grow ecommerce revenue in the medium term and this metric therefore demonstrates our progress against this target.

Performance
Ecommerce mix increased by 4%pts to 32% however this was due to the decline in Group revenue; ecommerce revenue was down 1% year-on-year.

KEY ASSOCIATED RISKS: 1 3 4 8

LINKS TO STRATEGIC PILLAR: D O C S

OWN STORES



What are we measuring and why?
Own stores shows the total number of retail stores the Group directly operates globally. Increasing our store estate drives retail and ecommerce revenue growth and is therefore a key driver to increase DTC mix.

Performance
During FY24, we opened 46 new stores and closed 11 stores and ended the year with 239 owned stores.

KEY ASSOCIATED RISKS: 1 2 3 4 8

LINKS TO STRATEGIC PILLAR: D O C S

Links to strategy:
- D Direct-to-consumer first
- O Organisational and operational excellence
- C Consumer connection
- S Support brand expansion with B2B

→ OUR STRATEGY P22

Key associated risks:
1. Brand and product
2. Social and environmental
3. People, culture and change
4. Supply chain
5. Information and cyber security
6. Financial
7. Legal and compliance
8. Macroeconomic uncertainty

→ RISK MANAGEMENT AND OUR PRINCIPAL RISKS P38

Linkage to remuneration

METRICS DIRECTLY LINKED
We measure profitability both within our short-term incentive, the Global Bonus Scheme (GBS), and also our Long Term Incentive Plan (LTIP). 75% of the GBS is assessed on stretching PBT growth targets and the LTIP is based on underlying EPS growth targets. Both PBT and EPS are comprehensive profitability measures which are closely aligned with shareholder value creation.

KEY DRIVERS INDIRECTLY LINKED
Of the key financial drivers, revenue growth, EBITDA, EBITDA margin and cash flow all help to drive profit and long-term sustainable business growth. While these are not directly identified as metrics within the GBS and LTIP, they feed into the metrics of PBT and EPS used in our incentive arrangements.

Pairs indicate the success of our volume-led growth strategy. Growing ecommerce mix, DTC mix and opening more own stores are also indirectly incentivised within remuneration. Progress against these targets, which are more profitable channels of revenue, will enhance our profitability and underlying shareholder value, when considered alongside absolute revenue growth.

→ REMUNERATION REPORT P119

RESULTS – AT A GLANCE

		FY24 £m	FY23 £m	% change Actual	% change CC[4]
Revenue	Ecommerce	**276.3**	279.0	-1.0%	1.0%
	Retail	**256.8**	241.7	6.2%	9.5%
	DTC	**533.1**	520.7	2.4%	4.9%
	Wholesale[3]	**344.0**	479.6	-28.3%	-26.0%
		877.1	1,000.3	-12.3%	-9.8%
Gross margin		**575.2**	618.1	-6.9%	
Opex		**(377.7)**	(373.1)	1.2%	
EBITDA[1]		**197.5**	245.0	-19.4%	
Depreciation & Amortisation		**(72.3)**	(54.2)	33.4%	
EBIT[1]		**122.2**	176.2	-30.6%	
Profit before tax (before FX charge)[1]		**97.2**	170.1	-42.9%	
Profit before tax		**93.0**	159.4	-41.7%	
Profit after tax		**69.2**	128.9	-46.3%	
Basic earnings per share (p)		**7.0**	12.9	-45.7%	
Dividend per share (p)		**2.55**	5.84	-56.3%	
Key statistics	Pairs sold (m)	**11.5**	13.8	-17%	
	No. of stores[2]	**239**	204	17%	
	DTC mix %	**61%**	52%	+9pts	
	Gross margin %	**65.6%**	61.8%	+3.8pts	
	EBITDA margin %[1]	**22.5%**	24.5%	-2.0pts	

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.
2. Own stores on streets and malls operated under arm's length leasehold arrangements.
3. Wholesale revenue including distributor customers.
4. Constant currency applies the same exchange rate to the FY24 and FY23 non-GBP results, based on FY24 budgeted rates.

Total revenue declined 12.3% (9.8% CC) with 2.4% growth in DTC (4.9% CC) offset by a 28.3% decline in wholesale revenues (-26.0% CC). Profit before tax (before FX charge) was £97.2m (FY23: £170.1m), down 42.9%, reflecting lower EBITDA, increased depreciation and amortisation charges due to continued investments in new stores and IT projects, and higher rate-led interest costs. Earnings per share declined by 45.7% to 7.0p.

Performance by channel

Revenue decreased by 12.3% to £877.1m (FY23: £1,000.3m), down 9.8% on a CC basis. DTC grew 2.4% to £533.1m (FY23: £520.7m), up 4.9% on a CC basis, representing 61% of revenue mix. Wholesale revenues declined 28.3% to £344.0m (FY23: £479.6m), down 26% on a CC basis. The wholesale channel was impacted both by planned strategic decisions to reduce volumes into EMEA etailers and cease the distributor contract in China, and very weak wholesale orders in USA due to widespread caution from wholesale customers. Volume, represented by pairs sold, declined 17% to 11.5m pairs with all the reduction in wholesale; DTC volume increased 7%.

Ecommerce revenue was down 1.0% to £276.3m (FY23: £279.0m) and was up 1.0% on a CC basis which represented a revenue mix of 32% (FY23: 28%). Good growth throughout the year in both EMEA (up 9.6% CC) and APAC (up 12.5% CC), was offset by continued weak trading in USA, (down 9.9% CC). We saw traffic growth in EMEA and APAC, whilst in USA traffic declined. Ecommerce conversion improved in all three regions. Following the implementation of an order management system (“OMS”) in EMEA, we successfully rolled out a full omnichannel offer across all UK stores with Continental Europe to follow in FY25.

Retail revenue grew 6.2% to £256.8m (FY23: £241.7m), up 9.5% on a CC basis. Growth was led by new and maturing stores (stores opened last financial year) across all geographies, with continued footfall recovery in EMEA and APAC, offset by footfall decline in USA. We also benefitted from the transfer of 14 Japan franchise stores at the end of FY23. During the year, we opened 46 new stores and closed 11 stores, to end the year with 239 own stores.

Wholesale revenue was down 28.3% to £344.0m (FY23: £479.6m), 26.0% lower on a CC basis. As previously announced, we took three strategic decisions which impacted wholesale revenues this year. Firstly, we significantly reduced the quantity and breadth of product sold into EMEA etailers, in order to ensure scarcity of supply in the region and migrate sales to our own websites. We also ceased sales to our distributor in China ahead of the contract ending in June 2023, and in USA we worked with two large wholesale accounts who had excess inventory, reducing shipments through the first half in order to right size their inventory positions. In addition to these strategic decisions, revenues were impacted by widespread caution amongst wholesale customers in the USA, resulting in a significantly weaker USA order book year-on-year.

The total number of wholesale accounts globally decreased to 1.6k after closing c.500 accounts and opening c.200 accounts. Total revenues per account declined by 18%.

EMEA Revenue was down 2.5% to £431.8m (FY23: £443.0m) and down 3.0% on a CC basis. DTC grew by 11.8% (10.7% CC) with retail and ecommerce both up 11.8% (11.9% CC and 9.6% CC respectively). DTC mix grew by 7.7%pts, with DTC growth in all core markets (UK and France both up low single-digits, with Germany, Spain and Italy all up over 25% on a CC basis). DTC growth was offset by wholesale revenue down 19.2% as expected, due to the strategic decision to reduce volume and breadth sold to etailers.

During the year we opened 20 new stores: six stores in Italy, four stores each in Germany and UK, two stores each in Spain and Belgium, one store in France and our first store in Denmark. Included in the new store openings were six locations that were closed and relocated to more prominent positions in Belgium, Germany and UK.

Performance by region

		FY24 £m	FY23 £m	% change Actual	% change CC
Revenue	EMEA	**431.8**	443.0	-2.5%	-3.0%
	Americas	**325.8**	428.2	-23.9%	-20.2%
	APAC	**119.5**	129.1	-7.4%	0.5%
		877.1	1,000.3	-12.3%	-9.8%
EBITDA[1]:	EMEA	**140.8**	146.1	-3.6%	
	Americas	**64.4**	100.1	-35.7%	
	APAC	**31.7**	33.8	-6.2%	
	Support costs[2]	**(39.4)**	(35.0)	12.6%	
		197.5	245.0	-19.4%	
EBITDA[1] margin by region:	EMEA	**32.6%**	33.0%	-0.4pts	
	Americas	**19.8%**	23.4%	-3.6pts	
	APAC	**26.5%**	26.2%	+0.3pts	
	Total	**22.5%**	24.5%	-2.0pts	

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.
2. Support costs represent group related support costs not directly attributable to each region's operations and including Group Finance, Legal, Group HR, Global Brand and Design, Directors and other group only related costs and expenses.

EMEA EBITDA was down 3.6% to £140.8m (FY23: £146.1m), with EBITDA margin 32.6%, 0.4%pts lower than last year, impacted by foreign exchange on purchases and the opex investments including the expansion of retail stores and investment in brand and demand marketing.

Americas Revenue was down 23.9% to £325.8m (FY23: £428.2m) (20.2% CC). DTC revenue was down 6.9% with lower footfall and traffic in retail and ecommerce respectively only partly mitigated by new and maturing stores and better conversion across both channels. DTC mix increased by 8.3%pts. Wholesale revenue declined 32.7% on a CC basis, partly due to the strategic decision to manage down inventory of some of our larger wholesale customers but also driven by widespread caution from wholesale customers resulting in weaker order books. We maintained a disciplined approach to wholesale, and at the end of the financial year the average inventory position of our top ten USA wholesale customers was down around a quarter compared to the prior year.

During the year we opened 7 new stores: two in LA and one in each Washington DC, Miami, Philadelphia, San Antonio and Denver. We also improved picking automation in our Los Angeles distribution centre ("LADC"), expanded operational functionality and space in the New Jersey distribution centre ("NJDC") and relocated our Canada distribution centre from the West Coast to Toronto.

Americas EBITDA was 35.7% lower at £64.4m (FY23: £100.1m) with EBITDA margin 3.6%pts lower than last year, reflecting lower revenue together with additional storage costs of £13.1m due to the elevated inventory levels in this market.

APAC Revenue was down 7.4% to £119.5m (FY23: £129.1m) (+0.5% CC). We saw lower revenue in China due to the planned exit of the distributor contract in June 2023 and in Japan we transferred 14 franchise stores at the end of last financial year; these two factors drove APAC wholesale revenue down 24.0% on a CC basis. DTC revenues grew 18.8%, improving DTC mix by 10.4%pts, with both retail and ecommerce growing double-digits. This was led by Japan with DTC revenues up 35.5% with both underlying growth and the benefit of the franchise stores transfer at the end of FY23.

During the year we opened 19 new stores with six stores each in Japan and South Korea, five in China and two in Hong Kong.

APAC EBITDA was down 6.2% to £31.7m (FY23: £33.8m) and EBITDA margin up 0.3%pts due to increased mix from Japan (our most profitable market), partly offset by lower EBITDA in China (as a result of lower distributor revenue in the period across a fixed cost base).

Retail store estate

During the year, we opened 46 (FY23: 52) new own retail stores (via arm's length leasehold arrangements) and closed 11 (FY23: 6) stores as follows:

		1 April 2023	Opened	Closed	31 March 2024
EMEA:	UK	33	4	(2)	**35**
	Germany	17	4	(2)	**19**
	France	16	1	–	**17**
	Italy	6	6	–	**12**
	Spain	4	2	–	**6**
	Other	12	3	(2)	**13**
		88	20	(6)	**102**
Americas:		54	7	–	**61**
APAC:	Japan	40	6	(3)	**43**
	China	5	5	(1)	**9**
	South Korea	11	6	–	**17**
	Hong Kong	6	2	(1)	**7**
		62	19	(5)	**76**
Total		204	46	(11)	**239**

The Group also trades from 22 (FY23: 28) concession counters in department stores in South Korea and a further 77 (FY23: 119) mono-branded franchise stores around the world with no stores in China (FY23: 55, the decline being due to the end of the distributor contract), 19 in Japan (FY23: 16), 24 across Australia and New Zealand (FY23: 20), 34 across other South East Asia countries, the Nordics and Canada (FY23: 28).

Analysis of performance by half year

Revenue in H2 was down 17.3% to £481.3m (FY23: £581.7m) (down 14.5% CC) with EBITDA down 23.2% to £119.9m (FY23: £156.2m).

Ecommerce revenue was up 5.1% in H1 and down 1.0% in H2 on a CC basis. In retail, revenue grew in both halves of the financial year led by new and maturing stores and continued footfall recovery in both EMEA and APAC. Both EMEA and APAC were impacted by strategic decisions, of reducing EMEA etailer volumes and ceasing the distributor in China respectively. In Americas, revenue was down in both halves as expected, predominantly driven by wholesale.

		H1 FY24		H2 FY24	
		Actual	CC	Actual	CC
Total Revenue		-5.4%	-3.5%	-17.3%	-14.5%
Channel:	Ecommerce	3.3%	5.1%	-2.9%	-1.0%
	Retail	15.1%	17.4%	0.9%	4.6%
	DTC	9.2%	11.3%	-1.2%	1.5%
	Wholesale[1]	-16.5%	-14.7%	-40.0%	-37.4%
Region:	EMEA	8.5%	7.5%	-10.0%	-10.1%
	Americas	-17.8%	-14.6%	-28.3%	-24.3%
	APAC	-10.0%	-3.3%	-5.2%	3.6%

1. Wholesale revenue including distributor customers.

Analysis of performance by quarter

DTC Revenue in Q4 showed a return to growth at 9.7% CC vs a 3.2% CC decline in Q3, however this benefitted from the timing of Easter and the end of season sale, which moved from Q1 FY25 (as is typically the case) to Q4 FY24. Retail grew in all quarters on a CC basis led by new and maturing stores and continued footfall recovery, supported by volume growth in EMEA and APAC. Ecommerce grew in the first half, declined in Q3, before returning to positive growth in Q4, again helped by timing changes.

Wholesale was down in all quarters due a combination of the strategic decisions taken in EMEA and APAC, together with the continued challenging backdrop in the USA.

		Q1		Q2		Q3		Q4	
		Actual	CC	Actual	CC	Actual	CC	Actual	CC
Total Revenue		-11.0%	-11.2%	-2.2%	1.3%	-20.5%	-17.9%	-12.9%	-9.8%
Revenue:	Ecommerce	7.3%	6.8%	0.1%	3.8%	-9.3%	-7.6%	9.5%	11.8%
	Retail	27.4%	27.2%	5.6%	9.5%	-0.1%	2.9%	2.6%	7.4%
	DTC	17.4%	17.1%	2.9%	6.7%	-5.4%	-3.2%	6.2%	9.7%
	Wholesale[1]	-41.1%	-41.0%	-5.3%	-2.1%	-48.6%	-46.1%	-31.7%	-29.3%
Region:	EMEA	-1.4%	-2.7%	13.8%	13.1%	-14.5%	-14.9%	-3.0%	-2.6%
	Americas	-26.3%	-26.5%	-12.3%	-6.3%	-30.8%	-26.3%	-25.2%	-21.9%
	APAC	12.2%	16.1%	-21.7%	-13.9%	-8.0%	-1.1%	-1.9%	9.0%

1. Wholesale revenue including distributor customers.

EBITDA analysis

Gross margin improved by 3.8pts to 65.6% with the biggest benefit being from supply chain savings, together with the benefits of new and maturing stores and price net COGS inflation. In the year, the average price increase was 4.5% and COGs inflation was approximately 6%.

Operating expenses increased by 1.2%, or £4.6m, to £377.7m. Within this movement we benefitted from supply chain savings, which were offset by the operating cost drag from new and maturing stores, together with a small year-on-year increase in marketing spend. The supply chain savings were the result of continued good cost control, including lower volume-related costs and retail outbound freight savings. Within our operating costs we incurred £13.1m (FY23: £14.5m) in relation to temporary inventory storage space rented in LA, given the elevated inventory levels in this market.

EBITDA decreased by 19.4% to £197.5m (FY23: £245.0m) resulting in an EBITDA margin decrease of 2.0pts to 22.5%. Increased costs (as a percentage of revenue) were partially offset by supply chain savings.

EBIT decreased by 30.6% to £122.2m as a result of the decline in EBITDA together with increased depreciation and amortisation.

Earnings

The following table analyses the results for the year from EBITDA to profit before tax.

£m	FY24	FY23
EBITDA[1]	**197.5**	245.0
Depreciation and amortisation	**(72.3)**	(54.2)
Impairment	**–**	(3.9)
Other gains	**1.2**	–
Foreign exchange losses	**(4.2)**	(10.7)
EBIT[1]	**122.2**	176.2
Net interest cost on bank debt	**(19.4)**	(10.8)
Amortisation of loan issue costs/interest on lease liabilities	**(9.8)**	(6.0)
Profit before tax	**93.0**	159.4
Tax	**(23.8)**	(30.5)
Earnings	**69.2**	128.9

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.

Profit before tax (including FX charge) declined by 41.7% to £93.0m (FY23: £159.4m) with profit after tax of £69.2m (FY23: £128.9m). This was primarily due to lower EBITDA together with higher depreciation and amortisation costs and higher interest costs.

Depreciation and amortisation charged in the period was £72.3m (FY23: £54.2m), and is analysed as follows:

£m	FY24	FY23
Amortisation of intangibles[1]	**5.8**	8.4
Depreciation of property, plant and equipment[2]	**15.2**	13.6
	21.0	22.0
Depreciation of right-of-use assets[3]	**51.3**	32.2
Total	**72.3**	54.2

1. Mainly represented by IT related spend with the average term of 5 to 15 years.
2. Mainly represented by new store fit out costs with the average term of 5 years.
3. Mainly represented by depreciation of IFRS 16 capitalised leases with the average term remaining of 3.8 years and 263 properties (FY23: 5.1 years and 229 properties).

Foreign Exchange

Dr. Martens is a global brand selling to consumers across the world in many different currencies, with the financial statements reported in GBP. Foreign currency amounts in the profit or loss account are prepared on an average actual currency rate basis for the year. These exchange rates are calculated monthly and applied to revenue and costs generated in that month, such that the actual performance translated across the year is dependent on monthly trading profiles as well as movement in currency exchange rates. To aid comparability of underlying performance, we have also calculated constant currency for revenue. This is calculated by translating non-sterling revenues at the same exchange rate year on year.

Foreign exchange exposures mainly impacting the Group are £/$, £/€ and £/¥. The following table summarises average exchange rates used in the year:

	£/$			£/€			£/¥		
	FY24	FY23	%	FY24	FY23	%	FY24	FY23	%
H1	**1.26**	1.22	3%	**1.16**	1.17	-1%	**178**	163	9%
H2	**1.26**	1.19	6%	**1.16**	1.14	2%	**186**	163	14%
FY	**1.26**	1.21	4%	**1.16**	1.16	0%	**182**	163	12%

The Group takes a holistic approach to exchange rate risk, monitoring exposures on a Group-wide, net cashflow basis, seeking to maximise natural offsets wherever possible. While COGs purchases for the Group are predominantly denominated in USD, foreign exchange risk on this currency is partially offset from USD revenues earned in Americas and from distributor revenues, which are also largely USD denominated. Where a net foreign currency exposure is considered material, the Group seeks to reduce volatility from exchange movements by using derivative financial instruments. During the period, a £1.5m gain was recorded in revenues related to derivatives partially hedging the net EUR inflows.

Retranslation of foreign currency denominated monetary assets and liabilities in the year resulted in a foreign exchange loss of £4.2m (FY23: loss £10.7m). This was predominantly due to the revaluation of receivable balances following the appreciation of GBP against EUR and USD.

Interest

The Group's exposure to changes in interest rates relates primarily to cash investments, borrowings, and IFRS 16 lease liabilities. Total Group interest costs for the year were £29.2m, £12.4m higher than prior year (FY23 £16.8m) primarily due to increases in bank debt related borrowing expenses of £22.3m (FY23: £12.7m). The increase compared to the prior year was driven from a higher benchmark EURIBOR rate and interest costs of the in-year drawn RCF amounts. This was partially offset by a £1.3m gain on higher interest receivables from cash investments. In addition, we incurred higher interest costs on lease liabilities of £3.8m due to new stores opened in the year.

The tax charge was £23.8m (FY23: £30.5m) with an effective tax rate of 25.6% (FY23: 19.1%) which is slightly higher than the UK corporate tax rate of 25.0%, due mainly to overseas tax rates and deferred tax on temporary differences. The effective tax rate was higher than last year due to the increase in UK tax rate from 19.0% to 25.0% on 1 April 2023.

Earnings per share was 7.0p (FY23: 12.9p). The total number of diluted shares is detailed in note 9 in the financial statements. The following table summarises these EPS figures:

		FY24 pence	FY23 pence	% change
Earnings per share	Basic	**7.0**	12.9	-46%
	Diluted	**7.0**	12.9	-46%

EPS and diluted EPS for the current and prior year are presented as the same amount due to the minimal dilutive impact of share options on the total diluted share number.

Operating cash flow

£m	FY24	FY23
EBITDA[1]	**197.5**	245.0
Increase in inventories	**(1.6)**	(133.2)
Decrease/(increase) in debtors	**23.0**	(6.6)
Increase in creditors	**(37.7)**	(9.2)
Total change in net working capital	**(16.3)**	(149.0)
Share-based payments	**4.0**	0.5
Capital expenditure	**(28.4)**	(51.2)
Operating cash flow[1]	**156.8**	45.3
Operating cash flow conversion[1]	**79%**	18%

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.

Operating cash inflow was £156.8m (FY23: £45.3m) representing a cash conversion of EBITDA of 79% (FY23 18%), in line with guidance.

Trade debtor days remained at 52 days, primarily due to customer mix with a higher proportion of Americas debtors (with debtor days at 55) than EMEA (with debtor days at 48).

Capex was £28.4m (FY23: £51.2m) and represented 3.2% of revenue (FY23: 5.1%). The breakdown in capex by category is as follows:

£m	FY24	FY23
Retail stores	**14.4**	18.9
Supply Chain	**2.7**	19.2
IT/Tech	**11.3**	13.1
	28.4	51.2

Net cash flow after interest

Net cash flow after interest costs is summarised below:

£m	FY24	FY23
Operating cash flow[1]	**156.8**	45.3
Net interest paid	**(17.0)**	(5.6)
Investment	**–**	(1.0)
Payment of lease liabilities	**(52.2)**	(33.9)
Taxation	**(18.8)**	(22.3)
Repurchase of shares	**(50.5)**	–
Derivatives settlement	**(4.0)**	3.1
Dividends paid	**(57.8)**	(58.4)
Net cash outflow	**(43.5)**	(72.8)
Opening cash	**157.5**	228.0
Net cash exchange translation	**(2.9)**	2.3
Closing cash	**111.1**	157.5

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.

Net interest paid was £17.0m, higher than FY23 by £11.4m due to the timing of interest payments and higher interest rates, which were partially offset by higher interest receivables from cash investments. The increase in lease liabilities was due mainly to the increased number of retail stores opened in the period under lease arrangements and increased space across the DC network.

Funding and Leverage

The Group is funded by cash, bank debt and equity. Further details on the capital structure and debt are given in note 17 of the financial statements. The Group's bank debt is denominated in Euros which allows the excess Euros the Group generates from trading in Continental Europe to fund interest costs. The bank debt falls due for repayment in full on 2 February 2026. The Group also has a revolving credit facility of £200.0m which also matures on 2 February 2026 with £30.0m drawn down and subsequently fully repaid during the period. Included in this facility is a committed line of £3.4m used for guarantee arrangements primarily for landlord rent guarantees.

The group financing arrangements are subject to a total net leverage covenant test every six months. The total net leverage test is calculated with a full 12 months of EBITDA and net debt being inclusive of IFRS 16 lease liabilities at the balance sheet date. At 31 March 2024 the Group had total net leverage of 1.8 times (FY23: 1.2 times).

Balance sheet

£m	31 March 2024	31 March 2023
Freehold property	**7.0**	7.4
Right-of-use assets	**173.5**	144.1
Other fixed assets	**81.7**	78.8
Inventory	**254.6**	257.8
Debtors	**70.4**	92.2
Creditors[2]	**(100.7)**	(133.7)
Working capital	**224.3**	216.3
Other[1]	**(1.5)**	5.2
Operating net assets	**485.0**	451.8
Goodwill	**240.7**	240.7
Cash	**111.1**	157.5
Bank debt	**(288.6)**	(296.8)
Unamortised bank fees	**2.3**	3.4
Lease liabilities	**(182.3)**	(152.4)
Net assets	**368.2**	404.2

1. Other includes investments, deferred tax assets, income tax assets, and provisions.
2. Includes bank interest of £8.4m (FY23: £6.0m).

Net Debt[1] is summarised below:

£m	31 March 2024	31 March 2023
Bank loans	**(286.3)**	(293.4)
Cash	**111.1**	157.5
Net bank loans	**(175.2)**	(135.9)
Lease liabilities	**(182.3)**	(152.4)
Net Debt[1]	**(357.5)**	(288.3)

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.

Inventory

Given the high proportion of continuity products we sell, with four out of five pairs being black and having a strong product margin structure, we have minimal markdown risk below cost. Inventory levels are currently at elevated levels in our Americas business. As a result we have reduced purchases for the year ahead and are targeting a reduction in inventory in FY25.

	31 March 2024	31 March 2023
Inventory (£m)	**254.6**	257.8
Turn (x)[1]	**1.2x**	1.5x
Weeks cover[2]	**44**	35

1. Calculated as historic LTM COGS divided by inventory.
2. Calculated as 52 weeks divided by stock turn.

Equity of £368.2m can be analysed as follows:

£m	31 March 2024
Share capital	**9.6**
Hedging reserve	**0.9**
Capital redemption reserve	**0.4**
Merger reserve	**(1,400.0)**
Non-UK translation reserve	**9.7**
Retained earnings	**1,747.6**
Equity	**368.2**

Returns to Shareholders

Our capital allocation philosophy guides our view of returns to shareholders and usage of excess cash. The first priority for investment is into the business and we will continue to invest in a targeted manner to support long-term growth and resilience of the Group. This is mainly represented by investment into marketing, logistics, people, systems and inventory. Beyond this, our priority is to return excess cash to shareholders, through a regular dividend and, when possible, further returns.

Dividends

The Board has proposed, subject to shareholder approval, a final dividend of 0.99p, taking the total dividend for FY24, including the interim dividend of 1.56p, to 2.55p, a 35% payout ratio. Whilst this is a year-on-year reduction given the higher payout in FY23 and lower earnings achieved this year, the 35% payout for FY24 is at the top of the policy range. The Board's intention is to hold the FY25 dividend flat in absolute terms, before returning to an earnings payout in line with our dividend policy (of 25% to 35% payout) in FY26 onwards.

Going forwards, the Board is also adopting a consistent approach to setting the interim dividend, with this dividend set at one-third of the previous year's total dividend. We are also adjusting the payment dates for the dividends, to better reflect the trading cash profile of the Group, and therefore the final dividend will be paid in early October. The final dividend for FY24 will be paid to shareholders on the register as at 30 August 2024 with payment on 1 October 2024.

£m	FY24	FY23
Earnings	**69.2**	128.9
Interim dividend (declared and paid): 1.56p (FY23: 1.56p)	**15.0**	15.6
Final dividend (proposed): 0.99p (FY23: 4.28p)	**9.5**	42.8
Total dividend (paid and proposed): 2.55p (FY23: 5.84p)	**24.5**	58.4
Payout ratio %	**35%**	45%

Share Buyback

During the year to 31 March 2024 the Group repurchased 39.9m shares. The cash outflow was £50.5m (including transaction costs of £0.5m) pursuant to the share buyback scheme that was announced on 14 July 2023 and concluded on 19 December 2023. For further details please refer to notes 23 and 24 of the Consolidated Financial Statements.

GILES WILSON
Chief Financial Officer
29 May 2024

EFFECTIVE RISK MANAGEMENT

“Effective risk management drives better commercial decisions, protects our assets, reputation and brand, and supports delivery of our strategy and sustainable business growth.

MATT KETTEL
Head of Internal Audit and Risk

The diagram below shows the key elements of the Dr. Martens approach to risk governance, including the ‘bottom-up’ and ‘top-down’ aspects. In identifying risks, we consider four broad categories of risk: strategic, operational, financial, and legal and compliance.

RISK GOVERNANCE AND OVERSIGHT KEY COMPONENTS

REPORTING AND ESCALATION

BOARD

RESPONSIBILITIES

Strategic oversight responsibility for ensuring risks are identified and managed

Robust assessment of principal risks, considering emerging risks and overall risk appetite

Independent reports from third line assurance activities – internal audit

Audit and Risk Committee
Supports Board on risk and assurance, including ‘risk deep dives’

GROUP LEADERSHIP

RESPONSIBILITIES

Executive ownership of key risk areas

Crisis Management Framework with specific Cyber Incident Management playbook

Leads the key first and second line activities, including Finance, Legal and Compliance, Technology and Human Resources

Operational Risk Committee (ORC)
Oversees Group Risk Register

Oversees Crisis Management Framework

REGIONS, FUNCTIONS AND PROJECTS

Regional Risk Committees (Americas, APAC and EMEA) with reporting into ORC

Functions and projects
- Functional risk registers (e.g. including IT and Cyber, and Global Supply Chain), with reporting and escalation to Group Risk Register
- Strategic Portfolio Planning team and forum to prioritise projects and monitor risk

Risk themes
- Working groups established with focus on specific risk areas, including counter-fraud, artificial intelligence, third-party risk, policies and training

DIRECTION AND OVERSIGHT

Risk management approach

Our approach to risk is an integrated part of the overall governance and management of the Group, as set out in more detail in the Governance section, particularly the Audit and Risk Committee Report on page 134. Throughout FY24, we have continued to mature and embed our risk management process, which is set out in more detail below.

In setting our strategic priorities, we take into account horizon scanning and external thinking and these insights also feed into how risk is identified, assessed and managed, including for emerging risks. We consider risks over different timeframes, which also influences response and priority for undertaking further analysis and potential action.

The Group follows the 'three lines model' to risk, internal control and assurance. Operational management and our people are the Company's first line, as they are primarily responsible for the direct management of risk and ensuring that appropriate mitigating controls are in place and operating effectively. The second line is formed by the internal compliance and oversight functions such as Finance, Legal and Compliance, Technology and Human Resources. The third line includes the Internal Audit team, reporting to the Audit and Risk Committee.

Risk appetite

We recognise the need for informed risk-taking in order to deliver sustainable and profitable business growth, and our risk appetite varies across different principal risks, which are set out on pages 40 to 43. Our risk appetite across different areas informs the Group's risk and control framework and day-to-day control activities.

Examples of these activities include:

- Adherence to delegation of authority, including commercial, financial and legal decisions and approvals
- Ongoing business performance monitoring, including monthly reviews
- Strategy and planning (annual and five-year plans)
- Development of contingency plans and consideration of best and worst case scenarios
- Identification and ongoing monitoring of risk through Group and Regional Risk Committees
- Analysis of appropriate insurance cover against risk appetite
- Financial controls defined and built into key systems, including developing these to meet potential future requirements such as UK corporate governance reforms
- Compliance policies, guidance and training

Principal risks

For each principal risk, we have reviewed and updated the risk descriptions, impacts of the risks, risk appetite and mitigating actions. We have also assessed the level of risk compared to the previous financial year.

For FY24, through the Board and Audit and Risk Committee reviews, a new principal risk, 'Macroeconomic uncertainty', has been added. Although it was previously referenced within a broader 'Financial' principal risk, given the ongoing challenges and uncertainties related to the macroeconomic environment, this has been disclosed as a separate principal risk.

The Board confirms that it has carried out a robust assessment of the Company's emerging and principal risks. Set out below is the Board's view of the principal risks currently facing the Company, along with examples of how they might impact us and an explanation of how the risks are managed or mitigated. We also indicate the link to our strategic priorities on pages 22 to 29. An explanation of how the Company manages financial risks is also provided in note 21 to the financial statements.

We recognise that the Group is exposed to risks wider than those listed. However, we have disclosed those that we believe are likely to have the greatest impact on the Group delivering its strategic objectives.

CLIMATE RISK

In FY24, we continued to build on the work of previous years to develop our understanding of the potential impact of climate change risk on Dr. Martens. Having carried out this analysis, which is set out in more detail on page 82 in our TCFD Report, we continue to consider climate risk as a key component of the social and environmental risk, rather than a separate principal risk. We also recognise that climate change is one of the drivers of other principal risks, including brand and product, supply chain, and legal and compliance.

The approach to identifying and assessing climate risks and opportunities is broadly consistent with the way we identify and prioritise all risks, considering impact and likelihood of a number of potential risk events. However, we recognise that for climate risks the timeframes are often longer than many other risks. Therefore, as well as estimated likelihood of a risk event occurring, we considered the velocity of risks, i.e. the potential timeframe for when a risk event might occur. Our priority climate-related risks and opportunities are set out in more detail in our TCFD section.

CHANGES TO PRINCIPAL RISKS IN THE YEAR

Alongside the new principal risk, 'Macroeconomic uncertainty', there are two risks where the potential impact has increased, and one risk where the potential impact has decreased. We have indicated the trend for each risk, based on the changes from the prior year, as well as looking forwards to future potential changes in risk.

MACROECONOMIC UNCERTAINTY

Given the prolonged challenges and uncertainty with the macroeconomic environment, this has been disclosed as a separate principal risk. The ongoing cost-of-living crisis, geopolitical uncertainty in Israel/Gaza and Russia/Ukraine, coupled with upcoming elections across major global powers, are likely to have a continued impact on macroeconomic conditions in our key markets.

BRAND AND PRODUCT

Coupled with the external macroeconomic uncertainty and inflationary pressures reducing consumer demand and spend, the brand and product risk has increased, impacted by the challenging market conditions, particularly in the USA. A Chief Brand Officer was appointed in February 2024, with a leading role in setting the overall brand strategy, vision and direction for the next phase of growth.

SUPPLY CHAIN

The potential impact of supply chain risk has decreased as a result of good progress made in further improving the resilience and agility of supply chain activities from prior year. This includes improved management of the USA distribution centre activities and the successful relocation of the Canadian distribution centre.

PEOPLE, CULTURE AND CHANGE

With changes in senior leadership, there is an increase in this risk. While changes in leadership can create uncertainty amongst the wider organisation, they also provide a good opportunity for refresh and transition.

Risk trend:

Increased | No change | Decreased | Slight increase | Slight decrease

BRAND AND PRODUCT

We fail to develop and protect our brand and product

D O C S

Change from FY23

Risk impact

- Brand is no longer perceived as relevant with consumers
- Negative media or social media coverage damages our brand
- Counterfeit or lookalike product impacts our sales and brand
- Serious quality or product regulatory compliance issues resulting in product recall or compensation to consumers

How we manage the risk

- Research on consumer insights and trends
- Monitoring of brand health by key market and consumer segment
- Marketing activity to maximise brand value and exposure, for example, the new brand and marketing platform, Made Strong
- Focused brand investment in key global cities, for example, the 14XX launch and activation plan
- Product innovation to stay one step ahead and alleviate any counterfeit risk
- Chief Brand Officer appointed
- Monitoring and responding to social media and customer service issues
- Intellectual property expertise with robust enforcement strategy
- Robust quality and testing process on product

Risk appetite

- Balanced risk appetite in order to innovate, deliver our strategy and stay relevant with consumers
- Supported by processes to avoid or mitigate any brand and intellectual property protection risk, where possible

Read more about this risk

- Our brand and products on page 4
- How we create value on pages 16 and 17
- Stakeholder engagement – Consumers on page 20
- Delivering against our strategy on pages 22 and 23
- Sustainability – Product on pages 56 to 62

SOCIAL AND ENVIRONMENTAL

Our sustainability strategy and programme fail to deliver or do not meet stakeholder expectations

D O C S

Change from FY23

Risk impact

- Non-compliance or reputational concerns in supply chain potentially damage the brand resulting in lower sales
- Our product and business activities fail to keep pace with consumers' social and environmental expectations, resulting in lower sales growth
- Emerging risk: Climate change impacts upon our business or as a result of our business operations

How we manage the risk

- Sustainability programme and supporting roadmap with oversight by the Sustainability Committee
- Wide range of stakeholders involved in developing and delivering our sustainability programme
- External advice to ensure we adopt good practices, for example, human rights impact analysis performed with input from external advisers
- Investment in a tool to assist with carbon emissions data management and analysis
- Successful launch of repair service in the UK, ReWair, our new resale platform in the USA, and Genix Nappa reclaimed leather
- External assurance over key third-party manufacturers, including human rights standards, modern slavery compliance and our Supplier Code of Conduct
- Environmental certification for Made In England factory
- Further developing an assessment of climate risks and potential impacts and mitigations

Risk appetite

- Low risk appetite considering consumer expectations and climate change impacts
- The longer-term nature of some sustainability risks and the level of uncertainty associated with their occurrence and impact means that we accept a higher level of risk

Read more about this risk

- Stakeholder engagement on pages 18 to 21
- Sustainability section on pages 46 to 74

Links to strategy:

D Direct-to-consumer first O Organisational and operational excellence C Consumer connection S Support brand expansion with B2B

PEOPLE, CULTURE AND CHANGE

We fail to attract, retain and develop talent and capabilities required to deliver business strategy

D O C S

Change from FY23

Risk impact
- Failure to attract, retain and develop talent and capabilities required to deliver business strategy
- Safety and security issues affecting our staff or customers
- Level of ongoing transformation and change means that programmes and projects are not successful or business as usual activities are negatively impacted
- Culture does not successfully evolve as business grows

How we manage the risk
- Rigorous prioritisation of projects and programmes, facilitated by the Strategic Portfolio Planning Team, to ensure successful execution of the DOCS strategy
- Quarterly strategic portfolio review to govern delivery of strategic projects
- Senior leadership monitoring and oversight of all significant change programmes
- Diversity, equity and inclusion programme with dedicated resources
- Regular engagement employee surveys with action plans
- All employee share scheme to allow employees to share in the future success of the business
- Talent management process
- Development of leadership behaviours framework
- Succession planning assessment and process
- Induction and onboarding process

Risk appetite
- Overall balanced risk appetite in order to grow, innovate and respond to new challenges and opportunities
- Very low risk appetite for people safety risks

Read more about this risk

- Stakeholder engagement – Our people on page 19
- Sustainability – People on pages 63 to 72
- Nomination Committee Report on pages 108 to 115
- Section 172 Report on pages 18 to 21

SUPPLY CHAIN

We fail to deliver the supply chain activity required to support business growth and consumer demand

D O C S

Change from FY23

Risk impact
- Capacity restrictions in manufacturing and distribution
- Global trade restrictions and duties
- Logistics and shipping disruption causing an increase in operating costs
- Raw material prices increase our cost of production

How we manage the risk
- Diversified supplier base across different markets
- Established alternative suppliers and ability to source additional capacity if required
- Effective partnership and relationship management with third parties
- External assurance over key third-party suppliers
- Rigorous forward planning including contingency for unexpected events
- Further investment in improved systems
- Review of regulatory landscape affecting raw materials
- Negotiated fixed rates and capacity with carriers
- Warehousing and distribution capacity adjusted to meet forecast demand

Risk appetite
- Moderate risk appetite for this risk, as a stable and resilient supply chain is necessary for delivering our core products to meet consumer demand and support business growth
- The risk is mitigated through a geographic spread of factories and management of stock. However, it is recognised there is a balance between the investment required to reduce risk and the amount of risk and uncertainty we accept due to external factors that are largely outside our direct control

Read more about this risk

- Stakeholder engagement – Suppliers on page 21
- Sustainability – Responsibly managing our supply chain on pages 64 and 65
- Our strategy in action – Enhancing our supply chain on pages 24 and 25
- Sustainability – Our supply chain on page 55

Risk trend:
Increased | No change | Decreased | Slight increase | Slight decrease

INFORMATION AND CYBER SECURITY

We fail to maintain the confidentiality, integrity and availability of key information

D O C S

Change from FY23

Risk impact
- Ecommerce or other key IT systems are the target of cyber hacking or prolonged disruption with potential to negatively impact revenue and operating costs
- Theft or loss of sensitive Company, consumer or employee data, resulting in negative reputational impact and potential fines and legal costs
- Prolonged system outage may result in failure to deliver on key business activities

How we manage the risk
- Dedicated Global Security Team
- Continued execution of the Cyber Security programme and strategy
- Maturing identity management – privileged account management (PAM) and multi-factor authentication (MFA) at all levels
- Implementation of new Managed Detection and Response (MXDR) service, providing end-to-end security visibility
- Active monitoring of core business applications and end-user devices
- Cyber risk maturity measured against recognised framework (NIST – National Institute of Standards and Technology) with targets to drive continuous improvement
- Cyber incident response process managed through external partners and Global Security
- Third-party supplier management through vendor risk assessment reviews

Risk appetite
- Low risk appetite for this risk as we seek to minimise the likelihood and impact of any business-critical technology failure
- It is recognised that there is a cost-benefit trade-off in mitigating cyber threats and we will therefore accept a low level of risk rather than attempting to eliminate all risk
- Very low risk appetite for data privacy, as we aim to protect our data robustly and in line with privacy regulations and recognised practice

Read more about this risk

- Audit and Risk Committee Report on pages 134 to 143

FINANCIAL

We fail to adequately forecast and manage financial risks, including meeting external reporting requirements

D O C S

Change from FY23

Risk impact
- Foreign exchange movements are unfavourable and impact liquidity and cash flow
- Interest rate risk on external bank debt with a potential risk of breach of covenants
- Potential increase in the risk of internal or external fraud
- Failure to meet forecasts and financial guidance to the market can negatively impact share price and investor confidence
- Non-compliance with financial reporting requirements and internal control attestations

How we manage the risk
- Robust financial management framework with detailed reporting and forecasting
- Detailed cash flow forecasting including monitoring compliance with covenants
- Single finance ERP system across majority of markets
- Selected hedging of foreign exchange
- Continued focus on internal controls over financial reporting
- Fraud risk assessment with accountability for key fraud risks
- Dedicated resource to deal with payment related fraud

Risk appetite
- Low risk appetite for this risk and proactively manage it through a range of methods, including a robust financial management framework
- The potential negative impact on the business from a financial failure reinforces our commitment to implement and maintain strong financial reporting and internal control measures across the business

Read more about this risk

- Finance review on pages 32 to 37
- Audit and Risk Committee Report on pages 134 to 143
- Note 21 (Financial instruments) to the financial statements on pages 191 to 194

Links to strategy:

D Direct-to-consumer first O Organisational and operational excellence C Consumer connection S Support brand expansion with B2B

LEGAL AND COMPLIANCE

We fail to comply with key laws and regulations

D O C S

Change from FY23

Risk impact
- Potential increase in the risk of bribery or corruption
- Trade sanctions non-compliance
- Anti-competitive behaviour
- Data protection non-compliance
- Potential fines and reputational damage

How we manage the risk
- Positive tone from the top cascaded down to teams and employees
- Code of conduct (the DOCtrine) shared with all employees
- Policies, procedures and mandatory training covering key compliance risks
- Rigorous third-party due diligence process
- 'Speak Up' process facilitated by an independent third party
- Dedicated Compliance, and Health & Safety Team and programme
- Data privacy programme including compliance with applicable local laws

Risk appetite
- Very low risk appetite for compliance risks and we are committed to ethical and lawful behaviour in all we do
- Colleagues and business partners who support us or act on our behalf are expected to take appropriate steps to comply with applicable laws and regulations
- Personal information and privacy is respected and valued, as we seek to comply with laws, rules and regulatory requirements across all jurisdictions in which we operate
- Low risk appetite for legal risks, recognising there will be times when we take some commercial legal risks, provided we have appropriate internal legal approval, supplemented with external advice where required

Read more about this risk

- Section 172 Statement on Meeting the needs of our stakeholders on pages 18 to 21
- Our Governance framework on pages 85 to 107
- Audit and Risk Committee Report on pages 134 to 143

MACROECONOMIC UNCERTAINTY

We fail to manage and effectively respond to changing macroeconomic conditions

D O C S

NEW

Risk impact
- Recession or poor economic performance negatively impacts on consumer demand and spend, resulting in lower sales and profitability
- Inflation negatively impacts our cost base and consumers' discretionary spend

How we manage the risk
- Monthly sales and operations planning (S&OP) reviews and any resulting actions
- Regular Board review of economic landscape
- Negotiated rates and committed availability with suppliers
- Global cost management review including opportunities for further product manufacturing cost savings
- Budgets, plans and viability assessments consider a range of scenarios including macroeconomic factors
- Proactive response to external threats and challenges

Risk appetite
- Changes in the global economy are difficult to predict and it is recognised that external factors can be more difficult to mitigate, as they are largely outside our direct control. There is a balance between the investment required to reduce risk and the amount of risk and uncertainty we accept, which requires us to be resilient, while remaining agile to respond effectively

Read more about this risk

- Market trends and opportunities on page 14 and 15
- Viability assessment and going concern on pages 44 and 45
- Audit and Risk Committee Report on pages 134 to 143

Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a three-year period to 31 March 2027 (the 'viability assessment period'), which is longer than the 12-month period from the date of signing the consolidated financial statements ('the going concern period'), as it provides an appropriate midpoint between the Group's short and long-term planning phases and is a typical and comparable period for a business of this nature to be assessed over.

As part of this comprehensive assessment, the Directors have analysed the prospects of the Group by reference to its current financial position, recent trading trends and momentum, detailed trading and cash flow forecasts including forecast liquidity and covenant compliance, strategy, economic model and the principal risks and mitigating factors described on pages 40 to 43.

Group planning process

Our normal planning process consists of a rigorous review of the DOCS strategy (described on pages 22 and 23) by the Global Leadership Team (GLT) on an annual basis, and this forms the basis for assessing the longer-term prospects of the Group, following which an updated long-term 5 year financial plan is derived and reviewed with the Board.

Before the beginning of a new financial year, a detailed, bottom-up budget is prepared with thorough review and discussion between each region's President and CEO, CFO, CBO and COO, and presentation and discussion with the GLT, followed by the Board. We monitor our performance through the financial year against this budget and prior year actual performance with a formal re-forecast process conducted as required. The planning for the three-year period is assessed by month and includes investments, plans and actions.

The key assumptions considered in all reviews are:

- trading performance by channel;
- trading performance by product and geography;
- costs to procure and produce our products;
- other expenditure plans; and
- cash generation.

We also consider projected liquidity, Balance Sheet strength and potential impact on shareholder returns.

Trading outlook

In evaluating the viability of the Group, we recognise the importance of contextualising our assessment within the broader macroeconomic environment. FY24 started with a continuing challenging global macroeconomic backdrop and weak consumer sentiment particularly in the Americas. We are seeing growing divergences of impacts on our core markets making it a challenge to return to pre-pandemic growth with inflationary pressures, fluctuating interest rates and increased cost of living exacerbated by geopolitical tensions, fuel price volatility and the threat of climate change.

In addition to the war in Ukraine, there is heightened volatility with the war in the Middle East, stretching lead times to EMEA with a potential risk of further supply chain disruption which could present operational challenges. Containers and ships are increasingly located in inefficient locations. This has also contributed to rising costs in the global energy markets and commodity prices.

Our largest market, the USA (which makes up the vast majority of our Americas region) continues to face two significant external headwinds, namely weak consumer confidence impacting spending and a particularly challenging boots segment. Despite this, we saw good DTC growth in a number of our other core markets, particularly in EMEA and APAC, resulting in DTC mix expansion of 9%pts on a full year basis. There was solid ecommerce growth in EMEA and APAC, with improved conversion and traffic growth. Retail growth was led by new and maturing stores across all geographies with continued footfall growth in EMEA and APAC, although footfall declined in the Americas. We were encouraged to see that progress on the underlying core fundamentals of the DOCS strategy continued throughout the year. The decline in revenue was mainly from lower wholesale revenue with planned volume reduction of etailers in EMEA, a decision not to renew the China distributor contract and significant wholesale revenues decline in the Americas due to industry wide caution from the wholesale customers resulting in a weak order book. Gross margin growth was supported by supply chain savings with price increases offsetting inflation.

In EMEA, inflation started to ease, driven by a decline in energy prices and moderating inflationary pressures. Russia's ongoing war against Ukraine however continues to pose risks and remains a source of uncertainty. In the period, climate risks, illustrated by extreme weather conditions and unprecedented wildfires and floods in the regions we operate in, also weighed on the outlook.

In the Americas, the landscape continued to be increasingly uncertain with weak consumer confidence and spending. The first half was also impacted by unseasonably warm weather. Given the conflict in the Middle East, together with political uncertainty ahead of the upcoming US election, we expect USA consumer sentiment to remain weak in the short to medium term.

As a result, the Directors will maintain a cautious outlook and will react appropriately to further developments and associated risks (across ecommerce, retail and wholesale channels). The unprecedented uncertainty created by the geopolitical landscape makes it challenging to predict how the business will be impacted in the period ahead.

The Directors will remain vigilant and continue to monitor a number of consumer confidence and macroeconomic metrics across all our core markets. While global expectations are for inflation to slowly fall by the end of the year, interest rates are still expected to remain high, the global political climate is predicted to remain difficult and this results in careful focus on the potential headwinds into FY25. As we navigate the complexities of the current environment, we remain steadfast in our commitment to transparency, accountability and sustainability. By embracing change and fostering resilience, we are confident in our ability to navigate challenges and deliver long-term value for our shareholders, employees and broader community.

The Directors remain confident in the long-term growth prospects, cash generative nature of the business and strong balance sheet, with risks from elevated inventory levels mitigated by the inventory profile of core product (with minimal mark down risk) and plans to reduce inventory through the second half of FY25 as we will purchase less than we are planning to sell.

The Group is operationally strong with a long track record of consistently generating profits and cash which is expected to continue over the short, medium and long term.

Our central planning assumptions are:

Micro:

- DTC growth in key markets will continue to be led by traffic growth, supported by new store openings, and conversion markets in EMEA.
- USA Wholesale customer restocking is not expected to occur in the going concern period, however, given relatively low in-market inventory of Wholesale customers, replenishment opportunities exist.

- Inventory to be reduced for forward demand by March 2025: sales volumes to be higher than purchases through H2 FY25.
- All DCs and factories remain open and operational throughout the periods.
- Maintenance of dividend returns to shareholders and continued investment in the DOCS strategy.
- Debt bullet repayment of £288.6m in February 2026 with a refinancing for the same amount included.

Macro:

- No material changes to the global political situation or significant escalations in the wars in Ukraine and in the Middle East.
- Whilst headline inflation is expected to reduce, the cost of living challenge will remain (with high interest rates) and we therefore do not expect a step improvement in consumer confidence in EMEA or the Americas.

These conservative central assumptions form the base case for our FY25 budget, Viability Statement, going concern assessment and store, investment and goodwill impairment assessments.

Assessment of viability
The Directors of the Group have considered the future position based on current trading and a number of potential downside scenarios which may occur, including the impact of appropriate principal risks crystallising. Specifically, the principal risk areas of financial and supply chain (via climate change risk) were assessed. The scenarios and risks include elements of the impacts from climate change.

This assessment has considered the overall level of Group borrowings and covenant requirements, the flexibility of the Group to react to changing market conditions and the ability to appropriately manage any business risks. The Group continues to have satisfactory liquidity and covenant headroom under each risk modelled individually.

The main risks and specific 'black swan' events assessed are detailed below:

- the impact of a factory closure in one key production geographic area due to climate change (flooding).
- weaker consumer sentiment and lower demand.

'Top-down' sensitivity and stress testing included a review of the cash flow projections and covenant compliance under a severe but plausible scenario in relation to the downside scenarios described above.

In the unlikely event of the two above scenarios occurring together, the Group can withstand material revenue decline and by applying available mitigations, headroom above covenant requirements remain in line with expectation and the Group continues to have satisfactory liquidity and covenant headroom throughout the period under review. Experience over three years of FY22, FY23 and FY24 has indicated minimal wholesale bad debt risk and minimal margin risk with the principal risk to meeting covenant compliance being lower revenue.

In modelling our severe but plausible downside we have incorporated the impact of a double digit decrease in revenue from the base plan in the short term, with the base plan already representing a single digit decline versus FY24. Under this scenario, certain mitigations are available or are intrinsically linked to the forecast, including some cost and cash savings that materialise immediately if the Group's performance is below budget and other planned and standard cost reductions.

A more extreme downside scenario is not considered plausible.

A reverse stress test has also been modelled to determine what could break covenant compliance estimates and liquidity before mitigating actions. To model these reverse stress tests the impact on revenue of zero covenant headroom and zero liquidity was calculated at the end of the going concern period. Under the covenant breach test it is concluded that the business could weather extreme growth reductions without mitigation versus the base plan, with the base plan already representing a single digit decline versus FY24. The business would have to experience -11%pts to revenue growth in the going concern period before covenants are breached. Similarly, the business would have to experience -51%pts revenue growth reduction in the going concern period before zero cash headroom is reached. The Directors have assessed the likelihood of occurrence to be remote.

We have also assessed the qualitative and quantitative impact of climate-related risks, as noted in our TCFD scenario analysis and above, on asset recoverable amounts and concluded that there would not be a material impact on the business and cash flows in the viability period.

We will continue to monitor the impact of the macroeconomic backdrop and geopolitical events on the Group in the countries where we operate, and we plan to maintain flexibility to react as appropriate.

Funding
The Directors also considered the Group funding arrangements at 31 March 2024 with cash of £111.1m, term loan of £288.6m, as well as available undrawn facilities of £194.5m. A bullet debt repayment of the term loan of £288.6m is not due until 2 February 2026.

The Board expects to replace or renew these facilities well ahead of their maturity and considers it a reasonable expectation to secure a similar level of financing.

The Group is operationally and financially strong and has a long track record of consistently generating profits and cash, which is expected to continue over the short, medium and long term.

Statement
Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the viability period to March 2027.

Going concern

The financial statements have been prepared on a going concern basis. The Directors' assessment is based on detailed trading and cash flow forecasts, including forecast liquidity and covenant compliance, using the same assumptions and methods as the viability assessment. The going concern assessment covers at least the 12-month period from the date of the signing of the financial statements, and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period. To support this assessment, detailed trading and cash flow forecasts were prepared for the 16-month period to 30 September 2025. Based on the going concern assessment (also referred to in note 2.5 of the financial statements), the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

TAKING ACTION ON SUSTAINABILITY

OUR FY24 HIGHLIGHTS

Planet

2040

Net-Zero by FY40 target validated by the Science Based Targets initiative (SBTi)

P51

EMISSIONS MANAGEMENT TOOL

used to calculate our footprint for the first time

P51

93.5%

of electricity consumption for our owned and operated UK and EMEA sites came from renewable sources

P52

Product

RESALE PLATFORM

launched in the USA

P62

AUTHORISED REPAIR SERVICE

launched in the UK

P61

RECLAIMED LEATHER

footwear launched

P59

People

RESPONSIBLE PURCHASING

supplier charter developed

P65

100%

of our Tier 1 and Key Tier 2 suppliers CSR audited met our high standards

P65

10%PTS

increase in women in senior leadership roles since FY23 (FY23: 36%, FY24: 46%)

P68

EXTERNAL RECOGNITION IN FY24

AAA

Top ESG rating of AAA from MSCI

B

CDP Climate Score Management Level B

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

MORE ONLINE

- OUR MATERIALITY ASSESSMENT
- OUR IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

FIND OUT MORE AT:

DRMARTENSPLC.COM

As brand custodians, we are focused on adding long-term value to our business, without taking short cuts. We are proud to have launched several initiatives which mark key milestones in Dr. Martens sustainability journey.

This year, we made great progress to support our consumers to maximise the longevity of their products through repair and resale. The durability and timeless design of Dr. Martens products mean we are perfectly placed to take on this opportunity and expand into the growing sector of recommerce. We were excited to launch authorised repair in the UK and our resale platform in the USA, ReWair.

We also continued to invest in innovation as we seek to reduce the impact of our new products through sourcing lower impact materials. In March 2024, we launched footwear made from reclaimed leather, an innovative material which tackles leather waste in the supply chain. It takes a test and learn mentality to bring projects such as these to life and we make sure we learn from everything we do. These initiatives support our Net-Zero by FY40 target, which was approved by the SBTi this year – another pivotal moment. Approval of our science-based targets solidifies our long-term ambition to decarbonise our business and supply chain. We also continued working towards our commitments to our people and communities, as we developed our responsible purchasing practices charter.

In this report we outline the key progress we have made over the past year towards our sustainability strategy of Planet, Product, People. We hope you enjoy.

TUZE MEKIK
Director of Sustainability

EMILY REICHWALD
Chief Sustainability Officer[1]

Aligning Executive pay with our sustainability performance

Our Executive bonuses are linked to the achievement of specific sustainability initiatives that underpin our long-term sustainability commitments. Find out more in our Remuneration Report on page 119.

1. During FY24.

EMBEDDING OUR SUSTAINABILITY STRATEGY

	Focus areas	Our commitments[1]
Planet	Climate	**Energy and climate** • Net-Zero by FY40 (target validated by SBTi) • Renewable electricity across all owned and operated facilities by 2025
	Operations	**Environmental impacts from supply chain manufacturing processes** • Environmental certification standard to all Tier 1 suppliers by 2025 **Waste management** • Minimise waste and ensure zero waste to landfill across the full value chain by 2028 **Chemicals management and product compliance** • Support suppliers to adopt best practice chemicals management by 2025
Product	Materials	**Materials** • 100% of footwear made from sustainable materials by 2040 • Sustainable alternative to outsoles by 2035 • Sustainable vegan upper material by 2028 • Remove fossil-based chemicals from products (where scalable alternatives exist) by 2035 **Sourcing standards** • 100% of the natural materials in products from regenerative agriculture by 2040 • Zero deforestation by 2025 **Leather supply** • 100% leather traceability for all countries by 2024 • 100% upper leather from LWG tanneries by 2023
	Packaging	**Packaging** • 100% packaging from recycled or other sustainably sourced material by 2028
	Lifecycle	**Useable life** • All products align to sustainable design criteria by 2028 • Offer options and guidance for wearers to maximise useable life by 2025 **End-of-life** • 100% products sold have sustainable end-of-life option by 2040
People	DE&I	The following commitments are to be achieved by 2027: **Ethnicity** • 30% underrepresented communities in senior leadership roles (GLT and direct reports) **Gender**[2] • 50% women in senior leadership roles (GLT and direct reports) • Increase non-binary colleagues from 2% to 4% globally
	Human rights	We are committed to respecting human rights. This is reflected in our DOCtrine (our business code of conduct), Supplier Code of Conduct, Migrant Worker Policy and Anti-Slavery and Human Trafficking Policy. In FY24, we undertook our first human rights risk assessment to inform our management approach in this important area.
	Communities	We are proud of our record of standing up for social justice. This includes supporting anti-racism, advancing LGBTQIA+ rights and promoting positive mental health. In parallel, the Dr. Martens Foundation (an independent UK charity) implements a structured programme to help organisations pursue social justice.

1. The deadline for all sustainability commitments is the end of the calendar year stated, except for the Net-Zero by FY40 target which is 31 March 2040.
2. We have removed the target to increase male representation across our retail stores to 40% because we believe it no longer aligns with our DE&I strategy. We remain focused on progressing towards our other DE&I targets and commitments.

Our sustainability strategy has three pillars: Planet, Product, People, and sets out our sustainability commitments. We are delivering on these commitments through the implementation of our detailed roadmaps, which include actions, milestones and KPIs. These are being led by dedicated cross-functional working groups and are underpinned by our robust sustainability governance structure.

In addition, we have established several strategic initiatives to further support the delivery of our strategy. This includes our cross-cutting climate initiatives, our DE&I Strategy, our CSR monitoring and modern slavery programmes and the Dr. Martens Foundation.

Relevant UN SDGs

Supported by our strategy

How our sustainability strategy underpins our DOCS strategy

Our sustainability strategy plays an important role in supporting the long-term delivery of our DOCS strategy (page 22). Key areas of alignment between our sustainability efforts and our DOCS strategy include:

DTC FIRST
This includes building a profitable resale, repair and end-of-life business model. We are working towards this aim through the development of our resale initiatives in the UK and USA, as well as the launch of our direct-to-consumer authorised repair service in the UK.

ORGANISATIONAL AND OPERATIONAL EXCELLENCE
This includes building a best-in-class resilient, sustainable and scalable supply chain. We are working to decrease waste and enhance transparency across our supply chain, while further advancing our responsible supply chain management efforts.

CONSUMER CONNECTION
This includes demonstrating sustainability leadership through the development of durable and innovative products. This year we launched footwear using Genix Nappa, a material made from leather offcuts.

SUPPORT BRAND EXPANSION WITH B2B
While our sustainability strategy does not directly support the 'S' pillar, it is actively demonstrating to our business partners and consumers that we are committed to leaving things better than we found them.

Our sustainability strategy is also integral to our ethos of Rebellious Self Expression. This is about standing up for what we believe in and being a business with integrity that takes our responsibilities seriously towards the planet, our people and our broader stakeholders.

The above referenced sustainability initiatives are covered in detail throughout this section.

OUR STRATEGY P22

PLANET

We are working to minimise our impact on the planet. This includes a strategic plan to achieve Net-Zero greenhouse gas (GHG) emissions across our value chain by FY40. We are also continuing to responsibly manage our broader environmental impacts through the pursuit of operational excellence, within both our own operations and our broader supply chain.

FOCUS AREAS AND COMMITMENTS

Climate

- Net-Zero by FY40
- Renewable electricity across all owned and operated facilities by 2025

Operations

- Minimise waste and ensure zero waste to landfill across the full value chain by 2028
- Environmental certification standard to all Tier 1 suppliers by 2025
- Support suppliers to adopt best practice chemical management by 2025

FOR ADDITIONAL COMMITMENTS, SEE P51 AND 54

PROGRESS HIGHLIGHTS

VERIFICATION OF OUR SCIENCE-BASED TARGETS

Our FY40 Net-Zero science-based targets have been verified by the SBTi

EMISSIONS MANAGEMENT TOOL

used to calculate our footprint for the first time

93.5%

of electricity consumption for our owned and operated UK and EMEA sites came from renewable sources

RELATED UN SDGS

TO FIND OUT MORE, **SEE OUR SDG MAPPING EXERCISE AT:** DRMARTENSPLC.COM

CLIMATE

WHY IT MATTERS...

Urgent action is needed to address climate change and limit the increasing impacts caused by global warming. This year, the validation of our science-based targets (SBTs) has solidified our ambition to decarbonise our business and collectively limit the impacts of the climate crisis.

OUR COMMITMENTS:

Energy and climate

- Net-Zero by FY40 (target validated by SBTi)
- Renewable electricity across all owned and operated facilities by 2025

Our near and long-term science-based targets

	EMISSIONS IN SCOPE	FY30	FY40
SCOPE 1 AND 2	All	90% (Net-Zero)	Maintain at least 90% reduction
SCOPE 3	Non-FLAG (all other Scope 3 emissions in scope)	30%	90% (Net-Zero)
	FLAG (Forests, Land and Agriculture emissions associated with cattle rearing)	30.3%	72% (Net-Zero)

WHAT WE'RE DOING...

OUR PATH TO NET-ZERO

Validation of our science-based targets

In October 2023, the Science Based Targets initiative (SBTi) validated our near and long-term emissions targets[1]. Our SBTs are informed by climate science and will help guide us in our journey to reach Net-Zero across our own operations and value chain. They focus on reducing our absolute total emissions rather than our emissions intensity. As leather represents a significant proportion of our total carbon footprint, we have set leather-specific emissions reduction targets, in line with the SBTi Forest, Land and Agriculture (FLAG) guidance. Our targets are aligned with limiting global warming to 1.5˚C (Scope 3 near-term targets are aligned to well below 2˚C):

Dr. Martens commits to reach Net-Zero greenhouse gas (GHG) emissions across the value chain by FY40.

Near-term targets:

- Scope 1 and 2: Reduce absolute scope 1 and 2 GHG emissions 90% by FY30 from a FY20 base year.
- Scope 3: Reduce absolute scope 3 GHG emissions 30% by FY30 from a FY20 base year.
- FLAG (Forests, Land and Agriculture): reduce absolute Scope 3 FLAG GHG emissions 30.3% by FY30 from a FY20 base year.

Long-term targets:

- Scope 1 and 2: Maintain at least 90% absolute scope 1 and 2 GHG emissions reductions from FY30 through FY40 from a FY20 base year.
- Scope 3: Reduce absolute scope 3 GHG emissions 90% by FY40 from a FY20 base year.
- FLAG: reduce absolute scope 3 FLAG GHG emissions 72% within the same timeframe.

Our achievement of these targets requires action across several areas of our business, as set out on the next page.

Our carbon footprint

For our third annual carbon footprint calculation, we continued to measure our emissions across our operations and full value chain. For the first time, this exercise was conducted using a third-party emissions management tool. It was carried out in line with the Greenhouse Gas (GHG) protocol and covered the FY23 period[2] (1 April 2022 to 31 March 2023). FY23 captures the most recent and accurate data we have available for our Scope 3 emissions. Our FY24 Scope 1 and 2 emissions can be found in our Streamlined Energy and Carbon Reporting (SECR) disclosure (page 53).

Understanding our footprint

Dr. Martens Scope 1, 2 and 3 emissions totalled 280,456 tonnes of CO_2e in FY23[3] (FY22: 275,463 CO_2e). During this period, our business continued to grow, reaching £1bn in revenue. For our FY23 footprint, we used a third-party emissions management tool to calculate our footprint for the first time. This change in approach meant that some categories were calculated using different methodologies than those used in FY20 and FY22[4]. The transition to using the software to monitor our emissions represents a step forward in our reporting journey and means our footprint will be measured more consistently and efficiently going forward.

The software provider periodically updates the methodology to capture the latest climate science and emissions accounting best practices, both of which are continuously evolving. These updates keep measurements as accurate as possible.

The granularity and quality of input data used to calculate our FY23 footprint were also significantly improved across several categories. Where available, we used lifecycle assessments (LCAs) specific to the materials sourced. For example, we used LCAs covering 49% of the leather we

1. These use a FY20 baseline as FY21 was subject to significant Covid-19 related disruption.
2. We report one year in arrears due to the time required to process the large amount of scope 3 emissions data.
3. Market-based scope 2 emissions.
4. Key methodology changes included: refrigerant gas emissions calculations, energy usage at sites where data was not available, emissions associated with waste production at stores and offices where data was not available, and accounting for componentry emissions (including non-leather upper materials, components such as heel loops and insoles, and construction materials used in outsoles and uppers).

FOCUS

Examples of how we plan to achieve our science-based targets

DM'S EMISSIONS

Scope 1 & 2 (direct emissions and purchased energy) (~1% of total footprint)

IN PROGRESS
- Renewable electricity procurement across owned and operated sites
- Energy efficiency measures including switching to LEDs, HVAC optimisation and installing smart meters
- Transition company cars to electric vehicles

FUTURE PLANS
- Energy efficiency awareness training and engagement for employees

Scope 3 (supply chain emissions) (~99% of total footprint)

IN PROGRESS
- Transition to low carbon materials (e.g. bio-based alternatives)
- Reduce leather related emissions by sourcing leather that is traceable, deforestation-free and from regenerative sources
- Increased material efficiency and circularity
- Scaling up repair and resale business models

FUTURE PLANS
- Supply chain transport electrification and promoting low carbon movements via sea, rail and road
- Supporting supply chain to reduce energy use and transition to renewables

sourced, rather than using less specific emissions factors. These improvements mean our FY23 footprint is more accurate and comprehensive than in previous years, however it is not directly comparable against the FY20 and FY22 footprints due to these changes. A breakdown of our FY23 scope 3 emissions categories can be found on page 83 in our TCFD Report.

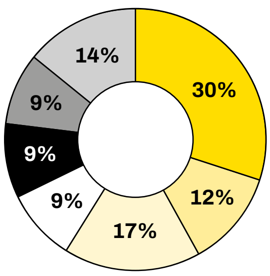
Energy efficiency

Improving energy efficiency is key to reaching our Net-Zero target. This year we upgraded our heating, ventilation and air conditioning system in our Made In England factory to run off a renewable electricity supply instead of gas, helping us to move away from fossil fuels. We have also continued to transition the lighting at our UK factory and distribution centre to LED. We are aiming to complete the final phase of transitioning our owned UK operations to LED lighting next year.

FY20 and FY23 footprint for Scope 1, 2 and 3 emissions[1]:

Scope	Baseline FY20 emissions (Tonnes CO_2e)	FY23 emissions (Tonnes CO_2e)	
Footprint calculation method	Third-party consultant	Emissions management software	FY23 percentage of total value chain emissions (%)
Scope 1	640	1,151	0.4%
Scope 2 (Location)	1,891	2,502	–
Scope 2 (Market)	1,936	1,903	0.7%
Scope 3[2]	240,355	277,402	98.9%

FY23 Scope 3 emissions
(% of Scope 3 emissions)



- Leather
- Outsoles
- Accessories, packaging and other materials
- Manufacturing
- Non-product purchased goods and services
- Transportation and distribution
- Other[3]

3. Other emissions include capital goods, fuel and energy related activities, waste generated in operations, business travel, employee commuting, use of sold products, end-of-life of sold products, franchises, and investments.

1. Values are rounded and totals are calculated before rounding. We worked with different external partners and therefore used different methodologies for our FY20 and FY22 vs FY23 GHG emissions profiles. Additional information on the approach used in FY20 and FY22 can be found in our previous Annual Reports. FY23 Scope 1 and 2 emissions have been recalculated using the emissions management tool this year to ensure the measurement is consistent and comparable against the FY24 emissions. This led to a change in emissions from previously reported FY23 figures due to an increase in data availability and methodology changes as a result of using the emissions management tool.
2. All material emissions categories are included. The following GHG Protocol Scope 3 emissions are excluded from FY23 because they are covered in another category or because they are not relevant for our business: (8) Upstream leased assets, (10) Processing of sold products and (13) Downstream leased assets.

Streamlined Energy and Carbon Reporting Statement

Emissions data in respect of the FY24 reporting period is as follows:

		FY23 emissions (tCO_2e)		FY24 emissions (tCO_2e)	
GHG Protocol Scope	**Sub-category**	**UK**	**Global**	**UK**	**Global**
Scope 1	Combustion of fuel and operation of facilities	303	563	355	596
Scope 1	Combustion of fuel from owned or leased vehicles	36	588	83	359
Total Scope 1		**339**	**1,151**	**438**	**955**
Scope 2 (Location-based)	Purchased energy	506	2,502	623	2,889
Scope 2 (Market-based)	Purchased energy	173	1,903	248	2,168
Scope 1 and 2 (Location-based)		**845**	**3,653**	**1,061**	**3,844**
Scope 3 (grey fleet only)	Grey fleet	16	55	14	50
Total emissions (Location-based)		**862**	**3,708**	**1,075**	**3,894**
Total energy use (kWh)		**3,88,125**	**11,746,360**	**4,498,868**	**11,978,415**
Turnover (£)		–	1,000,299,000	–	877,053,126
Intensity ratio (tCO_2e/£100,000)		–	0.37	–	0.44

- The reporting period for SECR is 1 April 2023 to 31 March 2024 and covers Dr. Martens plc and other Group companies. An operational control approach is applied to defining organisational boundaries. Data is reported for sites where it is considered that Dr. Martens has the ability to influence energy management. Data is not reported for sites where Dr. Martens has a physical presence but does not influence the energy management for those sites, such as a concession within a department store.
- Scope 1 and 2 emissions include gas, fuel used in transport, fugitive emissions, other fuels and purchased electricity. Scope 1 physical or chemical processing emissions are not applicable and Scope 2 steam, district heating and district cooling emissions are not applicable. Our complete Scope 1-3 emissions are calculated one year in arrears due to the complexity of the data collection process; our FY23 footprint including full Scope 3 emissions can be found on page 83.
- This year, for the first time, emissions within the SECR disclosure have been calculated using a third-party emissions management tool.
- Emissions are calculated following the GHG Reporting Protocol (Corporate Standard), taking into account the 2015 amendment which sets out a 'dual reporting' methodology for Scope 2 emissions.
- Separate UK dual reporting has been conducted, in addition to mandatory global reporting, which encompasses all global data.
- Data is sourced from a combination of half hourly readings and energy invoices. Where data was unavailable, energy consumption is estimated for the respective meter and period.
- Energy usage estimation methods include calculating the average daily consumption and applying to the period in question or estimating based on building type and square-footage. This is combined with emissions factors from the USA Environmental Protection Agency (EPA), Ecoinvent, TCR and other data sources to calculate GHG emissions. Electricity emissions factors are chosen based on geography to reflect the emissions intensities of the facilities' local grid. Fugitive emissions from refrigerant leakage is estimated for all facilities. Known refrigerant gas releases are accounted for.
- In some instances, data could not be converted to energy consumption. In FY23 this includes 61.1 kg of fugitive gas in the UK and 153.7 kg globally, as well as Scope 3 grey fleet emissions (68,386 km and 2,615 USD in the UK and 56,956 USD globally). In FY24 this includes 114.9 kg of fugitive gas in the UK and 214.6 kg and 4,967 USD globally, as well as Scope 3 grey fleet emissions (66,544 km in the UK and 165,899 km and 15,351 USD globally).
- FY23 Scope 1, 2 and grey fleet Scope 3 emissions have been recalculated using the emissions management tool this year to ensure the FY23 footprint is consistent across the value chain and comparable against the FY24 SECR disclosure. This led to a change in emissions from previously reported FY23 figures due to an increase in data availability and methodology changes as a result of using the emissions management tool.
- Dr. Martens appointed a third party to provide independent limited assurance of the FY24 SECR Disclosure, including the recalculated FY23 emissions, in accordance with International Standard on Assurance Engagements (ISAE) 3410.

CLIMATE RISKS AND OPPORTUNITIES

We are continuing to advance our understanding of our climate risks and opportunities, as well as their financial implications. For further details on our CROs, including related mitigation actions, see our full Task Force on Climate-related Financial Disclosures (TCFD) disclosure (page 75). This includes deep dive case studies on repair and resale, riverine flooding and carbon taxation.

WHAT'S NEXT?

Next, we plan to continue integrating climate risk and opportunities into our business management processes. We will also continue to use the new emissions management tool to model our emissions scenarios to assess progress against our Net-Zero milestones.

FOCUS

Increasing renewable energy use at our sites

Region	FY23 (% of total kWh consumption)[4]	FY24 (% of total kWh consumption)
EMEA	92.0%	93.5%
Global	44.0%	46.3%

Transitioning to energy from renewable sources is a key mechanism in our efforts to decarbonise Dr. Martens direct activities. As part of our approach, we are moving away from using fossil fuels by upgrading gas powered HVAC systems to electric, enabling them to be powered through renewable electricity. By doing this, in FY24 our Scope 1 emissions decreased by 17% from FY23 (FY23: 1,151 tCO_2e, FY24: 955 tCO_2e). We are working to source 100% of electricity from renewable sources across our owned and operated sites by the end of 2025. During FY24, 93.5% of the electricity consumption for our owned and operated sites in EMEA (including UK) came from renewable sources[5]. While the total consumption of renewable electricity increased, the overall proportion remained flat. Multiple new stores opened during FY24, some of which are still due to be moved onto a renewable contract. In FY25, we will focus on transitioning the remaining UK and EMEA sites and the electricity supplies of our owned and operated sites in the USA and APAC.

COMMITMENTS SUPPORTED:

- Net-Zero by FY40
- Renewable electricity across all owned and operated facilities by 2025

4. From this year onwards the renewable electricity target will be reported as a % of total kWh electricity consumption, to better align with the requirements of CDP, which we also disclose against on an annual basis. Previously this was reported as a % of the total number of sites per region. The FY23 figure disclosed in our previous Annual Report (EMEA and UK: 91%) has been amended to align with our updated approach (92%).
5. Sites where Dr. Martens does not have operational control of electricity procurement have been excluded.

OPERATIONS

WHY IT MATTERS...

Operational excellence is a core pillar of our DOCS strategy. Pursuing operational excellence is not only good for our business, but also for the environment. This includes the responsible management of waste and chemicals, as well as the application of sustainable environmental standards. We work with our suppliers to promote more responsible environmental standards throughout the value chain.

OUR COMMITMENTS:
Environmental impacts from supply chain manufacturing processes

- Environmental certification standard to all Tier 1 suppliers by 2025

Waste management

- Minimise waste and ensure zero waste to landfill across the full value chain by 2028

Chemicals management and product compliance

- Support suppliers to adopt best practice chemicals management by 2025

SEE P64 FOR MORE INFORMATION ON **HOW WE RESPONSIBLY MANAGE OUR SUPPLY CHAIN**

WHAT WE'RE DOING...

OUR OWN OPERATIONS

While most of our environmental impact is of an indirect nature and takes place through our supply chain, we want to lead by example in our own operations. This is why we continued to pursue a range of sustainability initiatives at our Made In England factory, which is certified to the ISO 14001 environmental management system standard[1]. These are:

- The use of automatic cutting machines, resulting in higher levels of cutting efficiency and reduced leather waste.
- The recycling of post-industrial PVC waste through our outsole manufacturing process.
- Manufacture of our 'deadstock' product line, which has been integrated into all planned Made In England future seasons.
- The fitting of new electric heating, ventilation and air conditioning (HVAC), as well as the ongoing replacement of existing light fittings with LED bulbs.

We are also working to implement more sustainable practices across our stores, through the development of our Sustainable Store Development Guidelines, which are informed by the Building Research Establishment Environmental Assessment Methodology (BREEAM) standards. The draft guidelines were subsequently tested at our Cambridge store, with further testing to take place at our store in Hamburg, before being rolled out more widely.

1461 Made In England Deadstock Leather Oxford Shoes

1. With the latest assessment taking place in December 2023.

OUR SUPPLY CHAIN

Waste

Our commitment to achieve zero waste to landfill across our full value chain by 2028 will require systematic, positive change across our supply chain. In FY24, we continued to collect supply chain environmental data to help us actively monitor our indirect waste impacts. Within our own operations, our UK distribution centre was zero waste to landfill throughout 2023. Leather and PVC are two of our main materials and represent two of our key waste streams.

In FY24, we launched our first products made from reclaimed leather, Genix Nappa, which is made from pre-consumer leather waste (page 59). In addition, our 'deadstock' product line, which incorporates leather left over from previous seasons, saw its first full year of operation, achieving strong sales.

Our outsole suppliers take waste PVC produced during the manufacturing of our outsoles and reinject it into the process. The same technique is applied at our Made In England factory, which also sends any non-reusable PVC waste (e.g. mixed colour waste) to a partner that recycles it into new footwear. We are also working with our product recycling partner in the EMEA region to investigate opportunities for the recycling of post-consumer PVC outsoles into new outsoles. More on our efforts to reduce waste through product circularity and recycling can be found in the Lifecycle section on page 61.

Chemicals

Our chemical management system and Restricted Substance List (RSL) ensure we are in full compliance with all relevant chemical-related regulations. These cover our own operations and our Tier 1 suppliers, who cascade relevant requirements to their sub-suppliers. During FY24, we continued with our ongoing RSL testing programme for components and finished products, as well as relevant certification reviews.

We also require Tier 1 and Key Tier 2 suppliers to sign our General Material Requirement Policy (GMRP) to ensure the inputs they supply comply with relevant product safety legislation, among other requirements. We review this policy, which is aligned with the regulatory requirements of our key regions, on an annual basis.

Water

A key impact area for water management across our value chain takes place at the tannery-level (including water use and wastewater emissions). We require Tier 1 suppliers to only use leather from Leather Working Group (LWG)-certified tanneries in our products. This means the tanneries we source leather from are compliant with the LWG audit protocol, which requires tanneries to manage their water consumption responsibly and is aligned with the Zero Discharge of Hazardous Chemicals (ZDHC)[2] requirements.

We collect water use data (among other environmental indicators) from our Tier 1 supplier factories on a quarterly basis, ensuring we maintain a high level of insight into their performance.

SEE P64 FOR MORE INFORMATION ON **HOW WE RESPONSIBLY MANAGE OUR SUPPLY CHAIN**

FOCUS

Developing our supplier environmental certification standard

Environmental certification is a mechanism which will help us monitor and systematically improve our suppliers' environmental performance. In order to achieve this, and following an internal review of needs, we are seeking to implement a tool to monitor and manage environmental impacts across our Tier 1 suppliers.

It will support us with the collection and verification of data, as well as support the implementation of continuous improvement plans to enable progress towards our environmental commitments. We are currently reviewing potential solutions.

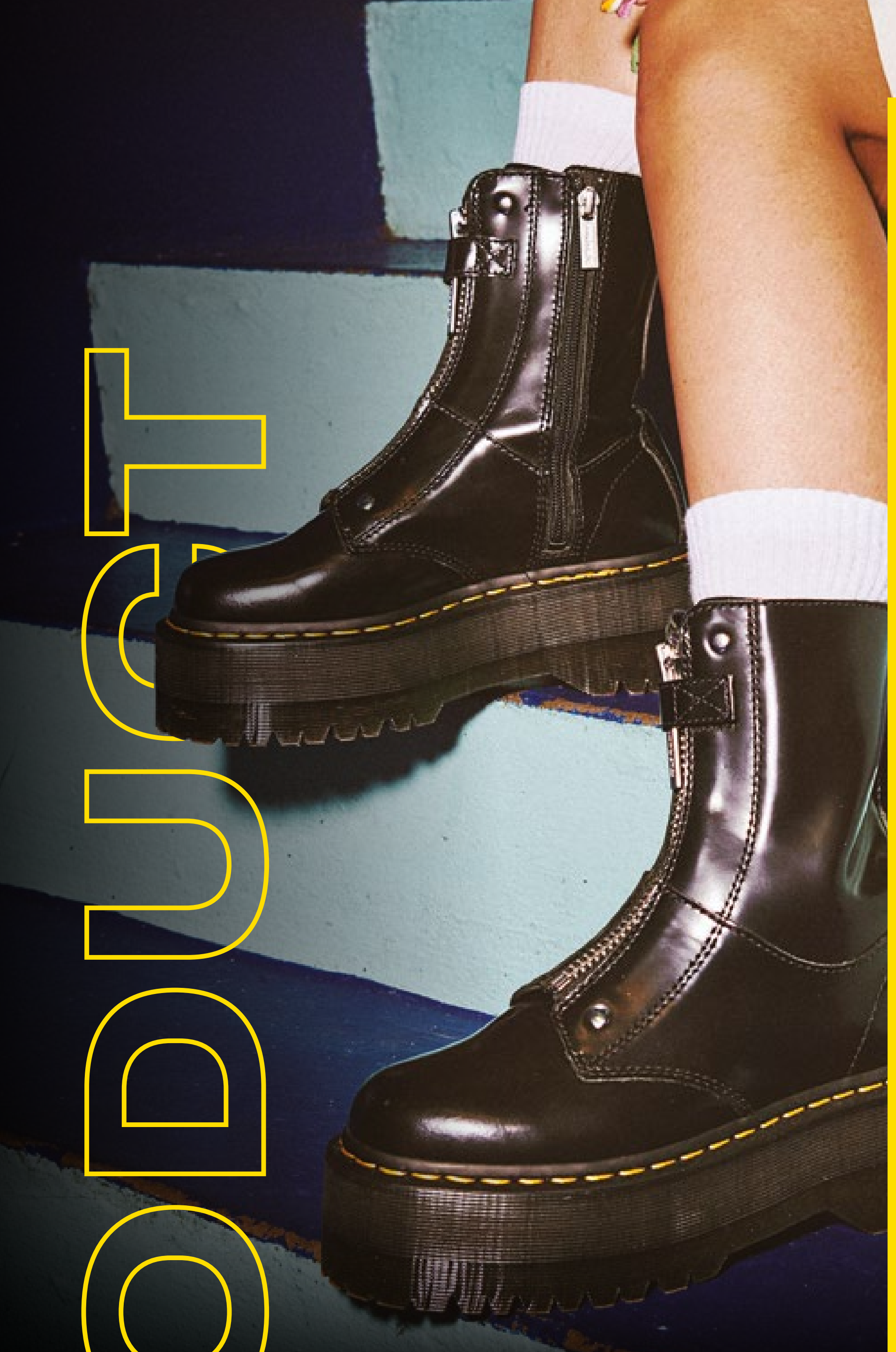
COMMITMENTS SUPPORTED:

- Environmental certification standard to all Tier 1 suppliers by 2025

WHAT'S NEXT?

Next, our areas of focus are to progress with selection of an environmental measurement tool for our Tier 1 suppliers and investigate product recycling partners in APAC.

2. ZDHC is dedicated to reducing the apparel and footwear industry's chemical footprint through the implementation of the ZDHC MRSL, a list of restricted substances.



PRODUCT

We have made iconic, timeless and durable footwear for more than six decades. But we are determined to keep moving forward. This is why we are developing new materials, while working to reduce the environmental impacts of our existing materials. We are also developing profitable repair, resale and end-of-life solutions for our products. These efforts are helping us move towards our long-term vision of a regenerative, circular product lifecycle which also supports our efforts to reach Net-Zero.

FOCUS AREAS AND COMMITMENTS

Materials

- 100% of footwear made from sustainable materials by 2040
- 100% of the natural materials in products from regenerative agriculture by 2040
- Remove fossil-based chemicals from products by 2035

Packaging

- 100% of packaging to come from recycled or other sustainably sourced material by 2028

Lifecycle

- 100% of products sold have a sustainable end-of-life option by 2040

FOR ADDITIONAL COMMITMENTS, SEE P57, 60 AND 61

PROGRESS HIGHLIGHTS

LWG LEATHER

Sourced 100% Leather Working Group leather for AW24

RECYCLED PACKAGING

Switched to Forest Stewardship Council (FSC) recycled cardboard for our core shoe boxes

RECLAIMED LEATHER

Launched footwear made from reclaimed leather offcuts

RESALE

Launched our resale initiative in the USA

REPAIR

Launched our direct-to-consumer authorised repair service in the UK

RELATED UN SDGS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

TO FIND OUT MORE, SEE **OUR SDG MAPPING EXERCISE AT:** DRMARTENSPLC.COM

MATERIALS

WHY IT MATTERS...

The materials we use not only underpin the durability, look and feel of our footwear, but also influence our product lifecycle impacts. This is why we focus on sourcing more sustainable materials that are:

- Durable and deliver on the quality needed for our iconic footwear
- Recycled, renewable and/or regenerative
- Produced responsibly by meeting our environmental and social standards

We are actively sourcing leather that meets our traceability and environmental standards and are developing regenerative leather supply options. We are also exploring more sustainable options for our outsoles and other componentry, without ever compromising on durability.

OUR COMMITMENTS:
Innovation in design and sustainable materials

- 100% of footwear made from sustainable materials by 2040
- Sustainable alternative to outsoles by 2035
- Sustainable vegan upper material by 2028

Land, biodiversity and ecosystems impacts of raw material production

- 100% of the natural materials in products from regenerative agriculture by 2040
- Remove fossil-based chemicals from products by 2035
- Zero deforestation by 2025
- 100% leather traceability for all countries by 2024
- 100% upper leather from LWG by 2023

SEE P64 FOR MORE INFORMATION ON **HOW WE RESPONSIBLY MANAGE OUR SUPPLY CHAIN**

WHAT WE'RE DOING...

We are working to reduce the environmental impacts of our existing materials as well as researching and developing innovative, lower-impact alternatives. We are guided in these efforts by our DRP Sustainable Materials Criteria[1]. In FY24, we also began the rollout of our new Product Lifecycle Management (PLM) system to help deliver enhanced visibility across our product lifecycle.

Bringing more sustainable materials to market represents our most significant opportunity to optimise our carbon reduction efforts and achieve our Net-Zero by FY40 target.

LEATHER

We recognise the need to continue adapting the ways in which we source and use leather, as we work towards our sustainable material commitments. We are particularly focused on enhancing leather traceability, so we can ensure our leather comes from deforestation-free and regenerative sources. This includes a focus on reducing our leather-related carbon emissions and on identifying lower carbon alternatives in line with our Net-Zero ambitions. Key to these efforts is our active participation in the Leather Working Group (LWG).

Enhancing leather traceability

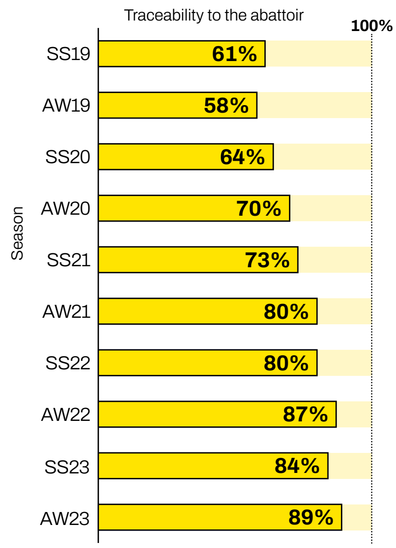
Being able to trace where our leather comes from is an essential first step for ensuring it is not associated with deforestation or other negative environmental, social and animal welfare impacts.

The leather supply chain is complex and the hides used for the leather we source come from the food industry. We continue to work towards our commitment to achieve 100% traceability back to the abattoir for all our leather by the end of 2024.

In AW23, 89% of our upper leather was traceable back to the abattoir (AW22: 87%). To reach our target, we will be engaging an expert third party to undertake a detailed mapping of all abattoirs in our leather supply chain. We are confident this exercise will significantly close the remaining gap in our target.

We will also continue to engage with our tannery partners to support the ongoing improvement of their own reporting processes. Our longer term aim is to achieve traceability back to the farm. This is a more complex task and we continue to explore scalable solutions to this challenge.

Traceability to the abattoir for leather purchases (%)



KPI *In progress*

89%

of our leather is traceable back to the abattoir (AW23)

COMMITMENTS SUPPORTED:

- 100% leather traceability for all countries by 2024

1. Our DRP Sustainable Materials Criteria evaluates if materials are 1. Durable, 2. Recycled, renewable and/or regenerative and 3. Produced responsibly. The full definition can be found on our plc website.

Supporting regenerative agriculture

Regenerative agriculture is a holistic set of farming practices that seek to have a lower, or even positive, environmental impact. They can be used to improve soil health, ecosystems and biodiversity which can all alleviate climate change.

We have committed to 100% of the natural materials in our products coming from regenerative agriculture by 2040. As part of these efforts, in FY24, we continued to explore leather supplies which support the principles of regenerative farming. We are currently investigating a leather supply with traceability back to farms that are managed using 'preferred agricultural practices'. The 'preferred agricultural practices' applied by the farms are aligned with select regenerative agricultural practices such as rotational grazing and enhanced animal welfare. This marks a small step towards our ambitions of farm-level traceability and supporting more sustainable agricultural practices in our supply chain. We are currently selecting an external specialist to verify these certifications, as well as the chain of custody. We will review key lessons learned to inform next steps.

Reducing the impacts of leather processing

We source all our leather from LWG certified tanneries. Tanneries with LWG certification have responsible environmental management practices in place and comply with LWG environmental standards for energy use, water, chemicals and waste management[1].

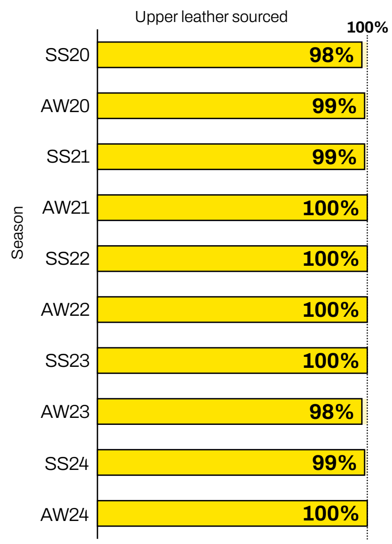
For the AW24 season, 100% of our upper leather came from LWG certified tanneries (78% Gold, 21% Silver, 1% Audited). Following the expiration of LWG certification for one of our tanneries in AW23, sourcing was relocated to a certified facility. We are continuing to work with this particular tannery partner to ensure this situation is resolved for the long term. All other leather we use (i.e. lining leather, leather goods, leather laces and footbeds) also continues to come from LWG certified tanneries. We are proud to source exclusively from LWG certified tanneries which helps ensure we minimise negative impacts associated with the leather processing carried out in our supply chain.

Exploring leather alternatives

Leather will continue to be an important upper material for us in the future. Nonetheless, we are also focused on developing lower carbon alternatives to support the achievement of our long-term Net-Zero and sustainable material commitments.

March 2024 saw the launch of our first products made from reclaimed leather, which uses re-engineered leather waste. In FY24, we also advanced work on bio-based vegan materials. During FY24, vegan upper materials in review included wearer trials and further enhancements to a bio-based upper material originating from mycelium and investigation of a bio-based plastic material that uses plant-based ingredients originating from corn.

Upper leather sourced from LWG certified tanneries (%)



FOCUS

Addressing deforestation in the leather supply chain and beyond

In November 2023, we commenced the rollout of a Zero Deforestation Implementation Plan to support the enhanced assessment and mitigation of deforestation risks in our leather supply chain. This was developed with support from external specialists, including the LWG and the World Wide Fund for Nature (WWF), and developed alongside other LWG member brands.

The Plan includes concrete measures and guidance in relation to deforestation policy development, traceability standards, data collection and assurance, supplier engagement and capacity building, and monitoring and reporting, among other areas. In addition, the third-party mapping of our leather supply chain will provide more granular deforestation risk mapping based on abattoir location.

COMMITMENTS SUPPORTED:
- 100% leather traceability for all countries by 2024
- Zero deforestation by 2025
- Net-Zero by FY40

KPI Achieved ✔

100%

of our upper leather for AW24 is from LWG certified tanneries. In addition, all other leather we use, including linings, leather goods, laces and footbeds, now comes from LWG certified tanneries.

COMMITMENTS SUPPORTED:
- 100% upper leather from LWG tanneries by 2023

1. For more information on the LWG go to www.leatherworkinggroup.com.

FOCUS

Trialling Genix Nappa to develop lower impact footwear

In March 2024, we launched our first products made from reclaimed leather. Genix Nappa is an innovative and durable upper material made from re-engineered leather offcuts. The trial is based on a limited volume of boots and shoes available across our Americas, EMEA and APAC regions. Prior to the launch, we carried out extensive pre-production testing and trials to ensure the material met our high standards including our DRP Criteria.

Half of the total content of Genix Nappa is reclaimed leather. The remaining content is made from a virgin nylon core which supports the material's durability and a water-based polyurethane coating to improve performance and provide the finish. The reclaimed leather is from pre-consumer leather waste (leather offcuts) from the tanning process that would otherwise be sent to landfill. The material is made using a process which separates the leather fibres before re-entangling them with the nylon core to produce a roll of material made from reclaimed leather.

The use of Genix Nappa not only helps to limit leather waste, but also reduces some of the carbon emissions associated with the production of new leather products. The Lifecycle Assessment (LCA) for a similar material from the same supplier indicates carbon emissions of around a third of those associated with conventional bovine leather. We are currently working with the supplier to develop a specific LCA for Genix Nappa.

Next, we will gather consumer feedback and continue to work with the supplier to further enhance the sustainability of the material. This includes a focus on enhancing circularity by exploring the use of finished leather waste from our Tier 1 suppliers to create materials made from reclaimed leather, similar to Genix Nappa.

Watch the video on how reclaimed leather is made

COMMITMENTS SUPPORTED:

- Minimise waste and ensure zero waste to landfill across the full value chain by 2028
- 100% of footwear made from sustainable materials by 2040
- Net-Zero by FY40

PVC

The majority of our outsoles are made using PVC, a hard-wearing and long-lasting material. The production process for our PVC outsoles creates minimal volumes of post-industrial waste. Its recyclable nature means that post-production industrial PVC waste can be blended back into the production process for our outsoles (see page 55 for more on outsole recycling).

Exploring bio-based alternatives

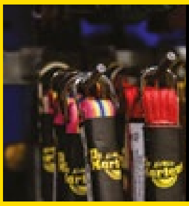
We recognise the need to develop lower-carbon, bio-based alternatives to PVC because its creation requires the use of fossil fuels and chemicals. This is why we have committed to developing a sustainable alternative outsole by 2035.

In FY24, we undertook further testing of a bio-based outsole alternative to ensure that it meets our aesthetic and performance standards, including our DRP Criteria. Following positive results, we now plan to trial the material in products.

Improving the sustainability of our components

We continue to integrate recycled content rather than virgin materials into our components, wherever possible. As a result of these ongoing efforts, we now have:

100% recycled content in luxe faux fur



20% recycled polyester content in laces

100% recycled polyester content in all standard heel loops

100% recycled polyester content in cushioned insoles

100% organic cotton in socks

80% recycled polyester in metallic heel loops

PACKAGING

WHY IT MATTERS...

Most of our packaging is used in our supply chain to make sure our products reach their destination undamaged. It is one of our key areas of resource use and represents significant opportunities to reduce our use of materials and implement responsible sourcing. This is why we focus on:

- Reducing the packaging we use
- Substituting existing packaging with recycled and/or more sustainable alternatives
- Ensuring our packaging can also be recycled

OUR COMMITMENTS:
Packaging

- 100% of packaging to come from recycled or other sustainably sourced materials by 2028

WHAT WE'RE DOING...

OPTIMISING AND MINIMISING OUR PACKAGING

We continue to optimise and minimise our packaging where possible, including through the removal of non-recyclable and difficult to recycle materials. Our Packaging Guiding Principles provide a structured framework as we work towards our commitment for 100% of packaging to come from recycled or other sustainably sourced materials by 2028.

Packaging improvements during FY24 included:

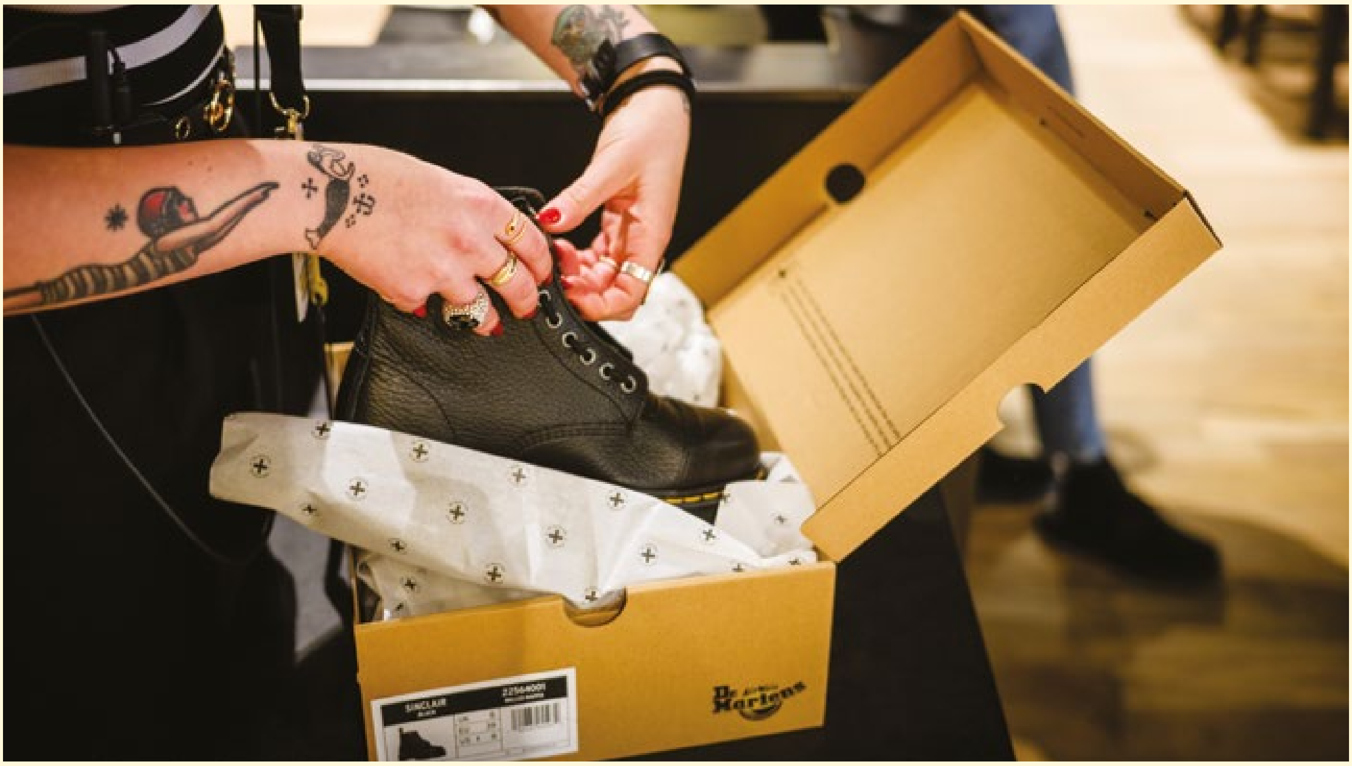
- The rollout of Forest Stewardship Certified (FSC) recycled cardboard across our standard shoe boxes, swing tags and the majority of our large cardboard shipping boxes.
- Phase out of non-recyclable coated shoe boxes for all our collaboration projects, which had represented one of our most significant areas of non-recyclable packaging.
- The continued phased removal of plastic foam inserts across ranges that do not require them for protective purposes. We have removed these inserts from 76.5% of our SS24 footwear ranges by volume (up from 35% in AW23). We are investigating a sustainable alternative for products that do require protection, including the potential use of FSC recycled cardboard offcuts from our shoe boxes.

In FY24, we also started the risk-based mapping of our supply chain for wood pulp, which is used in some of our packaging components. This forms part of our broader efforts to ensure that none of our products, packaging or store components are associated with deforestation (page 58).

WHAT'S NEXT?

We will continue to focus on testing, developing and including more sustainable materials across our product range and take learnings from our material innovation trials.

Another focus will be to utilise our data systems to enable annual quantitative progress reports against our sustainable materials commitments.



LIFECYCLE

WHY IT MATTERS...

Our footwear is versatile, timeless in its design and durable. By promoting care and offering authorised repair, we help our consumers extend the life of their footwear even further. Another key part of our strategy is keeping our products in circulation through resale. But even Dr. Martens boots will reach the end of their useable life at some point. When this happens, we want to make sure there are sustainable end-of-life solutions available such as recycling. These efforts are helping move our business towards a more circular model.

OUR COMMITMENTS:

Useable life

- All products align to sustainable design criteria by 2028
- Offer options and guidance for wearers to maximise useable life by 2025

End-of-life

- 100% products sold have sustainable end-of-life option by 2040

WHAT WE'RE DOING...

DESIGNING FOOTWEAR THAT LASTS

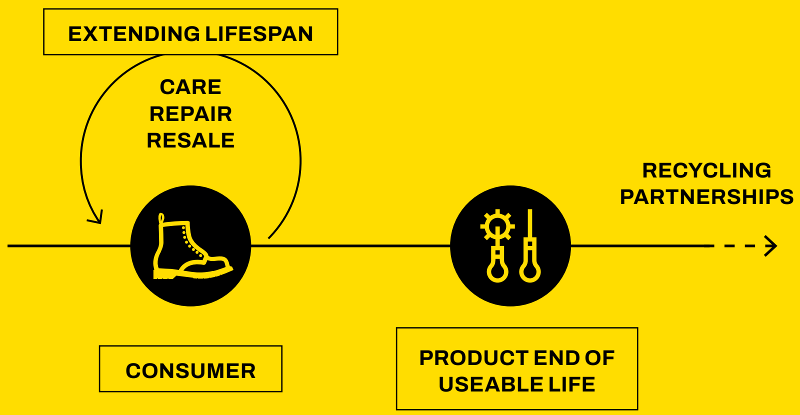
From the very start of the product lifecycle, we want our footwear to be designed with sustainability in mind. In FY24, we rolled out our sustainable design training programme, which is mandatory for our design and product teams. The programme is focused on embedding the core principles behind our product: timelessness, durability, functionality and sustainable material selection.

It also provides practical guidance on how to apply these principles across our product creation processes as we seek to reduce the environmental impact of our products.

MAXIMISING THE USEABLE LIFE OF OUR FOOTWEAR

In FY24, we launched our direct-to-consumer, authorised repair service in the UK. We also help our wearers to maximise the life of their footwear by sharing guidance on how to properly care for them through our marketing, sales and social media channels.

Our approach to extending the useable life of our products



FOCUS

Extending our product lifespan with repair

In October 2023, we launched an authorised repair service in the UK, enabling our consumers to extend the life of their Dr. Martens footwear. They can also choose to customise their products with a choice of welts, stitches and outsole colours and styles, supporting our ethos of individual expression. The service is run in partnership with The Boot Repair Company, who we also partner with on our UK resale initiative. The Boot Repair Company are a Leeds-based firm with 120 years' experience of expertly repairing and restoring boots, shoes and leather goods. Consumers can visit drmartensrepairs.com to choose and pay for their repairs. They then send their items to The Boot Repair Company's facility in Leeds, where they are restored, refreshed and then returned.

All repairs and customisations are carried out using the same machinery, outsoles and componentry that go into making Dr. Martens products. The Boot Repair team participated in extensive training at our Made In England factory, where we provided detailed guidance on our production methods and principles.

Since launching in October 2023, the repair service has repaired over 1,700 pairs of Dr. Martens boots and shoes, with positive customer feedback received across rating sites and social media.

We are working to expand the number of styles which can be repaired through the scheme and continue to explore options to expand the service to our consumers in other markets.

COMMITMENTS SUPPORTED:

- Offer options and guidance for wearers to maximise useable life by 2025

FOCUS

Giving footwear a second life through resale

In FY24, we continued to build on the success of our resale initiative in the UK through the launch of ReWair, our new resale website in the USA.

We believe that branded resale can make a significant contribution towards the achievement of our long-term sustainability commitments. This includes having sustainable end-of-life options for all of our products and achieving Net-Zero by FY40. In FY24, we developed a model in partnership with external experts to assess the carbon impact of our repair and resale business models. The model calculated that a pair sold through our resale channel contributes 89% less GHG emissions than a pair bought new.

Branded resale also presents a significant commercial opportunity and is a key initiative under the direct-to-consumer pillar of our DOCS business strategy. The second-hand footwear market is growing rapidly and feedback from our consumers shows that many of them want to purchase authentic, pre-worn Dr. Martens footwear. In this context, branded resale provides a powerful platform to attract new consumers, build brand loyalty and generate new revenue streams. We are also proud to add value to the second-hand market by repairing, sanitising and authenticating products before they are resold.

USA

In March 2024, we launched ReWair, our USA resale platform. Through ReWair, returned, damaged or defective Dr. Martens footwear and bags are authenticated, inspected, cleaned and restored by our expert third-party partner. Consumers are able to purchase ReWair products via the Dr. Martens ReWair online store. Products are then securely shipped to consumers in FSC certified boxes which are printed with water-based inks. As part of ReWair, we are also trialling trade-in at two stores, where consumers can exchange their worn Dr. Martens products for a voucher to put towards their next purchase. Returned products will be repaired and restored for resale via ReWair or recycled if this is not possible. ReWair is currently in an early stage rollout and will undergo periodic review to take learnings as we continue with our aim to build profitable repair and resale offerings.

UK

We continue to offer resale in partnership with The Boot Repair Company and Depop in the UK. Since its launch in April 2022, the online shop remains one of the most popular shops on Depop globally.

COMMITMENTS SUPPORTED:

- Offer options and guidance for wearers to maximise useable life by 2025
- 100% of products sold have a sustainable end-of-life option by 2040
- Net-Zero by FY40

us.rewair.drmartens.com

FOCUS

Taking steps towards circularity

In FY24 we began working with our European recycling partner to investigate innovation opportunities using segregated waste materials from Dr. Martens products. This included an ongoing trial that uses finished leather waste from recycled Dr. Martens to make a reclaimed leather material, similar to Genix Nappa (see page 59).

We are also working with the recycling partner to investigate the potential creation of new PVC outsoles using recycled outsoles.

Our partner also continues to recycle products which can't be repaired or resold into shelving and surfacing which is being used in some of our showrooms, stores and future store concepts.

COMMITMENTS SUPPORTED:

- All products align to sustainable design criteria by 2028
- 100% of products sold have sustainable end-of-life option by 2040

SUPPORTING END-OF-LIFE RECYCLING

Eventually all our footwear will reach the end of its life. We work with external partners in our UK, EMEA and Americas regions to recycle footwear that cannot be repaired and resold and is not fit for donation. The outputs from these processes are used to create new materials and products. Thanks to these partnerships, products that are returned to Dr. Martens in the UK, EMEA and Americas that can't be repaired, resold or donated are instead recycled. Our next focus is to investigate recycling options across our APAC region.

WHAT'S NEXT?

Next, we plan to continue to focus on building our resale and repair recommerce initiatives in the UK, the USA and beyond. We will also explore the use of more circular materials, including the potential use of leather and PVC from non-repairable Dr. Martens products to make new componentry.

PEOPLE

We invest in our people and create an environment in which they have the opportunity to develop their full potential.

This is reflected in our focus on enhancing our end-to-end employee experience, engagement and culture. We're also committed to creating a workplace where our people feel included, accepted and empowered through our diversity, equity and inclusion (DE&I) strategy. Our approach is underpinned by our respect for human rights, including those of the people working in our supply chain. We are also proud to champion and support important social justice issues around the world through the Dr. Martens Foundation.

FOCUS AREAS AND COMMITMENTS

The following commitments are to be achieved by 2027:

Diversity, equity and inclusion

Ethnicity:

- 30% underrepresented communities in senior leadership roles (GLT and direct reports)

Gender:

- 50% women in senior leadership roles (GLT and direct reports)
- Increase non-binary colleagues from 2% to 4% globally

FURTHER INFORMATION ON HOW WE APPROACH HUMAN RIGHTS AND COMMUNITY, THE OTHER TWO FOCUS AREAS OF PEOPLE, CAN BE FOUND ON PAGES 70 AND 71

PROGRESS HIGHLIGHTS

RESPONSIBLE PURCHASING

Developed and launched our first Responsible Purchasing Practices Charter

100%

of our Tier 1 and Key Tier 2 suppliers CSR audited met our high standards

10%PTS

increase in women in senior leadership roles since FY23 (FY23: 36%, FY24: 46%)

RELATED UN SDGS

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

TO FIND OUT MORE, **SEE OUR SDG MAPPING EXERCISE AT:** DRMARTENSPLC.COM

RESPONSIBLY MANAGING OUR SUPPLY CHAIN

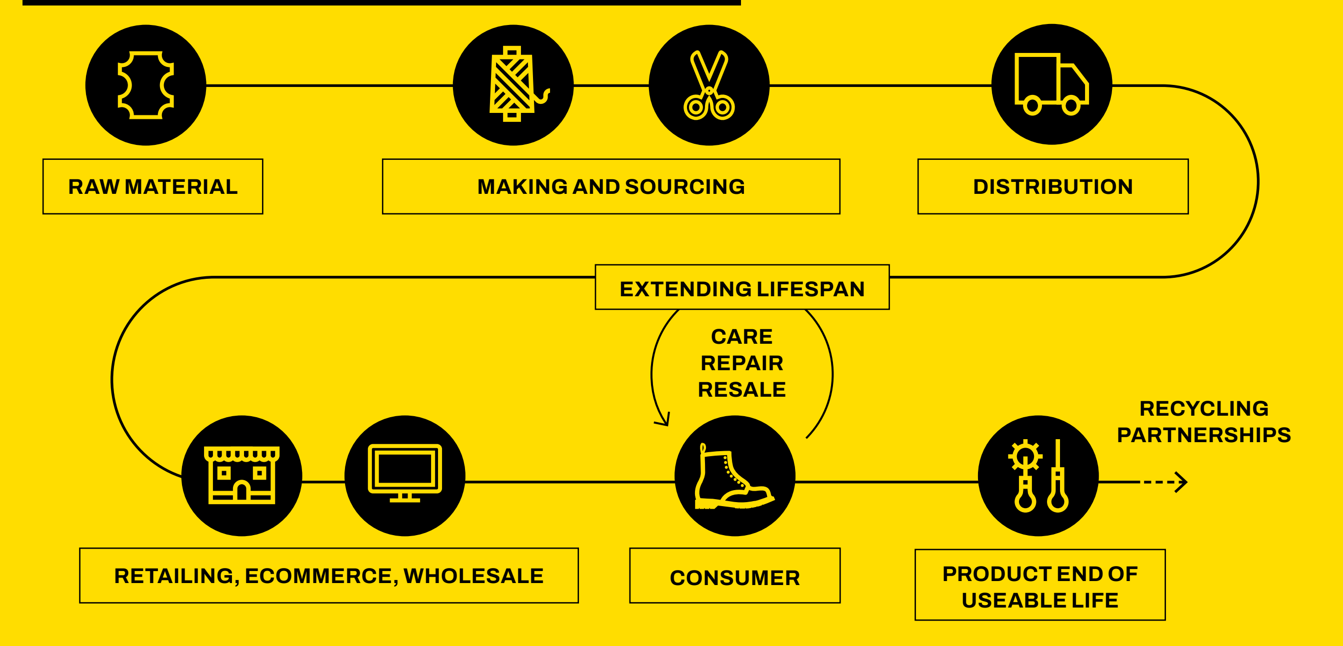
OUR GLOBAL SUPPLY CHAIN

We are committed to maintaining positive, collaborative partnerships with our third-party suppliers. This approach underpins our ability to achieve the highest levels of quality and sustainability. Our suppliers include:

- Tier 1 suppliers: product manufacturers, which are primarily based in Asia[1].
- Key Tier 2 suppliers: suppliers of strategic components such as tanneries.
- Tier 2 suppliers: suppliers of other componentry.

For further information on how we manage our supply chain, see page 55, as well as our latest Modern Slavery Statement which can be found on our corporate website.

OVERVIEW OF OUR GLOBAL SUPPLY CHAIN



OUR POLICIES

Our supplier requirements are set out in our Supplier Code of Conduct. This is based on the Ethical Trade Initiative Base Code and the conventions of the International Labour Organization. The Supplier Code of Conduct integrates a range of requirements around forced labour, child labour, subcontracting, homeworking and modern slavery. Similarly, suppliers are subject to our Supplier Environmental Standard.

These documents are integrated into the Master Supplier Agreements we maintain with our Tier 1 suppliers, along with the following policies, which set out additional supplier requirements:

- Animal Derived Materials Policy
- Anti-Bribery and Corruption Policy
- General Materials Requirement Policy
- Migrant Worker Policy[2]
- Needle Policy

Similarly, we have contractual provisions that require our agents, distributors and franchisees to comply with these policies.

HOW WE ENGAGE OUR SUPPLIERS

Our CSR teams are based in key sourcing locations, where they work directly with new and existing Tier 1 and Key Tier 2 suppliers and their factories. This helps them work collaboratively, transparently and advocates for supplier ownership. It also facilitates the quick identification and remediation of any potential issues, including the completion of corrective action plans. Suppliers also attend Tier 1 supplier conferences, where we share information and learnings, and promote collaborative communication.

HOW WE MONITOR PERFORMANCE

We approve new factories and monitor their performance through our CSR monitoring programme. Independent, third-party CSR audits are conducted before production begins at new Tier 1 and selected Key Tier 2 supplier factories. In addition, we carry out CSR monitoring of existing Tier 1 and selected Tier 2 suppliers.

Audits are conducted at our Tier 1 footwear suppliers at least annually. We have also expanded our CSR monitoring programme to our Key Tier 2 suppliers. These included tanneries and PVC granulate suppliers.

For Key Tier 2 suppliers that are not currently subject to the programme, we require recognised social audit reports[3] that have been carried out within the last 12 months.

1. Our Tier 1 factory list is shared on our website and is updated every six months.
2. Based on the Dhaka Principles developed by the Institute for Human Rights and Business, and broader international best practice.
3. Sedex, BSCI and SA8000, WRAP and SCLP.

We use the Workplace Conditions Assessment (WCA) on-site audit protocol for both our auditing and monitoring. This assesses risks around:

- **Labour:** Including child labour, forced labour, discrimination, freedom of association, employment contract and discipline, harassment and abuse.
- **Environment:** Including regulatory compliance and certifications.
- **Business practices:** Including issues ranging from integrity through to data protection and competition law.
- **Management systems:** From social compliance policies through to the auditing of suppliers, subcontractors and labour providers.
- **Wages and hours:** Including working hours, wages and benefits.
- **Health & Safety:** Including work facilities, emergency preparedness, occupational injury, machine safety, safety hazards, hazardous materials and dormitories and canteens.

Audits are conducted on a semi-announced basis. Suppliers are given a window of 30 days during which monitoring audits could take place. The frequency of follow-up audits is determined by each supplier's audit rating. If any non-conformances are identified, we work with the supplier to develop corrective action plans and carry out follow-up checks to ensure these have been implemented in practice. In the rare event that a supplier fails in this regard, we may terminate the relationship.

Third-party due diligence

We also apply a due diligence process when entering into new supplier relationships, including both a Vendor Risk Assessment and compliance screening. This process identifies supplier risks, including ethical concerns and regulatory non-compliances. The stringency of the process will depend on factors such as location, activities and contract value. In addition, we are planning to explicitly integrate human rights into the process as part of our broader efforts to further enhance our management efforts.

WHAT'S NEXT?

Next, we plan to develop training to roll out our Responsible Purchasing Practices Charter to our people and suppliers.

Responsible Purchasing Practices Charter

In FY24, we worked with third-party experts to develop the first iteration of our Responsible Purchasing Practices Charter. This was developed following a review of current practices, processes and policies, as well as both internal and supplier interviews. During the engagement process, suppliers indicated that:

- Dr. Martens is clear and consistent in its communications, and there is a good sense of trust between the Company and its suppliers.
- Orders are rarely changed after the purchase order is placed, and where this does happen, suppliers can generally negotiate different lead times.
- Suppliers feel that, while price is important for Dr. Martens, its considerations extend to other issues – including quality and sustainability (which was not the case for all their customers).

Dr. Martens endeavours to interact and treat our material, product and service suppliers according to the following principles:

1. RELATIONSHIPS
We invest in our suppliers, and value long-term partnerships in which we can work together to improve mutual business performance.

2. PAYMENT TERMS
We operate to an agreed payment schedule.

3. PLANNING
We forecast and communicate our order requirements well ahead so that our suppliers can carefully plan for what they need.

4. FAIR LABOUR COSTING
We ensure legally compliant and competitive provision for wages and benefit.

5. TRAINING
We train all our relevant teams on what it means to purchase responsibly.

6. COMMUNICATIONS
We value transparency and understand the importance of two-way, open and honest communication.

7. SUPPLIER EXIT
We will only undertake a supplier exit after full consideration and in a responsibly managed way.

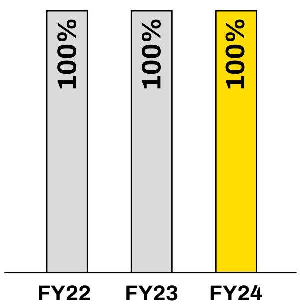
8. SUSTAINABILITY
We work with our suppliers to set clear expectations around sustainability, including human rights and environmental values and commitments.

We expect our suppliers to adopt the spirit of these principles with their own suppliers.

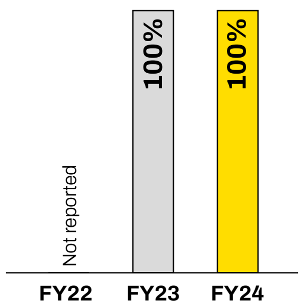
Following the development of the Charter, we now plan to embed its adoption through the development of training for our people and suppliers.

Supplier CSR audit results:

Audited Tier 1 footwear suppliers meeting our high performance standards (i.e. scores of 75% or more[1]) in CSR audits



Audited Key Tier 2 suppliers meeting our high performance standards (i.e. scores of 70%[1] or more) in CSR audits



1. In line with Intertek Workplace Conditions Assessment scoring methodology.

INVESTING IN OUR PEOPLE

Defining our culture

Rebellious Self Expression defines what is unique about our brand and our culture. This is the thread that connects all of us within the Company, our products and our customers. It is supported by three core values:

BE YOURSELF

ACT COURAGEOUSLY

SHOW YOU CARE

In FY24, we focused on the consistent communication of our values and on ensuring they are embedded across the employee journey. This included the active rollout of our values by our senior leaders, who have been helping their teams understand what the values mean to them. These conversations have been supported through the use of our Rebellious Self Expression training toolkit (launched in 2023), which we have shared with our teams to run sessions themselves.

Listening and engagement

We believe it is important to listen to and communicate with our people, in a way that is constructive, meaningful and improves the employee experience. This is demonstrated through our annual global engagement survey, a key part of our wider listening strategy.

Throughout FY24, we continued our NED Listening sessions led by our Employee Representative Non-Executive Director, Robyn Perriss. Further details on these workshop-based sessions can be found on page 105. In addition to our annual Engagement and Inclusion Survey, we also launched real-time surveys to check-in on how our people feel about their working lives. These enabled continuous listening in a meaningful and actionable way, driving leadership accountability with more regular interactions.

As a result of these discussions and broader employee feedback, we have:

- Implemented a range of new leadership and employee development measures.
- Opened up new online communication channels, including team-specific channels.
- Awarded all employees an additional day of annual leave within FY24 in the form of a Wellbeing Day linked to our value of 'Be Yourself'.
- Increased the number of social events to encourage greater collaboration.

Feedback and investing in leadership

We actively support our employees as they pursue their own long-term development and ambitions, including through the provision of resources, guidance and opportunities. We do this through:

- The LEAD experience, offered to all of our Global Management Team (GMT)[1] leaders in FY24, and incorporating 360° feedback and strength-based assessments along with leadership coaching.
- Investment in training our new leaders, with a focus on leadership development, personal effectiveness, challenging conversations and feedback.

In FY24, we embarked upon a project to extend our leadership framework to apply to all roles across the business. Through a programme of internal and external research we developed a behavioural framework which encompasses eight factors which enable success at Dr. Martens. For each success factor we have articulated specific behavioural expectations for our different career levels across the business. The framework will be rolled out to the business in FY25, and will act as the foundation for career development, goal setting, feedback conversations and talent acquisition practices.

Other key initiatives to support our employees during FY24 included:

- A global programme to ensure that employees have set performance and development goals within our online development platform. This allows our people to have greater clarity on where to focus and how their work links to our DOCS strategy and values.
- The rollout of our Retail Management programme in our EMEA and Americas regions to help ensure our store managers and assistant managers develop the leadership skills needed in the store environment.
- The launch of our Talent Hub, which provides hiring managers with clear and consistent guidance to assist them during the talent acquisition process.

1. Direct reports to our Global Leadership Team (GLT).

FOCUS

Listening to and engaging our people

INSIGHTS FROM OUR 2024 ENGAGEMENT AND INCLUSION SURVEY

We are committed to building an engaging culture where our people can thrive. We carry out an engagement survey every year to understand the lived experience of our people across Dr. Martens. Our March 2024 Engagement and Inclusion Survey, to which 92% (3,158) of our people responded, highlighted where we are doing well, and where we need to do better. All areas of performance are scored on a 0 to 5 scale, where 5 is the best possible score.

	5
Accepted	4.24
Included	4.18
Equipped	4.01
Valued	4.00
Growing	3.60
Inspired	3.59

PERFORMANCE AREAS:

Accepted: Agree that Dr. Martens encourages diversity

Included: Feel you can express yourself at work

Equipped: Feel empowered and set up for success

Valued: Feel that your voice and contribution matters

Growing: Keep evolving in your work and as a person

Inspired: Inspired to be part of Dr. Martens' future

Feeling 'Included' continues to be a high scoring factor and a hallmark of our culture. Building on this we continue to score highly in 'Accepting', which encompasses our diversity measures.

We recognise that we need to build momentum and improve how people feel about Inspired and opportunities to Grow at Dr. Martens and will continue our efforts in this regard into the year ahead, with the launch of a behavioural framework for all our people in FY25 (page 66).

Our overall engagement score was 3.94. This was a slight decrease on last year (3.98) and has meant that we have missed our Executive Directors' bonus target. For more information, see page 127.

Supporting wellbeing

Our approach to looking after our people looks at all material aspects of their mental, physical, social and financial wellbeing. This is demonstrated through initiatives such as the maintenance of our free and confidential Employee Assistance Programme, voluntary Mental Health Network, learning and development programmes, wellbeing events, provision of free healthy office snacks and annual volunteering allowance.

In FY24, we took the decision to increase our annual leave provision in the APAC region to bring it in line with our Group average, changed our holiday arrangements in the UK to make it easier for people to use their full annual entitlement and continued the global rollout of our share scheme.

DIVERSITY, EQUITY AND INCLUSION

WHY IT MATTERS...

'Be Yourself' is one of our core values. Diversity, equity and inclusion (DE&I) helps everyone who works for us feel included, accepted and empowered. It not only supports the development of passionate, creative and resilient teams. It also ensures that every aspect of our brand reflects our commitment to DE&I.

OUR COMMITMENTS:

The following commitments are to be achieved by 2027:

Ethnicity

- 30% underrepresented communities[1] in senior leadership roles (GLT and direct reports)

Gender[1]

- 50% women in senior leadership roles (GLT and direct reports)
- Increase non-binary colleagues to 4% globally

In addition, we also aim to improve accessibility to our stores, website and offices for consumers and employees living with disabilities.

1. We have removed the target to increase male representation across our retail stores to 40% because we believe it no longer aligns with our DE&I strategy. We remain focused on progressing towards our other DE&I targets and commitments.

WHAT WE'RE DOING...

AN EQUITABLE, MORE INCLUSIVE WORKPLACE

We make ongoing efforts to ensure our people reflect the societies in which we work. But we want to go further. We are inspired by our current and potential diversity and are working to ensure employees experience all the benefits of a diverse, equitable and inclusive culture. In FY24, we recruited a new Global Head of DE&I who will lead our efforts in this space.

During the year, we focused on the following areas that collectively support progress towards our commitments to ethnicity, gender and disability:

- **Training, culture and leadership:** This included hosting training workshops to help our Made In England factory leaders and staff build their knowledge around DE&I and drive empathy and understanding within this multi-generational workforce. The programme focused on identifying and addressing both conscious and unconscious bias, promoting inclusive language and building an inclusive mindset. Following a DE&I listening session with store managers in the USA, we also enhanced our recruitment systems.
- **Global DE&I recruitment audit:** We also commissioned an independent external review to improve DE&I in our global recruitment practices. This resulted in the development of recommendations focused on training for hiring managers, as well as improved data gathering to track candidates through the recruitment process. We plan to implement the recommendations across our regions.
- **Data collection and monitoring:** We implemented the collection of employee-declared diversity information via a 'Self-ID' programme to enhance our data, inform our DE&I initiatives and track our progress towards our targets. Our next focus is to further improve the self-declared information in regions where uptake has been slower.
- **Inclusive practices:** We also started work to identify opportunities to improve accessibility for consumers. We conducted a DE&I listening session with store managers in the USA which identified areas of improvement including expanding unisex sizing and developing guidelines for more inclusive visual merchandising.

In addition, we continued to participate in a range of related external initiatives, including:

- Change the Race Ratio
- Diversity in Retail
- Diversity and Inclusion in Asia Network

Gender diversity at Dr. Martens

GENDER DIVERSITY OF DIRECTORS SEE P91

GENDER DIVERSITY OF SENIOR MANAGERS SEE P90

GENDER DIVERSITY OF GLOBAL WORKFORCE SEE P113

HOW WE'RE DOING

Commitment:
30% underrepresented communities in senior leadership roles (GLT and direct reports)

FY24
23%
(FY23: 22%)

Commitment:
50% women in senior leadership roles (GLT and direct reports)

FY24
46%
(FY23: 36%)

Commitment:
Increase non-binary colleagues from 2% to 4% globally

FY24
3.3%
(FY23: 6%)

Building awareness and allyship

At Dr. Martens we encourage open conversations about the topics that matter to us. Part of the way we do this is through hosting internal and external events that build foundational levels of awareness among our people, building their awareness, promoting allyship and encouraging critical thinking.

- **Ethnicity:** We celebrated Black History Month with our people in October 2023 across our UK, EMEA and APAC regions, and in the Americas in February 2024. Events included panel discussions, activations and talks from charities including from The Stephen Lawrence Day Foundation (a beneficiary of a Dr. Martens Foundation grant).
- **Gender:** We want to offer a workplace that works for all genders. This means providing equal opportunities, an inclusive culture, a sustainable work-life balance and safe working conditions. In FY24, we continued our work with non-profit, Catalyst, to make sure our workplace is one in which women can thrive and achieve their full potential. In March 2024 we celebrated International Women's Day with our people internally through panel discussions, lunch and learn sessions and other resources and events.
- **LGBTQIA+:** We are a proud supporter of the LGBTQIA+ community, which is well represented within our workforce, accounting for approximately a third of our people. It is a community that has helped define what Dr. Martens is today and will continue to help shape our future. In addition to our ongoing Pride events and activities, in FY24 we supported the 2023 Gay Games in Hong Kong, through special offers for athletes and volunteers. By supporting events of this nature, we again hope to encourage our people to think about, understand and help address some of the challenges faced by LGBTQIA+ individuals, both inside and outside of the workplace. OutRight, a charity which holds a consultative status at the United Nations Economic and Social Council, is one of the flagship partners of the Dr. Martens Foundation and is helping provide awareness and volunteering opportunities in our employee population.
- **Disability:** We improved accessibility to our internal intranet by integrating an accessibility widget. This allows Dr. Martens employees who have various disabilities to navigate this critical internal communications channel.

WHAT'S NEXT?

Next year we plan to deliver inclusive leadership training to enable leaders to cascade their knowledge around DE&I, improve our collection of DE&I data and continue to build critical thinking around DE&I across the business.

HUMAN RIGHTS

WHY IT MATTERS...

We are committed to respecting human rights, not only in our own workforce, but also in our supply chain. We implement this commitment by engaging our suppliers, raising their awareness and monitoring their performance.

WHAT WE'RE DOING...

Our commitment to respecting human rights is implemented through our DOCtrine (our business code of conduct), Supplier Code of Conduct, Migrant Worker Policy, Anti-Slavery and Human Trafficking Policy and DE&I strategy.

When it comes to our own employees, we offer an independent, confidential hotline that people can use to raise human rights concerns and grievances if they arise. Issues are reviewed by the Global Compliance Team and are escalated via the Audit and Risk Committee as appropriate. Topics raised via the hotline in FY24 included Discrimination, Sexual Harassment, Employee Relations and Workplace Violence/Threats.

Our suppliers and their workforce are important to us, therefore our scope of understanding human rights risks and opportunities extends to our supply chain partners.

CSR monitoring programme

A key mechanism we use to manage human rights risks within our supply chain is through our CSR monitoring programme. The programme is applied when we onboard Tier 1 and certain Key Tier 2 suppliers, which are then subject to ongoing audits to ensure their compliance with relevant labour laws, industry standards and our own policies. This includes our Supplier Code of Conduct, which is based on the Ethical Trading Initiative (ETI) Base Code and applies a range of detailed supplier obligations. These obligations aim to ensure that those working in our supply chain can (for example):

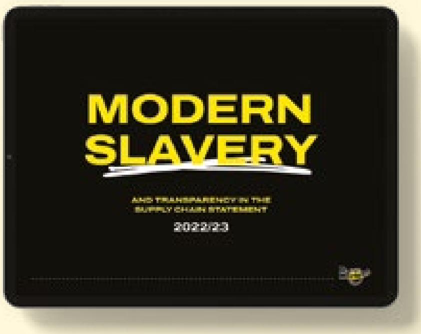
- Freely choose employment
- Freely associate and take part in collective bargaining
- Not be subject to child labour
- Not be subject to discrimination

FOR MORE INFORMATION ON **OUR SUPPLIER CSR AUDITS**, SEE PAGE 64.

Anti-modern slavery programme

We expect high standards of each other and our supply partners. We will never accept modern slavery in any form and we take our responsibility seriously. In FY24, we continued to raise awareness around human rights, with a particular focus on modern slavery. We include anti-modern slavery and forced labour clauses within our contractual agreements with suppliers. We also offer 'Forced Labour and Ethical Trade' training to all of our employees.

FOR FURTHER INFORMATION ON **HOW WE ADDRESS MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN**, SEE PAGE 64. IN ADDITION, **OUR FULL MODERN SLAVERY STATEMENT** CAN BE FOUND ON OUR PLC WEBSITE



WHAT'S NEXT?

Next year we plan to further integrate human rights into our third-party due diligence process. We also plan to implement a supply chain mapping tool to support higher levels of transparency and to help us identify human rights risks more effectively.

FOCUS

Human rights due diligence review

In FY24, we commissioned a third-party expert to carry out an independent human rights due diligence review. This aimed to identify the strengths and weaknesses in our current human rights programme and to provide recommendations for improvement.

The assessment was based on a review of our relevant management system documents and interviews with internal stakeholders.

The findings were then benchmarked against the proposed EU Corporate Sustainability Due Diligence Directive (CSDDD), the OECD Responsible Business Conduct Guidance, and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (OECD Garment and Footwear Guidance).

The assessment found we have a good foundation for our human rights programme, and performed well with respect to:

- The communication of policy commitments internally, to suppliers and to the public.
- The internal reporting of risk assessment findings to senior management.

The assessment also found we have good oversight of our product supply chain at Tier 1 and most of Tier 2 (i.e. where our existing human rights due diligence efforts are focused).

It also identified a number of areas where we could further improve our management approach. It recommended we expand the scope of our human rights programme and due diligence to capture a broader range of suppliers. As a result, we are reviewing and developing our Company policies, and working to embed human rights risk across our business interactions with all vendor types.

COMMITMENTS SUPPORTED:

- Respect for human rights

COMMUNITY

WHY IT MATTERS...

We want to play a positive role in society, both within our local communities and at a global level. This is about acting courageously and showing we care. And we want our people to feel empowered to do the same. This means giving a voice to the issues that need raising, supporting the communities who need it and providing funding to those causes that matter.

WHAT WE'RE DOING...

DELIVERING CHANGE THROUGH OUR OWN ACTIONS

We have a strong track record of supporting social justice causes. This includes a focus on anti-racism and LGBTQIA+ rights. In FY24, we built on our existing efforts by facilitating and encouraging employee volunteering, including through the organisation of team volunteering days.

We also continued to encourage our USA employees to use their paid Juneteenth holiday to volunteer in their communities. Volunteers from our Americas headquarters in Portland attended a two-day Juneteenth Oregon parade and festival.

In addition, we set up a Global Champions Network to connect and drive engagement between our employees and the Dr. Martens Foundation. Champions are tasked with:

- Amplifying the impact of the Foundation, by promoting the involvement of their colleagues with the organisations it funds and by engaging with colleagues to nominate charities for the Foundation to support
- Supporting the Foundation with research and communications and meeting regularly to identify opportunities to amplify the work further
- Participating in the grant application review process, learning new skills and better understanding the workings of charities

Dr. AirWair Martens WITH Bouncing SOLES

FOUNDATION

DELIVERING CHANGE THROUGH THE DR. MARTENS FOUNDATION

The Dr. Martens Foundation is an independent grant-making charity, which we helped establish in 2021. To date, Dr. Martens has provided £0.8m in funding to the Foundation. It champions social justice causes by addressing:

- The immediate needs of underserved communities
- The underlying, longer term drivers of injustice

The Foundation makes grants through its grassroots programme and its Right to Be programme. Its efforts are guided by its four pillars of social justice.

In addition, the Foundation has the ability to provide immediate grants to help address emergencies and disasters. In FY24, for example, it made a £150,000 emergency grant to the British Red Cross.

£1.9M

donated to 65 organisations by the Dr. Martens Foundation in FY24

The Foundation's four pillars of social justice

1 **Human rights**

Protecting and respecting everyone's human rights so that they can enjoy basic rights and freedoms

2 **Participation**

Ensuring people are involved with decisions that govern their lives, particularly those that are marginalised and excluded in society

3 **Equity**

Impartiality, fairness and justice for all people in society with a focus on eradicating system inequalities and embedded biases

4 **Access**

People should have equal access to resources including education, healthcare and employment opportunities

Grassroots programme

The Grassroots programme allows our employees to nominate charities and grassroots organisations for support from the Dr. Martens Foundation. In FY24, more than £1m was awarded through this programme to 59 partners (FY23: £531,000/28 grants).

Right to Be programme

The Right to Be programme is designed to challenge the systems that perpetuate social inequities. It typically provides multi-year higher-value grants to charities that address issues such as racial injustice, gender inequality and advocating for LGBTQIA+ rights. In FY23, five organisations were chosen to receive funding of £1.9m across projects lasting approximately two to three years. £580,000 of the funding committed was granted to the Right to Be partners during FY24. The impacts of these grants to date are detailed below. We have used the LGBTQIA+ acronym requested by each charity.

	The Women's Foundation	Outright International	ReBit	National Black Justice Coalition	European Network Against Racism
Project timeframe	Dec 2022 to Jan 2025	Dec 2022 to Jan 2026	Apr 2023 to May 2025	Dec 2022 to Jan 2026	Jan 2023 to Feb 2026
Location	Hong Kong	Global	Japan	USA	Europe
Focus theme	Women's empowerment	LGBTIQA+ rights	LGBTQ+ rights	LGBTQ+ Rights & Racial Justice	Racial Justice
Right to Be funding impact to date	The Dr. Martens Foundation is supporting The Women's Foundation Mentoring Programme, Male Allies and Gender Equality and Inclusion Working Group, its STEM programme for underprivileged girls and improvements to its IT infrastructure.	The Dr. Martens Foundation supports Outright's research, grantmaking and advocacy programs and campaigns to protect and advance LGBTIQ equality, including projects to promote LGBTIQ-inclusive humanitarian assistance, livelihood, and to enhance knowledge about LGBTIQ people with policymaking and philanthropic stakeholders.	The Dr. Martens Foundation is supporting ReBit to provide training for teachers and students on the needs and rights of the LGBTQ+ community. It also provides support to corporations with research, consulting services and publishing information on the needs of the LGBTQ+ community.	The Dr. Martens Foundation is funding NBJC's action hub for Black LGBTQ+ communities and organisations to engage with decision-makers to advance policy solutions. The initial funding supported NBJC to draw up a public policy agenda which ensures that the Black LGBTQ+ communities' unique needs are at its centre.	The Dr. Martens Foundation funding supports the development of a community engagement and movement-building model for anti-racism organisations. It also supports the development of academic communities and awareness raising of structural racism in Europe.

WHAT'S NEXT?

The upcoming focus for the Dr. Martens Foundation is to continue to provide funding to its partners and develop a communications plan, to better amplify the great work of its charity partners externally. This will also give consumers an opportunity to find out more about the Dr. Martens Foundation and what it stands for.

SUSTAINABILITY GOVERNANCE

The Board has ultimate responsibility for overseeing ESG related activities across the business. This includes our sustainability strategy. As sustainability increasingly becomes central to our brand offering, sustainability will be sponsored by our newly appointed Chief Brand Officer, Ije Nwokorie, from FY25. This move will enable us to further embed our sustainability work across Dr. Martens. During FY24, sustainability topics discussed at Board meetings focused on repair, resale, innovative material trials, and engagement survey results. ESG horizon scanning reports were also prepared for the Board on a quarterly basis.

The Sustainability Committee assists the Board by providing review and direction for the sustainability strategy. The Sustainability Committee is chaired by our CEO, Kenny Wilson, and includes our COO and CPSO, plus other key functional heads. It reports directly to the Board and provides regular updates to help determine the focus and direction of the strategy.

In FY24, the Committee met on a bi-monthly basis, with relevant working groups feeding into these meetings. Our working groups are focused on the following:

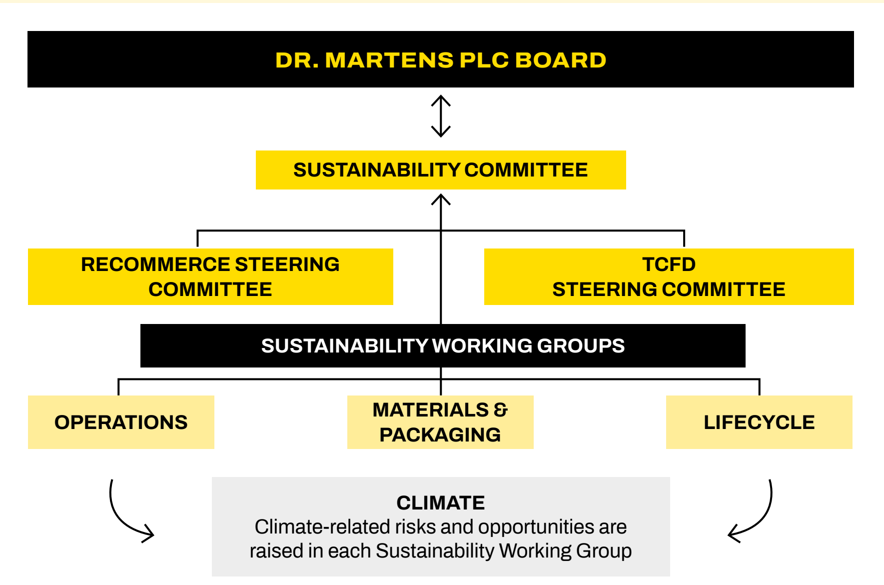
- **Operations Working Group:** Ensuring high standards across our operations and supplier base, including the maintenance of strong CSR standards and the minimisation of environmental impacts
- **Materials and Packaging Working Group:** Identifying and delivering sustainability improvements across all of our products and packaging
- **Lifecycle Working Group:** Reducing the impact of our products throughout their lifecycle, from design through to end-of-life.

Our climate workstream (which is aimed at reducing and reporting our Scope 1, 2 and 3 emissions) is of a cross-functional nature and feeds into each of these working groups. In FY24, we disbanded our Sustainability Communications Working Group, to streamline interactions between our sustainability and marketing teams.

In FY24, key areas of focus for the Committee included our recently approved SBTs, the launch of our reclaimed leather product, the go-to-market process for sustainable materials, the launch of our authorised repair and resale initiatives, the outcomes of our human rights due diligence review and sustainability marketing.

In addition, our:

- Recommerce Steering Committee is responsible for advancing repair and resale opportunities and incorporating recommerce into our strategy and financial planning. It is chaired by our CFO and meets approximately every six weeks
- TCFD Steering Committee is responsible for our reporting against the framework's requirements, as well as the underlying analysis needed to inform the same including the risks and opportunities posed to our business by climate change. It includes representatives from our Finance, Sustainability and Risk teams



Policies

Our ESG policy requirements are reviewed regularly by our Legal, Compliance and Sustainability teams. Policies are developed using international standards and industry best practice. Our internal audit team provides periodic, targeted reviews of our related policies and procedures to the Audit and Risk Committee.

Key ESG policies include:

- The DOCtrine, our business code of conduct, which includes a focus on:
  - Anti-Bribery, Corruption and Fraud
  - Anti-Bullying, Discrimination and Harassment
  - Competition Law/Anti-Trust
  - Confidential Information
  - Conflict of Interest
  - Data Protection
  - Health and Safety
  - Human Rights and Ethical Trade
- Animal Derived Materials Policy
- Anti-Slavery and Human Trafficking Policy
- Global Sanctions Compliance Policy
- MIE Environmental Policy
- 'Speak Up' Whistleblowing Policy
- Global Health and Safety Policy
- Third Party Due Diligence Policy

These are in addition to our supplier policies (page 64).

FOR FURTHER INFORMATION
VISIT DRMARTENSPLC.COM

Risk management

We annually assess risks related to ESG issues as part of our overall enterprise risk management approach (page 38).

Compliance and training

We use our global, online compliance training platform to deliver policies and training materials (translated in relevant languages) across all of our regions on a consistent basis. All employees are offered training on the following modules:

- Acceptable Usage
- Cybersecurity
- Data Protection and Privacy
- Diversity, Equity & Inclusion
- Forced Labour and Ethical Trade
- Financial Crime (including Anti-Bribery and Corruption)
- Speaking As One (speaking on behalf of the business)
- Health and Safety
- Sustainable Design

The platform provides targeted, supplementary training and communications where needed.

SASB REFERENCE TABLE

The Sustainability Accounting Standards Board (SASB) Foundation is a not-for-profit, independent standards-setting organisation that aims to establish and maintain industry-specific standards. This table identifies the standards deemed relevant to the Apparel, Accessories & Footwear industry, as defined by SASB's Sustainable Industry Classification System (SICS). It references the location in our Annual Report that responds to each metric. There are some areas where information has not been captured, however we are working to improve our data systems in order to collect and monitor all required data.

Metric	Category	Unit of Measure	Code	Response
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1.	Quantitative	Number	CG-AA-000.A	(1) We have 27 Tier 1 supplier factories (13 Footwear, 8 Accessories, 6 Outsole). (2) For AW24 production we have 96 Tier 2 suppliers. Our supplier numbers fluctuate season to season. More information can be found on page 64.
MANAGEMENT OF CHEMICALS IN PRODUCTS				
Discussion of processes to maintain compliance with restricted substances regulations.	Discussion and analysis	N/A	CG-AA-250a.1	See 'Chemicals' and 'Water' sections within 'Our supply chain' on page 55.
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products.	Discussion and analysis	N/A	CG-AA-250a.2	See 'Chemicals' and 'Water' sections within 'Our supply chain' on page 55.
ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN				
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement.	Quantitative	Percentage (%)	CG-AA-430a.1	(1) 100% of Tier 1 suppliers sign our Environmental Standards agreement, which includes our wastewater management and effluent treatment requirements. (2) 100% of our leather suppliers are LWG certified. Those that are certified and conduct wet processing comply with the LWG protocol, which is aligned to ZDHC and Dr. Martens wastewater requirements as outlined in our Environmental Standard.
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment.	Quantitative	Percentage (%)	CG-AA-430a.2	(1) In FY24 our Tier 1 Made In England manufacturing sites maintained ISO 14001 certification. 30% of our Tier 1 footwear supplier factories have declared they have completed the Higg FEM assessment. 15% have declared they have ISO 14001 (including our Made In England factory). (2) 100% of the tanneries we source from are certified by the Leather Working Group, which is the leading environmental certification for tanneries globally. Environmental certification is not currently being monitored across all of our Tier 2 suppliers, but we will endeavour to do so in the future.
LABOUR CONDITIONS IN THE SUPPLY CHAIN				
Percentage of (1) Tier 1 supplier facilities, (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct and (3) percentage of total audits conducted by a third-party auditor.	Quantitative	Percentage (%)	CG-AA-430b.1	(1) 100% of our Tier 1 supplier factories have been audited to the Workplace Conditions Assessment (WCA) on-site audit protocol and surpassed our required CSR criteria. (2) 100% of the tanneries we source leather from are LWG certified, for which a recognised social audit is now a requirement. Across our Key Tier 2 supplier base, over 90% have been audited to a labour code of conduct (either WCA assessment or other accepted social audit). (3) 100% of our Tier 1 CSR audits were conducted by a third-party auditor.
Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits.	Quantitative	Rate	CG-AA-430b.2	Supplier violations found during audits are categorised by four levels of severity: zero-tolerance violations, major, minor and moderate. Zero-tolerance violations are considered the highest severity of non-conformance. During FY24, 0% of audit items were classified as zero-tolerance violations. For more information on our CSR monitoring programme see Responsibly managing our supply chain (pages 64 and 65).
Description of the greatest (1) labour and (2) environmental, health and safety risks in the supply chain.	Discussion and analysis	N/A	CG-AA-430b.3	(1) For more information see Responsibly managing our supply chain (pages 64 and 65) or our latest Modern Slavery Statement. (2) Our priority climate-related risks can be found in our TCFD disclosure on page 75.
RAW MATERIALS SOURCING				
(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities.	Discussion and analysis	N/A	CG-AA440a.3	(1) Leather, PVC. (2, 3, 4) For more information see Materials and Packaging (pages 57 to 60), TCFD Report (page 75) and Risk management (page 38).
(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard.	Quantitative	Percentage (%) by weight	G-AA440a.4	In AW24 100% of our upper leather came from LWG certified tanneries. In FY24, we began the implementation of a new system which, once fully operational, will deliver enhanced visibility across our product lifecycle and enable reporting in the required unit of measure against this metric.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Compliance Statement

We have set out below our climate-related financial disclosures as required by the Companies Act 2006. These are in line with the UK Listing Rules (LR 9.8.6R). This also constitutes our response to the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD). We have considered the TCFD Annex and applied it where relevant.

TCFD Consistency Index

This index table signposts to where disclosures are included in the FY24 Annual Report and Accounts. Our disclosures are consistent with the TCFD's four recommendations and 10 of the 11 recommended disclosures. We believe our disclosure is partially consistent with recommendation 2b. This year we have conducted financial modelling to understand the potential impact of three of our priority climate risks and opportunities (CROs), however further modelling is required to assess all of our priority CROs at this level.

TCFD INDEX TABLE

TCFD PILLAR	RECOMMENDED DISCLOSURE	CONSISTENCY LEVEL	PAGE REFERENCE	COMPANIES ACT 2006 414CB
1. Governance	a. Describe the board's oversight of climate-related risks and opportunities.	●	Page 76	a. A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	●	Pages 76 and 77	
2. Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	●	Pages 77 and 78	d. A description of: i. the principal climate-related risks and opportunities arising in connection with the company's operations, and ii. the time periods by reference to which those risks and opportunities are assessed.
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	◒	Pages 78 to 81	e. A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy.
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	●	Pages 81 and 82	f. An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios.
3. Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	●	Page 82	b. A description of how the company identifies, assesses, and manages climate-related risks and opportunities.
	b. Describe the organisation's processes for managing climate-related risks.	●	Page 82	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	●	Pages 82 and 83	c. A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process.
4. Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	●	Page 83	h. A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.
	b. Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.	●	Page 83	
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	Page 83	g. A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.

Key: ● Consistent ◒ Partially consistent

SUMMARY OVERVIEW OF PROGRESS IN FY24

In our FY23 Annual Report, we recognised that we needed to undertake further work to demonstrate how we are assessing and integrating climate risks into business strategy and financial planning. To strengthen our approach, we have done the following:

Governance

Provided detailed updates to the Board via the relevant Board Committees and formalised the responsibilities of the Sustainability Committee and Audit and Risk Committee in relation to climate-related matters.

Strategy

Engaged with stakeholders in the business to review our existing priority climate-related risks and opportunities (CROs) and evolved our approach to assess and adjust the impact of CROs.

Risk management

Developed our approach to conduct financial impact modelling of three CROs to further understand the impact to the business.

Metrics and targets

Our Net-Zero science-based targets were validated by the Science Based Targets initiative (SBTi). We used a third-party emissions management tool to measure our carbon footprint for the first time. Climate and ESG-related targets were included in the FY24 Executive Bonus Scheme.

1. GOVERNANCE

1a. Board oversight

The Board is responsible for the oversight of sustainability and ESG topics across the business, including climate-related risks and opportunities. Updates relating to sustainability and climate risks and opportunities are discussed at Board meetings at least annually. This allows the Board to provide feedback and steer to the sustainability strategy, priorities and targets (including our Net-Zero target). The Board is kept informed of relevant regulatory developments, including those relating to climate-related disclosures, through quarterly 'horizon scanning' papers. The Board uses this information to help guide its decision-making, including strategic, risk management and business planning related decisions. Climate-related matters (including repair, resale and innovative material trials) were discussed and included in 50% of the CEO updates at scheduled Board meetings during FY24.

Other sustainability and climate-related matters were also regularly highlighted in Board meetings through CEO updates. Regular sustainability and climate-related updates are also provided at the Board-level and Audit and Risk Committee. The chair of the Audit and Risk Committee meets regularly with the Director of Sustainability for updates on ESG matters.

Climate-related targets formed part of the ongoing performance measures for the Executive Bonus Scheme during FY24: page 127.

1b. Management's role

The Dr. Martens sustainability strategy, Planet, Product, People, is underpinned by a clear governance framework (page 73) which covers strategic oversight and responsibilities, as well as information flows between groups and to the Board.

Sustainability Committee: The Sustainability Committee is chaired by the CEO. The Committee has overall management responsibility for climate-related topics and reports regularly to the Board. Key outputs for the Sustainability Committee during FY24 included review, discussion and approval of launch plans for multiple sustainable materials, resale and repair projects and updates against the verified SBTs, among other key decisions.

Sustainability Working Groups: The Operations, Lifecycle, Materials and Packaging working groups report into the Sustainability Committee every two months to provide progress updates against their commitments and metrics. Climate falls within the scope of each of the working groups, so climate-related issues are raised at the working groups when relevant. Working groups are led by management-level subject matter experts from across the business, with guidance and technical advice provided by the Sustainability team.

TCFD Steering Committee: The TCFD Steering Committee is comprised of the Finance, Sustainability, Internal Audit & Risk, and Supply Chain teams, and works collaboratively to identify, monitor and manage climate-related risks and opportunities. The TCFD Steering Committee is chaired by the CFO, who has ultimate accountability for climate-related issues. It provides updates into the Sustainability Committee, which is chaired by the CEO. Key outputs for FY24 included a further assessment of a selection of climate risks and opportunities, development of the TCFD disclosure and preparations for the climate transition plan.

Recommerce Steering Committee: Recommerce is a key climate-related opportunity for Dr. Martens. The Recommerce Steering Committee meets quarterly and is chaired by the CFO. It is attended by members of the Finance, Global Supply Chain, Sustainability, Legal, Technology, Digital, Marketing and relevant Regional teams. It works to advance Dr. Martens' repair and ReWair opportunities globally and to incorporate recommerce into the Group's strategic direction and financial planning. Key discussion points and outputs for FY24 included steer on the launch of both ReWair in the USA and authorised repair in the UK.

Sustainability team: Dr. Martens has a team of internal sustainability experts who have the skills and knowledge to advise the Company on sustainability matters. During FY24, the Director of Sustainability reported directly into the Chief People and Sustainability Officer (CPSO). Going forwards, the Sustainability team will report into the newly created role of Chief Brand Officer as sustainability becomes ever more important to our brand and product. The Director of Sustainability is responsible for coordinating the business's approach to managing sustainability and climate-related matters. They also support the Internal Audit and Risk and Finance teams to integrate climate-related financial information into financial and risk business processes where appropriate. The Sustainability and Climate Impact Manager is responsible for the day-to-day management of climate-related risks and opportunities across the business. They have the responsibility for attending all Sustainability Committee meetings and working groups to ensure climate risks and opportunities are considered and to provide specialist expertise. Outside of the Sustainability team, members of the Finance team participate in external training courses, including The Institute of Chartered Accountants in England and Wales Sustainability Certificate and University of Cambridge Sustainable Finance course, to ensure they keep up to date with relevant climate-related financial topics.

Employee engagement: Dr. Martens employees are educated on climate-related topics through internal engagement and strategic communications. In January 2024, an internal climate-related engagement event was organised by the Sustainability team and supported by multiple functions including Global Supply Chain and Internal Communications. Its purpose was to increase awareness of our Net-Zero commitment and specific emissions reduction initiatives, such as material innovation and recommerce. The event was attended by almost 700 of our people globally.

More detail on our sustainability governance structure can be found on page 73.

2. STRATEGY

2a. Climate-related risks and opportunities identified

As detailed in previous disclosures, we have eight thematic categories of priority CROs which were identified using the assessment process conducted in FY22 with the Carbon Trust which is outlined in our FY22 and FY23 TCFD disclosures.

We use the Network for Greening the Financial System (NGFS) climate scenarios to test our business model and strategy. By choosing these three scenarios, we set out to identify and understand the risks and opportunities that could arise for our business, supply chain and the wider economy that we operate in, to ensure that we anticipate and prepare for these outcomes. The NGFS climate scenarios are as follows:

ORDERLY TRANSITION SCENARIO (1.5°C)
The Orderly Transition scenario assumes climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.

DISORDERLY TRANSITION SCENARIO (1.5°C-2°C)
The Disorderly Transition scenario explores higher transition risk due to policies being delayed or divergent across countries and sectors. It assumes that new climate policies are not introduced until 2030, at which point very strong policies are needed to limit warming to below 2°C. Physical risks are still relatively subdued due to global warming being limited to below 2°C.

HOT HOUSE WORLD (4°C+)
The Hot House World scenario assumes that global efforts are not sufficient to be able to halt significant global warming. Transition risks are kept relatively low as no new climate policy is introduced or implemented. Critical temperatures are exceeded as a result, leading to severe physical risks.

We continue to use the time horizons used in previous disclosures.
They are:

- Short-term: Less than 5 years
- Medium-term: 5-10 years
- Long-term: 10+ years

Our eight thematic categories of priority CROs are as follows:

- Two physical risks that could impact the business in a Hot House World scenario (4°C emissions scenario), where the business and its value chain are exposed to chronic changes in local climates and an increase in the frequency and severity of extreme weather events.
- Four transitional risks and two transitional opportunities that could impact the business in an Orderly Transition scenario (1.5°C) or Disorderly Transition scenario (1.5°C-2°C), where the business is operating in a rapid transition to achieve Net-Zero by 2050. Assumptions include progressive government policies, market pressures from competitors, reputational impacts from investors and customers, and the technology gap between what is available and what is needed to achieve Net-Zero by 2050.

During FY24, the TCFD Steering Committee undertook further work to strengthen our approach which included formalising the responsibilities within the TCFD Steering Committee. Another key focus was to better understand the financial impact of our priority climate-related risks and opportunities and to engage the relevant teams in our assessment of these. The aim was to assess the potential impact to the business under different climate scenarios in order to assess Dr. Martens climate resilience.

Using the priority CROs identified in previous years, we assessed two climate-related risks and one opportunity. We applied the NGFS climate scenarios to the following priority CROs: riverine flooding, carbon taxation and repair and resale.

We have specified an estimated financial impact range against these CROs which aligns with our risk management procedure. The impact categories outline a potential reduction in operating profit for risks and a potential increase in operating profit for opportunities, taking into consideration mitigation measures implemented by Dr. Martens. The case studies can be found on pages 81 and 82.

The risks and opportunities in our TCFD disclosure only reflect our climate-related risks and opportunities. For an overview of all of Dr. Martens principal risks, please refer to pages 39 to 43.

In the table below, we outline our priority CROs along with their perceived sensitivity to each of the listed scenarios.

How to read the table:
In the case of riverine flooding, it is anticipated that the impact will materialise in the short to medium term. In an Orderly Transition scenario where consistent policies and mitigations have been implemented early-on and have contained the worst effects of climate change, the impact is relatively low. The impact and likelihood of riverine flooding is higher under a Disorderly Transition scenario, where there has been a delay in implementing the policies needed to contain global warming due to the disorganised nature of the mitigation measures. In a Hot House World scenario, insufficient measures to contain the effects of climate change have been implemented and as a result, the impacts and likelihood of riverine flooding are the most severe and most likely.

			Time horizon			Likelihood: Scenario sensitivity		
Climate-related risks		**Category**	**Short**	**Medium**	**Long**	**Orderly**	**Disorderly**	**Hot House**
PHYSICAL RISKS	PR1. Riverine flooding	Acute				○○	○○○	○○○○
	PR2. Changes in temperature	Chronic				○○	○○○	○○○○
TRANSITION RISKS	TR1. Carbon taxation	Policy				○○○○	○○○○	○
	TR2. Production standards	Policy				○○○	○○○○	○
	TR3. Increased prices of input materials, processes and services	Market				○○○	○○○○	○
	TR4. Land-use & agricultural practices	Market				○○	○○	○
Climate-related opportunities								
TRANSITION OPPORTUNITIES	TO1. Repair and resale	Market				○○○○	○○○○	○○○○
	TO2. Alternative materials	Market				○○○○	○○○○	○○○○

Anticipated onset of risk or opportunity	
Estimated full impact of risk and opportunity	●

High likelihood	○○○○
	○○○
	○○
Low likelihood	○

2b. Impact of climate-related risks and opportunities

Recognising the impact of climate change across the short, medium and long term, we consider the actual and potential financial impacts on our business model, our strategy and our financial planning. Where possible, we look to mitigate cost pressures through procurement and sourcing efficiencies. Given our budgets and strategic financial plans are underpinned by going concern and viability, we assessed the potential business and financial impact of our priority CROs and aligned with the business's internal risk management process as summarised in 3a. In our FY23 TCFD disclosure we provided an indicative gross impact for each CRO, which was a broad estimation and did not include a financial range. Since then, we have developed our approach and conducted modelling to quantify an estimated financial impact against three of our priority CROs, indicated in the table on the next page. The impact categories outline a potential reduction in operating profit for risks and a potential increase in operating profit for opportunities, taking into consideration mitigation measures. Going forward, we will aim to quantify the financial impact of the remaining CROs using our updated methodology.

In the table below, where the estimated financial impact category states 'further modelling required', the indicative gross impact from our FY23 disclosure still applies. As the indicative gross impact does not align with the updated impact categories used in this disclosure, further modelling is required to align the impact estimation using our updated approach.

ESTIMATED FINANCIAL IMPACT CATEGORY

Over £10m: Severe | Between £5m-£10m: Serious | Between £1m-£5m: Moderate | Less than £1m: Low

RISK	ESTIMATED FINANCIAL IMPACT CATEGORY	RISK DESCRIPTION	HOW WE MANAGE AND MITIGATE THE RISK	METRICS AND TARGETS
Physical Risk 1. Acute – riverine flooding **Timeframe:** **S M L**		An increase in the severity and frequency of extreme weather events could disrupt the operation of our value chain and negatively impact our third-party suppliers' production capabilities, which could significantly impact our business. We modelled a significant weather event – riverine flooding in Vietnam – in a Hot House World scenario (4°C) to further understand the potential impact. See the corresponding case study in section 2c for key assumptions and more.	The impact of flooding on our value chain is mitigated through the diversification of sourcing countries and Tier 1 suppliers, counter sourcing of high volume new products, and spreading new product developments across factories. See the corresponding case study in section 2c for further detail.	To monitor the risk of riverine flooding, we engage with suppliers through a standardised information request, which monitors individual suppliers' current mitigation measures
Physical Risk 2. Chronic changes in temperature **Timeframe:** **S M L**	Further modelling required	Leather is our most commonly used upper material. Some of our sourcing regions may be subject to an increase in droughts and heatwaves in a Hot House World scenario (4°C), which could result in reduced availability of raw materials.	To be able to understand our exposure to the risk of chronic changes in temperature to our sourcing regions, we require a deeper understanding of where this may impact Dr. Martens sourcing the most. We are making good progress on leather traceability, with 89% of our upper leather being traceable back to the abattoir for AW23. Our longer-term aim is to achieve traceability back to the farm to better understand the impact of physical climate risks on our value chain. See pages 57 and 58 of our Sustainability Report for more details on leather traceability commitments and our progress. We can also reduce our exposure to this risk by diversifying our materials, which is presented as an opportunity within TO2. By reducing our reliance on conventional leather sourced from high risk areas, we reduce the potential impact of this risk.	Target: 100% leather traceability for all countries by 2024 Status: 89% For more see page 57
Transition Risk 1. Carbon taxation **Timeframe:** **S M L**		Introduction of carbon taxes and/or carbon trading markets could increase input costs across the value chain. We modelled the two extreme emissions pathways for Dr. Martens (achieving Net-Zero by 2040 resulting in low emissions, and continuing BAU with no interventions resulting in high emissions) against both the Orderly Transition and Hot House World scenarios to better understand the range of potential impacts. See the corresponding case study in section 2c for key assumptions and more.	There is a direct correlation between the level of emissions and exposure to the risk of carbon taxation – high emissions mean a high level of exposure to carbon taxation. Therefore the best mitigation for this risk is to reduce our emissions in line with our science-based targets, which were validated by the SBTi in October 2023. See the corresponding case study in section 2c for further detail on how we modelled this risk, and page 52 in the Sustainability Report for further detail on some of the ways we aim to decarbonise Dr. Martens.	Target: Dr. Martens commits to Net-Zero GHG emissions across the value chain by FY40 For our full near and long-term SBTs, see page 51

RISK	ESTIMATED FINANCIAL IMPACT CATEGORY	RISK DESCRIPTION	HOW WE MANAGE AND MITIGATE THE RISK	METRICS AND TARGETS
Transition Risk 2. Production standards **Timeframe:** **S M L**	Further modelling required	Decarbonisation standards could be imposed upon key supplier markets such as cattle-farming, PVC production and packaging, which could result in an increased price of input materials (TR3). However, production standards also offer an opportunity for Dr. Martens. Resilience across the value chain can be strengthened which could result in positive operational efficiency opportunities. The overall impact depends upon government policy and alternative technology development.	By finding and using alternative materials which are less carbon intensive than those that we currently use, we reduce our exposure to decarbonisation standards being imposed to a detrimental degree (see TO2). These could include bio-based alternatives to PVC and lower-impact leather. Our suppliers with environmental certifications standards or an environmental management system in place are already taking steps to manage their carbon impact through energy, waste and water management, which reduces the risk of new decarbonisation standards derailing their production.	Target: 100% upper leather from LWG by 2023 (to be maintained going forward) Status: 100% (for the AW24 season) Target: Sustainable vegan upper material by 2028 and sustainable alternative to outsoles by 2035 Status: Materials in development. See pages 58 and 59 Target: Environmental certification standard to Tier 1 suppliers by 2025 Status: 46% of our Tier 1 footwear factories
Transition Risk 3. Increased prices of input materials, processes and services **Timeframe:** **S M L**	Further modelling required	The decarbonisation of materials and services could require higher levels of investment within the supply chain which could be passed downstream to Dr. Martens. This could materialise as a price increase for fossil fuel-generated electricity from the grid and inputs for virgin PVC. Projected grid prices and PVC demand are based on IEA World Energy Outlook and Energy Technology Perspectives scenarios, and heavy fuel oil prices based on GCAM5.3 IAM outputs. The price of PVC is assumed to have a unitary price elasticity with respect to demand. For the impact of coal and gas prices, the grid mix is assumed to stay constant with no phase out of fossil fuel assets.	We are continuing to test and trial alternative materials, including a bio-based PVC outsole which meets our durability and quality standards as we progress towards our target to develop a sustainable alternative outsole by 2035. See page 59 of our Sustainability Report for more details on exploring bio-based alternatives and our progress. Over 90% of the electricity sourced by our owned and operated sites in the UK and EMEA was from renewable sources during FY24, which mitigates the risk of increasing grid prices. We have also identified solutions to help us source renewable electricity across all our owned and operated sites globally by the end of 2025, which we are aiming to implement over the course of FY25.	Target: Sustainable alternative to outsoles by 2035 Status: Materials in development. See page 59 Target: 100% renewable electricity across all owned and operated sites by 2025 Status: Global = 46.3% of total kWh consumption (UK & EMEA 93.5%)
Transition Risk 4. Land-use & agricultural practices **Timeframe:** **S M L**	Further modelling required	Procurement costs could increase as a result of global emission reduction efforts, due to less intensive practices and higher demand for lower impact materials. This would also negatively impact the risk area TR3 due to the potential cost uplift. The impact on Dr. Martens is challenging to model given the relatively far-removed upstream position and the systemic nature of these risks. It is assumed that prices of raw hides will increase proportionately with the decreased availability of land. It is not assumed that Dr. Martens suppliers could procure hides from other locations that would be less affected resulting in a lower price difference.	We are looking to diversify our material procurement into alternative materials as part of our Net-Zero ambition, which we see as a key mitigation measure for this risk. See the 'Alternative materials' opportunity below (TO2) and pages 58 and 59 of our Sustainability Report for more details on how we are exploring leather alternatives.	Target: 100% of footwear made from sustainable materials by 2040 Status: See pages 58 and 59 for more details on our progress, including the launch of our first product made from reclaimed leather

OPPORTUNITY	ESTIMATED FINANCIAL IMPACT CATEGORY	OPPORTUNITY DESCRIPTION	HOW WE MANAGE AND LEVERAGE THE OPPORTUNITY	METRICS AND TARGETS
Transition Opportunity 1. Repair and resale **Timeframe:** **S M L**		Repair and resale presents a significant opportunity for Dr. Martens through the generation of revenue and profit based on the projected rates of growth for this new market. These markets are projected to have high levels of growth in all three temperature scenarios (Orderly Transition, Disorderly Transition, and Hot House World). For key assumptions, see the case study in section 2c.	Build a profitable repair and resale business model is a strategic project under the 'Direct-to-consumer' pillar of our DOCS strategy. We successfully launched Dr. Martens first resale business model in the UK during FY23, which served as the basis for the USA ReWair recommerce model which launched in March 2024. See the corresponding case study in section 2c.	Target: 100% of products sold have a sustainable end-of-life option by 2040 Status: Launched authorised repair in the UK, resale in the UK and USA ('ReWair'), Recommerce Steering Committee, see section 1b)
Transition Opportunity 2. Alternative materials **Timeframe:** **S M L**	Further modelling required	The alternative leather market presents a significant opportunity for Dr. Martens through the generation of revenue and profit based on the projected rapid growth of the market. Lower impact leather from regenerative sources and alternative materials such as reclaimed leather could also have the added benefit of reducing the emissions intensity per product. Identifying and using alternative materials could also reduce exposure to the Land-use & agricultural practices risk (TR4) listed above. It is assumed that Dr. Martens will be able to capture a market share similar to the one held in regular footwear, in equal proportion across the EU and USA.	Dr. Martens is committed to working with suppliers to trial alternative and lower impact materials. In March 2024 we launched products made from Genix Nappa, a material derived from reclaimed leather offcuts destined for landfill. We will gather consumer feedback and continue to work with the supplier to further enhance the sustainability credentials of the material. We have also advanced our work on bio-based vegan materials and investigating regenerative leather. See pages 58 and 59 of our Sustainability Report for further detail.	Target: Sustainable vegan upper material by 2028 Status: Materials in development. See pages 58 and 59 Target: 100% of footwear made from sustainable materials by 2040 Status: See pages 58 and 59 for more details on our progress, including the launch of our first product made from reclaimed leather

2c. Resilience of the business strategy

The Orderly Transition, Disorderly Transition and Hot House World scenarios were applied across three of our priority CROs. The aim was to understand how the different scenarios impacted the risk or opportunity in order to better understand our business's climate resilience. In all three cases, no material impact on the business model or strategy was found. The findings are presented in the following case studies:

PHYSICAL RISK: RIVERINE FLOODING (PR1) (Spotlight on riverine flooding in Ho Chi Minh City, Vietnam)

Extreme weather events can have far-reaching consequences for companies with global supply chains such as Dr. Martens. Based on the CRO prioritisation assessment conducted in FY22 by the Carbon Trust, riverine flooding was identified as being one of the most material physical risks for Dr. Martens.

The TCFD Steering Committee opted to explore the potential impact of a riverine flooding event in Ho Chi Minh City (HCM) due to the region's high-risk score on World Resources Institute (WRI) Aqueduct tool and the location's importance to our sourcing strategy. Several of our Tier 1 factories and material suppliers, including tanneries, are located in HCM. The aim was that in choosing one geographical region to begin the process of quantifying potential financial impact, we could refine that process and quantify other physical risks in future.

A flooding scenario workshop was conducted in November 2023 which was attended by members of the TCFD Steering Committee and representatives from the Global Supply Chain team. Following the workshop, we then engaged with Tier 1 and Key Tier 2 suppliers in the region to ascertain any existing mitigation measures they might have in place, and to better understand the time it would take for the factories to get back to full production should a flood occur. This was modelled under the assumption of a Hot House World scenario.

The information from supplier discussions was then translated into a number which represented capacity loss. This was then modelled as a key component of the 'Severe but plausible' scenario in FY26 for the going concern work for the audit. This produced a potential financial impact for the risk of a riverine flooding event in Ho Chi Minh City.

We have existing mitigation measures in place to avoid supply chain disruption which could be applied in the event of a severe weather event such as flooding. These include a diverse range of sourcing countries and the ability to counter-source high volume products.

We will continue to engage with the view to minimise business disruptions to both Dr. Martens and to our suppliers.

TRANSITION RISK: CARBON TAXATION (TR1)

Carbon taxation risk, from policies and taxes spurred by the Paris Agreement, is an area of potential financial impact. It could vary substantially among companies operating in the same business sectors. The TCFD Steering Committee sought to better understand how it might present as a cost-saving opportunity if Dr. Martens was to decarbonise as planned against the Net-Zero by FY40 target, and the potential implications of failing to achieve the Net-Zero target on the bottom line.

We modelled the two extreme emissions pathways – the first being that Dr. Martens follow the Net-Zero plan and achieve the emissions reductions necessary to be a Net-Zero business by FY40, and the second being that no decarbonisation measures are taken resulting in very high emissions as the business grows. We then overlaid two extreme carbon taxation pathways – the first followed a transitional scenario (which used the Orderly Transition temperature scenarios) where a steep and consistent increase in the tax price of a unit of carbon is needed to encourage industry decarbonisation, and the second followed a stated policies scenario (Hot House World) where no new legislation or commitments are implemented and the tax price of a unit of carbon remains close to what it is in present day.

The findings showed that the biggest impact would be if a transitional scenario happened, and Dr. Martens failed to decarbonise. The modelling showed that reaching the Net-Zero by 2040 target was the best mitigation to this risk and would also provide significant savings in comparison to failing to achieve the target. The impact to Dr. Martens would be relatively immaterial if a Hot House World scenario occurred.

This work reiterated the need for Dr. Martens to be a Net-Zero business by FY40 and to achieve our science-based targets and commitments. Our SBTs were approved by the SBTi in 2023 and can be found in the Sustainability Report on page 51.

TRANSITION OPPORTUNITY: REPAIR AND RESALE (TO1)

For Dr. Martens, recommerce encompasses everything related to resale, repair, trade-in and end-of-life. Recommerce supports progress towards our targets to offer our consumers options to maximise the useable life of their products by 2025, for all products to have a sustainable end-of-life option by 2040, and reaching Net-Zero by 2040. It is also a rapidly emerging sector and has become the fastest growing channel in retail, with two in five items in Gen Z's closet estimated to be second-hand. We currently offer an authorised repair service in the UK and resale initiatives in the UK and USA ('ReWair').

ReWair launched in March 2024. As ReWair is a new business model for Dr. Martens, the commercial plan for the first year is conservative. However, we will test and learn with the ambition to grow this in line with the macro trends of the sector and into a more significant, profitable portion of our business.

3. RISK MANAGEMENT

3a. Processes for identifying and assessing climate-related risks

IDENTIFICATION

We include climate-related risks within our Group risk management framework, which is explained further on pages 38 and 39. We also recognise the different nature of climate risks compared to some of the other risks we typically face, particularly their longer-term time horizon and related uncertainty. Therefore, we carried out a more in-depth identification and assessment of climate risks and opportunities (CROs), with the assistance of external advisers.

ASSESSMENT

To assess and prioritise the initial longlist of CROs that were identified, we considered the:

- Indicative potential financial or strategic impact on the business
- Likelihood and sensitivity to each scenario
- Velocity of change

We applied the three climate scenarios (Orderly Transition, Disorderly Transition, Hot House World) as set out in 2c. Those CROs that exceeded an internally agreed threshold were identified as potentially significant, prioritised for further assessment, and logged on our climate risk register (as noted in 2a).

Further scenario analysis (as summarised in 2c) will be undertaken on a selection of these CROs on an annual basis. The CROs selected for further analysis will depend on updates and changes from external factors, such as policy and legislation changes, as well as business changes (such as new materials and product ranges).

To assess the impact to the business arising from climate-related risks, we align with the business's internal risk management process. For the purpose of this assessment, how we assess materiality in relation to climate-related matters is reflected in the key above the table in section 2b.

In the cases where we have not yet undertaken an assessment of financial materiality and therefore financial impact, these have been identified as 'further modelling required'. Where this is stated, the indicative gross impact from the FY23 disclosure still applies. However, as this does not align with the updated impact categories, further modelling is required to align with our updated methodology. The business impact of such risks is discussed in the Strategy section on pages 78 to 82.

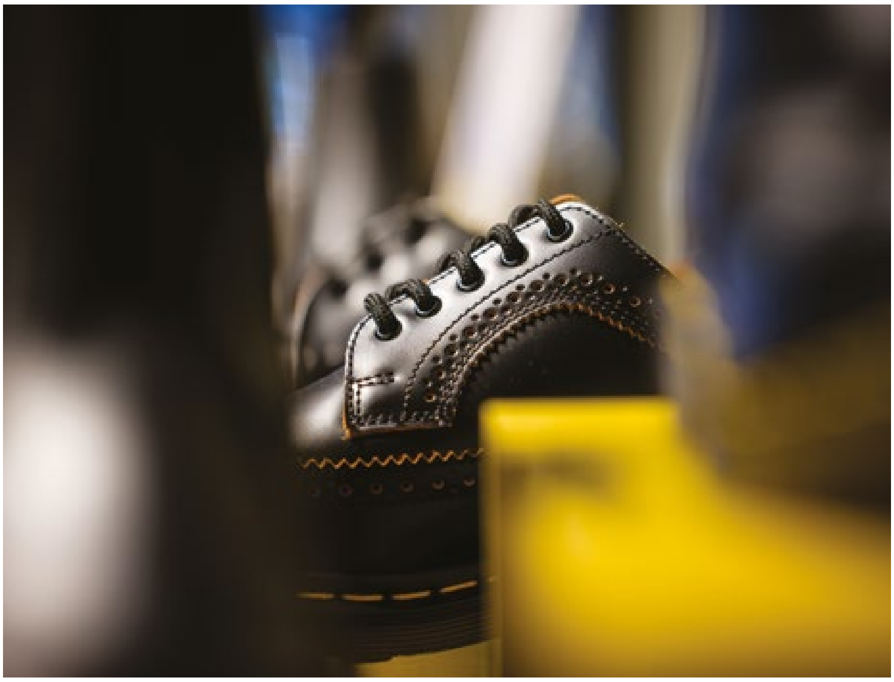
3b. Processes for managing climate-related risks

We manage our climate-related risks in the same way as other risks that the business faces (refer to the Risk management section of this report for further explanation on our overall approach on pages 38 to 43).

We have summarised management controls and mitigation measures we have in place to manage the potentially significant climate-related risks in the table set out in section 2b.

3c. Integration into overall risk management

Climate change is integrated into Dr. Martens broader risk management framework, and is subject to the same governance, annual review process and management attention as other risks recorded on our Group Risk Register. We currently consider climate risk as an emerging risk rather than a separate principal risk. This assessment is based upon two main considerations. Firstly, there remain considerable ranges of uncertainty on the extent and timing of when climate risks might materialise, particularly within the timeframe of our normal business



planning cycle. Secondly, our current assessment is that there is no material impact on the achievement of our business strategy, when considering the direct impact of climate risks separate from other risks. However, we do include it as a key component of the social and environmental principal risk.

We also recognise that climate impacts our other principal risks, particularly supply chain, brand and product, legal and compliance, and therefore climate is considered in the way we assess and mitigate those risks. Pages 40 to 43 include further detail on our principal risks.

In order to further integrate climate within our approach to risk management and decision-making, climate risk is considered when assessing new supplier locations and partners. It is considered within our new country risk assessment process and, if relevant, it is also considered in the risk assessment and due diligence process for selecting new supplier factory locations. Findings are reviewed by the Operating Committee.

4. METRICS AND TARGETS

We have several metrics and targets in place to monitor our priority climate-related risks and opportunities. These are outlined in the case studies on pages 81 and 82.

4a. Metrics used to assess climate-related risks and opportunities

Progress against our Net-Zero target will be the main metric we use to assess our management of climate-related risks and opportunities. We have set absolute reduction targets based on an FY20 baseline, aligned with limiting global warming to 1.5˚C (scope 3 near-term targets are aligned to well below 2˚C).

Dr. Martens commits to reach Net-Zero greenhouse gas (GHG) emissions across the value chain by FY40.

Other metrics currently used to monitor our climate-related performance include:

- Source renewable electricity across all owned and operated sites by 2025 (FY24: 93.5% (EMEA including UK)).
- Environmental certification standard to all Tier 1 suppliers by 2025 (FY24: 46%).

We continue to work towards our other sustainability commitments which support our Net-Zero targets. Approximately 99% of our footprint comes from scope 3 emissions, the majority of which come from our use of materials including leather, PVC and packaging. We have set targets to support sourcing of lower impact materials including:

- 100% of footwear made from sustainable materials by 2040.
- 100% of natural materials in products from regenerative agriculture by 2040.
- 100% of packaging from recycled or other sustainably sourced material by 2028.

4b. Scope 1, 2 and 3 emissions and related risks

The table below contains the results of our FY23 carbon footprint. Our FY23 and FY24 limited scope 1, 2 and 3 GHG emissions can be found in our SECR disclosure on page 53.

For our FY23 footprint, we used a third-party emissions management tool to calculate our footprint for the first time. This change in approach meant that some categories were calculated using different methodologies than those used in FY20 and FY22. Further details can be found on pages 51 to 53 of our Sustainability Report.

Scope	FY23 tonnes CO_2e	% of total value chain
Scope 1	1,151	0.4
Scope 2 (Location)[1]	2,502	–
Scope 2 (Market)	1,903	0.7
Scope 3[2]	277,402	98.9

1. Scope 2 (Location) not included in the total or calculation.
2. All material scope 3 emissions are included. The following GHG Protocol scope 3 emissions categories are excluded because they are covered in another category or because they are not relevant to our business: (8) Upstream leased assets, (10) Processing of sold products and (13) Downstream leased assets.

Each year we aim to improve the granularity and quality of data used to calculate our footprint. In FY23 this was significantly improved across several categories. Where available, we used lifecycle assessments (LCAs) specific to the materials we sourced. For example, we used specific LCAs for 49% of the leather types we purchased, rather than using the generic emissions factor for leather. These improvements mean our FY23 footprint is more accurate and comprehensive than in previous years.

4c. Climate-related targets and performance

Targets relating to our climate-related risks and opportunities can be found on pages 79 to 81 and all other progress against sustainability commitments can be found throughout our Sustainability Report.

5. WHAT'S NEXT?

Next, we aim to quantify the financial impact of the priority CROs which have not been assessed in detail yet. We also plan to conduct a double materiality assessment. A double materiality assessment identifies the sustainability matters that are most material to an organisation and its stakeholders by evaluating their impact on environmental and social factors (inside-out perspective), while also considering how these factors influence the organisation (outside-in perspective). We will aim to review our CROs as part of this process.

Scope 3 emissions category	FY23 emissions (tCO_2e)	Percentage contribution to scope 3 emissions
Purchased goods and services	214,405	77.3%
Capital goods	10,880	3.9%
Fuel and energy related activities	973	0.3%
Upstream transportation and distribution	20,993	7.6%
Waste generated in operations	1,400	0.5%
Business travel	6,563	2.4%
Employee commuting	4,288	1.5%
Downstream transportation and distribution	4,157	1.5%
Use of sold products	1,906	0.7%
End-of-life treatment of sold products	11,100	4.0%
Franchises	287	0.1%
Investments	450	0.2%

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This section of the Strategic Report constitutes Dr. Martens Non-Financial and Sustainability Information Statement, produced to comply with Sections 414CA and 414CB of the Companies Act 2006. The information listed is incorporated by cross-reference.

Reporting requirement	Dr. Martens supporting statements, policies and procedures	Policy description	Where to find more information in this report	Page(s)
Business model	N/A	N/A	Business model	16 and 17
Non-financial KPIs	N/A	N/A	Measuring our performance	31
Principal risks	Group risk management processes and procedures	N/A	Risk management and principal risks	38 to 43
Environmental matters[1]	Supplier Environmental Standards	Sets out our expectations for how our suppliers manage their environmental impacts, including but not limited to energy, water, waste and chemicals.	Risk management and principal risks	38 to 43
			Stakeholder engagement: Environment and communities	21
	Made In England Environmental Policy	Sets out how our Made In England factory manages its environmental impacts and includes its commitments.	Sustainability Report: Our commitments	48 and 49
	Animal Derived Materials Policy	Sets out the expected standards and behaviour of the relevant departments of Dr. Martens and its suppliers, in order to respect best practices when sourcing and using materials derived from animals.	Our TCFD disclosures	75 to 83
Human rights	The DOCtrine	Our employee code of conduct.	Risk management and principal risks	38 to 43
	The Rule Book	Our employee handbook.	Sustainability Report: Our commitments	48 and 49
	Modern Slavery Statement	N/A	Sustainability Report: Our people	63 to 72
	Anti-Slavery and Human Trafficking Policy	This policy sets out our expectation of our people and their responsibilities in preventing slavery & human trafficking.	Stakeholder engagement: Environment and communities	21
	Supplier Migrant Worker Policy	Our Supplier Migrant Worker Policy sets out the principles to ensure that Dr. Martens and its suppliers respect the responsible recruitment and employment of migrant workers and to help suppliers safeguard the rights and welfare of migrant workers in their supply chain and manage the associated risks and responsibilities.	Stakeholder engagement: Partners	20
			Stakeholder engagement: Suppliers	21
			Stakeholder engagement: Our people	19
	Supplier Code of Conduct and Workplace Standards	The Supplier Code of Conduct and Workplace Standards sets out how we expect our suppliers to behave as a business and gives details on how to meet the expected standards.		
Our people	The DOCtrine	Our employee code of conduct.	Risk management and principal risks	38 to 43
	The Rule Book	Our employee handbook.	Stakeholder engagement: Our people	19
	Mandatory training on key policies	N/A	Sustainability Report: People	63 to 72
			Sustainability Report: Our commitments	48 and 49
Social matters	The DOCtrine	Our employee code of conduct.	Sustainability Report: Our commitments	48 and 49
	Volunteering Policy	Our employee policy on volunteering – all full-time employees get two days annual volunteering allowance to volunteer for a charity of their choice.	Sustainability Report: People	63 to 72
			Stakeholder engagement: Environment and communities	21
	Matched Giving Policy	Our employee policy for matched giving – the business will match employee fundraising up to £250 if it meets the specific criteria.	Risk management and principal risks	38 to 43
Anti-bribery and corruption compliance	The DOCtrine	Our employee code of conduct.	Sustainability Report: People	63 to 72
	The Rule Book	Our employee handbook.	Audit and Risk Committee Report	134 to 143
	Our 'Speak Up' Whistleblowing Policy	Our Speak Up Policy provides guidance on raising concerns around suspected illegal or unethical business practice affecting the Company, its employees, customers or suppliers about any aspect of the way we do business.	Sustainability governance	73
			Risk management and principal risks	38 to 43
	Anti-Bribery and Corruption Policy	Our Anti-Bribery and Corruption Policy sets out our expectations, and the mandatory requirements, of our people in respect of bribery, corruption and gifts and hospitality related matters.		
	Supplier Anti-Bribery and Corruption Policy	Our Supplier Anti-Bribery and Corruption Policy sets out the mandatory requirements for those doing business with Dr. Martens.		
	Third Party Due Diligence Policy	Our Third Party Due Diligence Policy sets out the due diligence process to be conducted prior to engaging third parties by our people.		
	Global Sanctions Compliance Policy	Our Global Sanctions Compliance Policy sets out the expectations and requirements for compliance with sanctions laws when dealing with third parties.		

The Strategic Report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved by the Board and signed on its behalf.

On behalf of the Board

KENNY WILSON
Chief Executive Officer
29 May 2024

1. Following amendment of sections 414C, 414CA and 414CB of the Companies Act 2006 by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, our alignment with the new disclosure requirements are covered on page 75 of our TCFD Report in the index table.

GOVERNANCE

In this section:

DELIVERING A STRONG GOVERNANCE FOUNDATION

DEAR SHAREHOLDERS

In my opening Chairman's statement (see pages 6 to 9), I set the scene for our FY24 Annual Report with an overview of our performance, the challenges we faced both during the period under review and into a new financial year, as well as the successes we achieved through the resilience and dedication of our people globally.

Our Governance Report supplements this story, which is set out in full in the Strategic Report (pages 1 to 84), with details of how the Board has provided oversight and guidance to the Senior Leadership Team in navigating the present challenges, executing our DOCS strategy and focusing on returning the Group to growth while preparing ourselves for the next phase.

Areas of focus in FY24 and FY25 priorities

Much of the debate within the Boardroom over the course of FY24 and into the new financial year has been framed by two strategic imperatives. Specifically, addressing underperformance and re-igniting demand in our largest market, the USA, in the short term and building an organisation that is more mature, equipped and properly structured to deliver on our ambitions over the medium and longer term. On the latter point, we are clear that the road towards this next phase will be markedly different to that which led us to reach the symbolic £1bn revenue milestone in FY23 and that the Board has an important role to play in ensuring that the organisation is prepared for this. However, our immediate priority is to provide our senior leadership with the guidance and support they require to address the issues faced by the business and lead it through this challenging period. We remain resolutely focused on driving this agenda over the coming year.

GOVERNANCE HIGHLIGHTS

Appointment of new CFO	Giles Wilson appointed as Chief Financial Officer, joining the business in early FY25. READ MORE P8
CEO succession	Post-year-end, announced Kenny Wilson's intention to step down as CEO by the end of FY25 to be succeeded by Ije Nwokorie. READ MORE P109
FY24 Board Evaluation	Annual evaluations of the effectiveness of the Board and principal committees led by the Chair and Company Secretary. READ MORE P114
Remuneration Policy review	Remuneration Policy reviewed during the year, including consultation with our largest investors. READ MORE P120

The Board is committed to executing our DOCS strategy more effectively and discussed this, including our key strategic programmes, at our meetings throughout the year. These and the range of other matters we discussed over the course of the year are outlined on pages 96 and 97, while the work undertaken by the Audit and Risk, Nomination and Remuneration Committees is detailed in their respective reports from pages 134, 108 and 116 respectively.

As we move into this new financial year, I and my fellow Board members will also continue to ensure that our organisation is underpinned by robust governance processes and practices that support our strategic priorities.

Evolving leadership

FY24 was a year in which our Senior Leadership Team was significantly reshaped and this process will continue during the new financial year. In November 2023, we were delighted to announce the appointments of Giles Wilson as our new Chief Financial Officer (CFO) and of Ije Nwokorie to the newly created role of Chief Brand Officer (CBO). Subsequent to the year end, in April 2024 we announced that Kenny Wilson will be stepping down as CEO before the end of FY25. Kenny will be succeeded by Ije, who will continue in the role of CBO before stepping up to lead the business as its new CEO.

Giles formally joined us in his new role in May and is currently undertaking a full induction, details of which can be found on pages 110 and 111. Giles brings to the Board a wealth of experience of public markets, global brands and wholesale distribution in addition to his core skillset as a seasoned finance leader. I and my fellow Board members look forward to working with him as we calibrate our core priorities around our current challenging circumstances and look to grow the business in the years ahead. More information about Giles can be found in his biography on page 93 and introductory Q&A on page 8.

Giles succeeds Jon Mortimore, who retired in March 2024 having served as CFO for nearly eight years. During his tenure, Jon oversaw the transformation of Dr. Martens from a privately owned, wholesale-focused organisation to a publicly listed, DTC-led global business with revenues exceeding £1bn for the first time in FY23. His role in that journey was significant and he begins his retirement with the sincere thanks and best wishes of the whole organisation. Details of the interim arrangements put in place between Jon's retirement and Giles' first day with the business can be found on page 136.

Ije is a familiar figure within the organisation, having served on the Board as an Independent Non-Executive Director since the Company went public in January 2021. He stepped down from the Board and joined the Global Leadership Team (GLT) full-time as our new CBO in February 2024, with responsibility for the overall brand strategy and oversight of our Global Marketing, Product and Strategy functions. Ije has set about his new role with characteristic energy and focus and will continue to do so over the coming months.

More details regarding the changes to our Senior Leadership Team can be found in the Report of the Nomination Committee, from page 108.

Our approach to this year's Governance Report

When considering our approach to our reporting for FY24 we took the view that, while undoubtedly comprehensive, the length and complexity of the Annual Report can have a detrimental impact on the clarity of the key messaging and too often leads to repetition.

With this in mind, this year we have sought to produce a report that is more concise, where possible, and with a tighter focus on how we, as a Board, have sought to apply high standards of corporate governance through our activities and in the interests of our shareholders and wider stakeholders. This includes how the priorities of our stakeholders have informed and impacted the decisions we took as a Board during the year. More information can be found on pages 101 to 104.

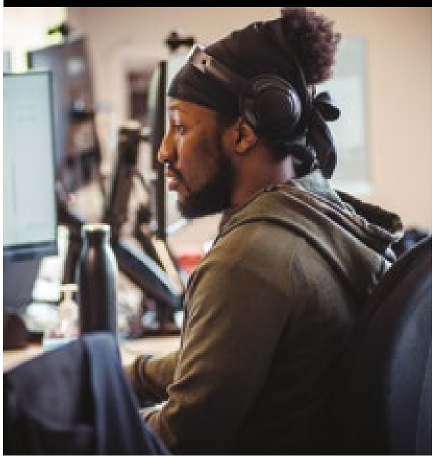
While the UK Corporate Governance Code (the Code) principles continue to underpin the structure of our Governance Report, we have removed the provision-by-provision breakdown which featured in last year's Report in the interests of keeping it concise, clear and engaging. Our full, detailed response to the Code can now be found in the 'Governance' section of www.drmartensplc.com and is referenced, where relevant, throughout the Governance Report. Our statement of compliance with the Code and a full list of page references indicating where relevant information is located within this Annual Report can be found on page 89.

CULTURE AND PEOPLE

As a Board, we retain formal accountability for promoting the Dr. Martens culture of Rebellious Self Expression through which we articulate who we are, what we believe in and what we stand for as an organisation, which is no trivial responsibility for such a well-loved, global brand.

Our culture is not something that can simply be imposed by Board mandate; rather, it has been shaped by consumers and our people over many decades. The Board seeks to ensure it is prominent, embedded across the organisation and reflected in how we do business. We monitor this in a number of ways, including reviewing the feedback from our annual Engagement and Inclusion Survey and through the work of our Employee Representative Non-Executive Director, Robyn Perriss.

FURTHER DETAILS ON **HOW THE BOARD MONITORS THE HEALTH OF THE DR. MARTENS CULTURE** CAN BE FOUND ON P106



Engaging with our stakeholders

I was pleased to have several opportunities throughout the year to meet with investors, listen to their feedback and discuss their perspectives, particularly on the challenges faced by the business in terms of performance and wider macroeconomic uncertainty. These conversations were excellent opportunities not only to understand investor concerns, but also to emphasise our belief in the strength of the prospects of this brand over the longer term.

Turning to the Board's broader engagement with the Company's key stakeholder groups, this remains an important facet of our role and an essential one in informing and guiding the decisions we make in the Boardroom. Each of our stakeholder groups is identified in the Strategic Report, alongside our formal 'Section 172 Statement', on pages 18 to 21. Details of the range of ways in which we considered their interests, and the outcomes of our engagement with them, are provided on pages 101 to 104 of this Governance Report.

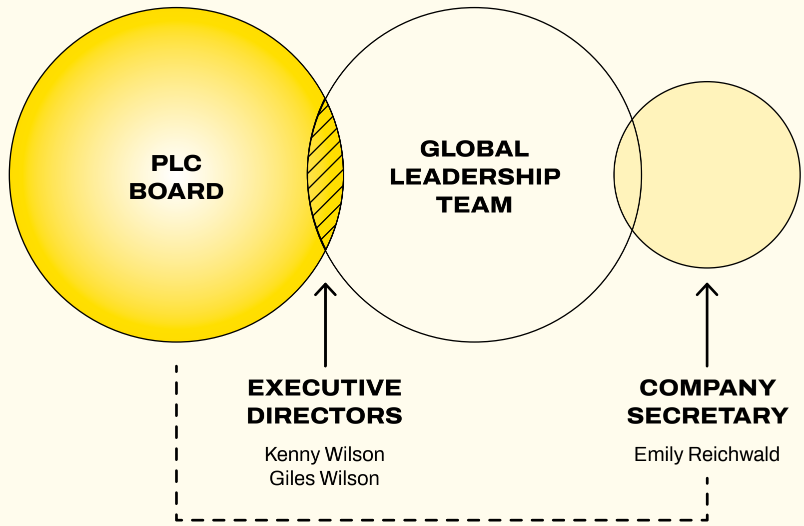
Robyn Perriss, our Employee Representative Non-Executive Director, also continued to engage directly with employees from across our global business through her programme of employee listening sessions, more about which can be read on page 105. With our Remuneration Policy due to be put to shareholders for its triennial vote at our upcoming AGM, our Remuneration Committee Chair, Lynne Weedall, also engaged directly with investors and employees on our approaches to executive remuneration and renewing our policy for the next cycle.

Acknowledging our people

It would be remiss of me to conclude on anything other than a sincere note of thanks, from myself and on behalf of the Board, to all of our employees globally for their hard work, steadfast support of the brand and their resilience during a difficult period for the business.

PAUL MASON
Chair
29 May 2024

DR. MARTENS BOARD AND SENIOR LEADERSHIP STRUCTURE



PLC BOARD

Kenny Wilson
Chief Executive Officer

Giles Wilson
Chief Financial Officer

Paul Mason
Chair

Lynne Weedall
Senior Independent Director

Robyn Perriss
Independent Non-Executive Director

Ian Rogers
Independent Non-Executive Director

Tara Alhadeff
Non-Independent Non-Executive Director

Andrew Harrison
Independent Non-Executive Director

GLOBAL LEADERSHIP TEAM

Ije Nwokorie
Chief Brand Officer

Geert Peeters
Chief Operating Officer

Graham Calder
Chief Technology Officer

Bridget Jolliffe
Chief People Officer

Erik Zambon
Strategy Director

Adam Meek
Chief Product Officer

Mike Stopforth
President, EMEA

Jennifer Somer
President, Americas

Derek Chan
President, APAC

Emily Reichwald
Company Secretary

DETAILS OF **THE ROLE OF THE BOARD AT DR. MARTENS AND THE DIVISION OF RESPONSIBILITIES BETWEEN KEY BOARD ROLES** CAN BE FOUND AT DRMARTENSPLC.COM

UK Corporate Governance Code 2018 compliance

In FY24 the Company again assessed itself with reference to the UK Corporate Governance Code 2018 (the Code). The Board has noted the 2024 iteration of the Code and that it will apply to the Company with effect from the 2025/26 financial year commencing in April 2025. As such, the Company will first report against the new Code in its Annual Report for FY26.

The Board confirms that, for the year ended 31 March 2024, the Company applied the Principles and complied with all Provisions of the Code during FY24. Further information relating to the Board's considerations in respect of the independence of Board Chair Paul Mason and Non-Executive Director Tara Alhadeff can be found on pages 110 and 98 respectively.

The ways in which the Code's Principles were applied during FY24 are evidenced throughout the Annual Report. The table below sets out a list of page references against each of the Code Principles (A to R). A full response to the Code can be found in the 'Governance' section of www.drmartensplc.com, while the full text of the Code itself can be found on the Financial Reporting Council's website at www.frc.org.uk.

BOARD LEADERSHIP AND COMPANY PURPOSE			
PRINCIPLE	**SUMMARY**	**LOCATION OF INFORMATION AND RELEVANT PRINCIPLE(S)**	
A	Board leadership and effectiveness	**Governance Report:**	**Strategic Report:**
B	Purpose, values and culture	Governance Framework P99: **C**	A strong sense of purpose P2: **A**
C	Internal governance and controls	Board activities P96: **A**	Sustainability Report P46: **A**
D	Stakeholder engagement and participation	Our stakeholders P101: **D, E**	Stakeholder engagement P18: **D, E**
E	Workforce policies and practices	Our culture P106: **B**	Business model P16: **B**
		Nomination Committee Report P108: **B**	Strategy, Strategy in action P22, P24: **B**
		Audit and Risk Committee Report P134: **C, E**	Risk management P38: **C**

DIVISION OF RESPONSIBILITIES			
PRINCIPLE	**SUMMARY**	**LOCATION OF INFORMATION AND RELEVANT PRINCIPLE(S)**	
F	Role of the Chair	**Governance Report:**	**Strategic Report:**
G	Independence and division of leadership responsibilities	Board of Directors P92: **F, G**	Chair's Statement P6: **F**
H	Non-Executive Director role and time commitment	Delegating responsibilities P98: **F, G, H**	CEO's Statement P10: **G**
I	Board policies, processes and resources	Nomination Committee Report P108: **H**	
		Audit and Risk Committee Report P134: **C, E**	

COMPOSITION, SUCCESSION AND EVALUATION			
PRINCIPLE	**SUMMARY**	**LOCATION OF INFORMATION AND RELEVANT PRINCIPLE(S)**	
J	Appointment processes, succession and diversity	**Governance Report:**	**Strategic Report:**
K	Board skills, experience and knowledge	Chair's introduction to governance P86: **J**	Chair's Statement P6: **J, K**
L	Board evaluation	Board of Directors P92: **K**	CEO's Statement P10: **J, K**
		Nomination Committee Report P108: **J, K, L**	

AUDIT, RISK AND INTERNAL CONTROL			
PRINCIPLE	**SUMMARY**	**LOCATION OF INFORMATION AND RELEVANT PRINCIPLE(S)**	
M	Internal and external audit	**Governance Report:**	**Strategic Report:**
N	Fair, balanced and understandable	Audit and Risk Committee Report P134: **M, N, O**	Risk management P38: **M, O**
O	Principal risks, risk management and internal controls		Going concern and viability P44: **M, O**

REMUNERATION			
PRINCIPLE	**SUMMARY**	**LOCATION OF INFORMATION AND RELEVANT PRINCIPLE(S)**	
P	Aligning remuneration with strategy, purpose and values	**Governance Report:**	**Strategic Report:**
Q	Remuneration policy development	Remuneration Report P119: **P, Q, R**	Stakeholder engagement P18: **P**
R	Reviewing remuneration outcomes	Remuneration Policy P120: **Q**	Measuring our performance P30: **P**
			Sustainability Report P46: **P**

AT A GLANCE

The following pages comprise a number of charts setting out data relating to the tenure and diversity of our Board members and the Global Leadership Team, which represents the Company's Senior Leadership Team below Board level.

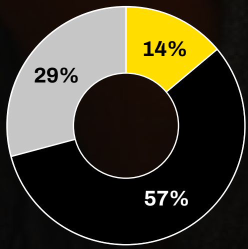
Considerations under LR 9.8.6(9)-(11)
The tables on page 91, opposite, set out the specific data relating to the ethnic and gender diversity of the Board and GLT that the Company is required to disclose pursuant to, and in the format prescribed by, Listing Rule 9.8.6(10). The Company's chosen reference date for the purpose of these disclosures is 31 March 2024, aligning with our financial year end.

For the purposes of LR 9.8.6(11), the data disclosed in these tables was compiled using information acquired through the 'Self-ID' tool accessible to employees via the Company's HR information system. Using this tool, employees may voluntarily and anonymously disclose information relating to their ethnic background and gender identity.

More information relating to the composition of the Board, tenure, independence and further explanations regarding the diversity targets described in LR 9.8.6(9) and the relevant data collection methodology can be found in the Nomination Committee Report from page 108.

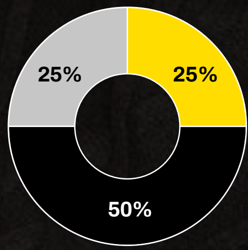
BOARD TENURE

AS AT 31 MARCH 2024



- 0-3 years
  Andrew Harrison
- 3-6 years
  Kenny Wilson, Robyn Perriss, Lynne Weedall, Ian Rogers
- 6+ years
  Paul Mason, Tara Alhadeff

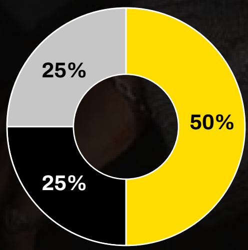
AS AT 29 MAY 2024



- 0-3 years
  Giles Wilson, Andrew Harrison
- 3-6 years
  Kenny Wilson, Robyn Perriss, Lynne Weedall, Ian Rogers
- 6+ years
  Paul Mason, Tara Alhadeff

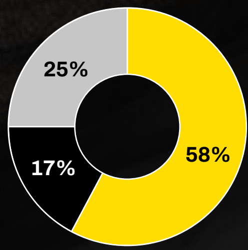
GLT TENURE

AS AT 31 MARCH 2024



- 0-3 years
  Adam Meek, Meg Johnson, Jennifer Somer, Graham Calder, Mike Stopforth and Ije Nwokorie
- 3-6 years
  Kenny Wilson, Derek Chan, Geert Peeters
- 6+ years
  Jon Mortimore, Erik Zambon, Emily Reichwald

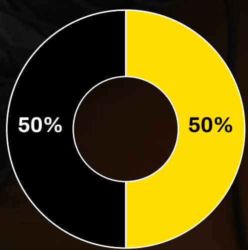
AS AT 29 MAY 2024



- 0-3 years
  Mike Stopforth, Jennifer Somer, Adam Meek, Graham Calder, Ije Nwokorie, Bridget Jolliffe, Giles Wilson
- 3-6 years
  Kenny Wilson, Derek Chan
- 6+ years
  Geert Peeters, Erik Zambon, Emily Reichwald

GENDER IDENTITY OF SENIOR MANAGEMENT[1]

AS AT 31 MARCH 2024

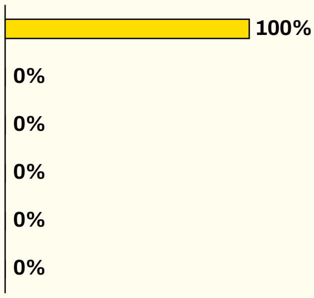


- Male (40 employees)
- Female (40 employees)
- Non-binary
- Prefer to self-describe

1. Comprises GLT direct reports and subsidiary company directors that are not already captured in GLT or Board data on these pages. Confirmation of gender identity was provided on a voluntary basis.

REPORTING TABLE ON ETHNIC BACKGROUND OF THE BOARD AS AT 31 MARCH 2024

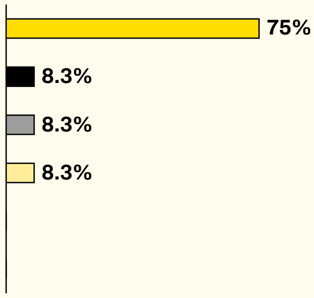
Percentage of the Group Board



	Number of Board members	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of Executive Directors	Percentage of Executive Directors	Whole Board
White British or other White (including minority-white groups)	7	3	1	100%	100%
Black/African/Caribbean/Black British	0	0	0	0%	0%
Other ethnic group, including Arab	0	0	0	0%	0%
Asian/Asian British	0	0	0	0%	0%
Mixed/Multiple Ethnic Groups	0	0	0	0%	0%
Not specified/prefer not to say	0	0	0	0%	0%

REPORTING TABLE ON ETHNIC BACKGROUND OF THE GLT AS AT 31 MARCH 2024

Percentage of the Global Leadership Team



	Number of GLT members
White British or other White (including minority-white groups)	9
Black/African/Caribbean/Black British	1
Other ethnic group, including Arab	1
Asian/Asian British	1
Mixed/Multiple Ethnic Groups	0
Not specified/prefer not to say	0

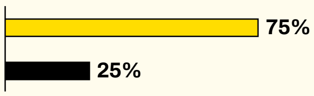
REPORTING TABLE ON GENDER IDENTITY OF THE BOARD AS AT 31 MARCH 2024

Percentage of the Group Board

	Number of Board members	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of Executive Directors	Percentage of Executive Directors	Whole Board
Men	4	2	1	100%	57%
Women	3	1	0	0%	43%
Not specified/prefer not to say	0	0	0	0%	0%

REPORTING TABLE ON GENDER IDENTITY OF THE GLT AS AT 31 MARCH 2024

Percentage of the Global Leadership Team



	Number of GLT members
Men	9
Women	3
Not specified/prefer not to say	0

LEADERSHIP AND RESPONSIBILITY

The Board's primary responsibility is leading the Company to deliver sustainable, profitable growth globally and drive long-term value for the shareholders of Dr. Martens plc.

It sets a clear tone from the top by providing entrepreneurial leadership of the business and custodianship of the Dr. Martens brand.

BOARD DEPARTURES IN FY24

Jon Mortimore, who was Chief Financial Officer for just under eight years from 2016-2024, stepped down from the Board and retired on 26 March 2024.

After serving for three years on the Board, **Ije Nwokorie** stepped down from his position as an Independent Non-Executive Director on 1 February 2024 and joined the business as Chief Brand Officer. Ije will succeed Kenny Wilson as CEO and rejoin the Board before the end of FY25.

PAUL MASON

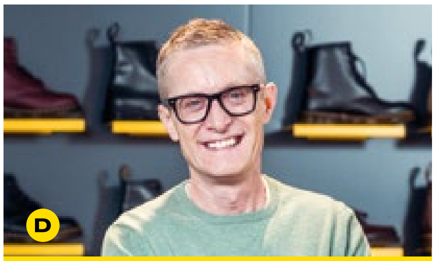
Chair

Joined: September 2015

Experience:
Having chaired six consumer businesses during his varied career, Paul brings a wealth of experience in retail and consumer brand businesses. Paul's executive career within the retail sector includes Chief Executive Officer of Somerfield PLC, European President of Levi Strauss & Co and Chief Executive Officer of Matalan and Asda.

How Paul supports the Company's strategy and long-term success:
Paul has extensive corporate knowledge of Dr. Martens from when it was a private company through to its transition as a listed business. This, together with his breadth of experience acquired over the course of his career, positions him to offer valuable strategic and operational insight and robust challenge to the Board.

His open, engaging and inclusive leadership style encourages transparency and the sharing of diverse perspectives within the Boardroom and open dialogue with the Company's key stakeholders. In FY24, this was particularly apparent in Paul's engagement with investors to understand their concerns against a backdrop of disappointing trading and macroeconomic uncertainty.



KENNY WILSON

Chief Executive Officer

Appointed: July 2018

Experience:
With more than three decades of experience in developing and expanding global consumer brands, Kenny led the transformation of Dr. Martens from a private company to publicly listed, amidst the challenges of Covid-19. Before joining Dr. Martens, Kenny held the positions of Chief Executive Officer at Cath Kidston for seven years, President, Europe at Claire's Accessories and also a 19-year tenure at Levi Strauss & Co, where he held significant positions including President of Levi's Brand for EMEA and Senior Vice President of Commercial Operations.

As announced by the Company in April 2024, subsequent to the year end, Kenny will step down as CEO before the end of FY25 and will be succeeded by Ije Nwokorie.

How Kenny supports the Company's strategy and long-term success:
Kenny is dedicated to safeguarding the brand and business and personally champions the custodian mindset that is intrinsic to the Dr. Martens culture.

His leadership style has been shaped by his passion for the brand and extensive experience built over a career in the branded goods sector. Kenny is known for his open-mindedness, ability to listen and to absorb and adapt to fresh new approaches and perspectives, both within and outside of the Boardroom.

Kenny announced his retirement in April. Kenny will leave the business at the end of FY25, allowing sufficient time for a smooth handover to our next Chief Executive Officer, Ije Nwokorie who is our current Chief Brand Officer.

Committee membership

A Audit and Risk **N** Nomination **R** Remuneration **D** Disclosure **E** Employee Representative Director ◯ Chair

GILES WILSON

Chief Financial Officer

Appointed: May 2024

Experience:
Giles has experience navigating financial markets, with years of experience on the executive leadership teams of large companies, including public listed company experience. Giles has a great understanding of what it means to be a leader in a much-loved company. Giles joins Dr. Martens from William Grant & Sons Limited, one of the largest global spirits companies. Prior to this, Giles was at John Menzies plc, first as CFO and then CEO. Giles has also held senior roles at Commercial Estates Group and Gallaher Group plc.

How Giles supports the Company's strategy and long-term success:
Giles is an experienced Chief Financial Officer with a wide-ranging skillset and a strong track record of driving growth at other organisations, in particular, Giles' understanding of branded goods coupled with operational management leadership experience will be an asset as the business progresses to the next stage of its strategy. Giles' recent listed company experience provides the Board with the standard of technical skills and expertise expected by our regulators and investors. Giles' leadership of the global finance functions will help to align the Company's financials across the business with the DOCS strategy, adjusting as appropriate to face challenges and opportunities.

LYNNE WEEDALL

Senior Independent Director

Appointed: January 2021

Experience:
Lynne's 30-year career spans across various executive and non-executive roles in UK public and private limited companies. She has held key positions such as Group HR Director for Selfridges Group, Carphone Warehouse plc, and Dixons Carphone plc, where she played a crucial role in merger integration. Additionally, Lynne served as Non-Executive Director and Remuneration Committee Chair for Greene King plc, William Hill plc, and Treatt plc. Prior to this, Lynne held senior roles at Whitbread plc, Bupa, and Tesco plc.

How Lynne supports the Company's strategy and long-term success:
Lynne is an experienced non-executive director and continued to chair the Company's Nomination and Remuneration Committees with diligence and discretion during a year of significant change for the Senior Leadership Team. Lynne is respected by her peers for her people-centred approach, focus on diversity and succession planning and her ability to offer alternative perspectives and pragmatic solutions to the range of issues discussed at Board and committee meetings.

Other appointments: Non-Executive Director and Chair of the Remuneration Committee and Nomination Committee of Softcat PLC, Non-Executive Director and Chair of the Remuneration Committee of Greggs plc, Trustee of The Prince's Trust and Non-Executive Director and Chair of the Remuneration Committee of Stagecoach Group Ltd.

ROBYN PERRISS

Independent Non-Executive Director

Appointed: January 2021

Experience:
Robyn brings extensive financial and governance expertise, coupled with diverse experience in the technology and media industries. Until June 2020, she served as Finance Director at Rightmove plc, a FTSE 100 company, where she navigated high growth amidst digital disruption and enhanced governance and strategic oversight. Prior to Rightmove, Robyn held the position of Group Financial Controller at Auto Trader.

How Robyn supports the Company's strategy and long-term success:
Robyn chairs the Audit and Risk Committee with a strong focus on risk, controls and assurance, bringing clarity to complex issues. She is valued for her financial expertise, capital markets experience and through her ongoing support and guidance of the Group Finance function. Her extensive regulatory knowledge and keen focus on ESG matters continue to support the Board and the Global Leadership Team.

As Employee Representative Non-Executive Director, Robyn also engages directly with employees globally and has adopted an approach which values open communication and encourages them to speak their minds. She is a prominent figure at Dr. Martens and a respected mentor of senior employees, who value her expertise and experience.

Other appointments: Non-Executive Director of Softcat PLC, Huel Ltd, and Next Fifteen Group plc, where she also chairs their respective audit committees.

KNOWLEDGE AND EXPERIENCE

IAN ROGERS

Independent Non-Executive Director

Appointed: January 2021

Experience:
Ian has been the Chief Experience Officer at Ledger since 2020, overseeing its consumer-facing offer and protecting digital assets. Previously, he served as Chief Digital Officer at LVMH, working with luxury retail brands like Louis Vuitton and Dior, and continues to act as an adviser. Ian's past roles include CEO of Beats Music, President and Chief Technology Officer at Mediacode, and Webmaster at Winamp. He contributed to the 2015 launch of Apple Music and has been a pioneer of music-related websites since the early 1990s.

How Ian supports the Company's strategy and long-term success:
Ian's extensive retail, digital and music background, coupled with his lifelong passion for the brand, enriches the Board's discussions. His insights into cultural shifts and future trends foster constructive dialogue among Board members and within the business. Ian's digital expertise and experience in the USA are highly valued by relevant business teams, as he shares his time and extensive industry connections to support them.

Other appointments: Chief Experience Officer at Ledger, Adviser at LVMH, Board Observer at Lyst.

Note on Committee membership:
Ian stepped down from the Remuneration Committee with effect from 1 May 2023.

TARA ALHADEFF

Non-Independent Non-Executive Director

Appointed: May 2015

Experience:
Tara is a partner at Permira, a global investment firm, overseeing brand investments in the consumer sector. Since joining Permira 16 years ago, Tara has collaborated with numerous brands, retailers and consumer internet companies, contributing to significant transactions such as Permira's acquisition of Dr. Martens. Initially joining the Dr. Martens Board in May 2015, Tara transitioned to a Non-Independent Non-Executive Director role in January 2021. Before her tenure at Permira, she worked in investment banking at Morgan Stanley.

How Tara supports the Company's strategy and long-term success:
Tara is the Company's longest-serving Board member and brings valuable continuity and corporate knowledge spanning its transition from private to public ownership. The Board continues to benefit from Tara's extensive sector expertise and broad international experience, while her strong financial acumen, questioning mindset and collaborative style are valuable assets to the Board. Tara's appointment also continues to facilitate good shareholder engagement with the Permira funds.

Other appointments: Partner at Permira Advisers LLP, Director at SixPlatform VIII Limited, Member of Supervisory Board at Hazel ParentCo SAS, Non-Executive Director at Hana Group and Golden Goose.

ANDREW HARRISON

Independent Non-Executive Director

Appointed: May 2023

Experience:
Andrew is the Managing Director of Freston Ventures, a leading consumer investment firm. He spent over two decades at Carphone Warehouse, including roles as Chief Executive and Chair. Andrew played a pivotal role in its growth and international expansion. He led the merger with Dixons in 2014, serving as Deputy Chief Executive. Andrew currently serves as Senior Independent Director at Ocado Group plc in addition to chairing the Remuneration Committee and serves as the designated Non-Executive Director for workforce engagement.

How Andrew supports the Company's strategy and long-term success:
Andrew brings extensive listed company experience to the Board and is highly valued by Board colleagues and the Global Leadership Team for his commercial expertise, broad-minded approach and engaging and supportive style. He offers strong, entrepreneurial leadership and valuable insight, enabling him to contribute alternative viewpoints and, where necessary, constructive challenge to the Board's discussions.

Other appointments: Senior Independent Director at Ocado Group plc, Chair at WhoCanFixMyCar.com Ltd, Chair at Strike Limited, Chair at Chicken Shop (Chik'n Ltd), Designated Member of Freston Ventures Investments LLP, Director at Smiles and Smiles Holding Limited, Chair of Trustees at The Mix.

Committee membership

A Audit and Risk **N** Nomination **R** Remuneration **D** Disclosure **E** Employee Representative Director ◯ Chair

EMILY REICHWALD

Chief Sustainability Officer
and Company Secretary

Appointed: January 2021

Experience:
Emily joined Dr. Martens in 2015 as General Counsel, later becoming Company Secretary upon the Company's listing on the London Stock Exchange in 2021. She is a member of the Global Leadership Team and has led the Legal and Sustainability teams for the last nine years. Emily's remit also included the HR function between 2022 and 2024 and she continues to chair the Dr. Martens Foundation. Prior to joining Dr. Martens, she held senior legal positions at Akzo Nobel and ICI plc, and trained as a solicitor at Linklaters during which time she was seconded to GE Capital and BP plc. Emily's external experience includes serving as a Non-Executive Director at UK-based fuel poverty charity National Energy Action from 2015 to 2018.

How Emily supports the Company's strategy and long-term success:
Emily is a respected adviser to the Board and has cultivated strong working relationships with the Chair and CEO. Having held a variety of roles and responsibilities during her career with Dr. Martens, she has acquired significant insight into all aspects of the business and continues to facilitate effective communication between the Board and stakeholders on relevant issues.

Emily will step down as Company Secretary of Dr. Martens plc on 3 June 2024 and following a short break will return to the Company in a part time adviser capacity later in the year.

BOARD SKILLS AND EXPERIENCE

	Brand/ consumer	Financial	Retail	Digital	PLC	International[1]	Independent?
Paul Mason	✓		✓		✓	✓	✗
Kenny Wilson	✓		✓	✓		✓	N/A
Jon Mortimore[2]	✓	✓	✓	✓	✓	✓	N/A
Tara Alhadeff	✓	✓	✓	✓		✓	✗
Ije Nwokorie[3]	✓		✓	✓		✓	✓
Ian Rogers	✓		✓	✓		✓	✓
Robyn Perriss	✓	✓		✓	✓		✓
Lynne Weedall	✓		✓		✓		✓
Andrew Harrison	✓	✓	✓	✓	✓	✓	✓
Giles Wilson[4]	✓	✓			✓	✓	N/A

1. Senior roles outside the UK.
2. Stepped down on 26 March 2024.
3. Stepped down on 1 February 2024.
4. Joined the Board on 13 May 2024.

ATTENDANCE AT MEETINGS HELD DURING FY24

The attendance of each Director at Board and Committee meetings held in total in FY24 is set out below. In addition to Board and Committee meetings, sufficient time is provided, periodically, for the Chair to meet privately with the Senior Independent Director and the Non-Executive Directors to discuss any matters arising.

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
Number of meetings held	9	5	7	6
	1 April 2023–31 March 2024 Number attended/max number could have attended:			
Paul Mason	9/9			6/6
Kenny Wilson	9/9			
Jon Mortimore	9/9			
Tara Alhadeff	9/9			5/6[3]
Robyn Perriss	9/9	5/5	7/7	6/6
Ian Rogers	9/9		1/1[4]	5/6[3]
Ije Nwokorie	9/9[1]	5/5		3/4[3]
Lynne Weedall	9/9	5/5	7/7	6/6
Andrew Harrison	9/9	4/5[2]	6/6	5/5

There were seven scheduled and two additional Board meetings held in FY24.
1. Ije Nwokorie attended the March 2024 meeting at the request of the Board.
2. Andrew Harrison was unable to attend the 3 May 2023 Audit and Risk Committee meeting due to pre-existing business commitments. This was notified prior to the Chair of the Committee.
3. Tara Alhadeff, Ije Nwokorie and Ian Rogers were unable to attend the Nomination Committee meeting on 13 April 2023 as it was called at short notice.
4. Ian Rogers stepped down from the Remuneration Committee on 1 May 2023.

BOARD ACTIVITIES

These pages provide an overview of the range of matters the Board discussed at its meetings together with a timeline of key events taking place during the year.

While not intended to present an exhaustive list of every item considered by the Board over the course of the year, this information provides insight into the nature and substance of the conversations that take place in the Boardroom and how the Board's activities continue to focus on delivering the DOCS strategy, with due regard to the interests of all of the Group's key stakeholder groups.

The vast majority of the Board's significant discussions, debates and decisions take place during its regular, scheduled Board meetings. These are supplemented by its annual strategy 'off-site' and, where needed, additional deep dives to provide a more in-depth understanding of and context around key issues.

Board meetings are also an important mechanism through which the Directors discharge their duties, particularly under Section 172 of the Companies Act 2006.

Agendas are agreed in advance by the Chairman and Company Secretary following discussion about proposed topics and focus areas with the Chief Executive Officer and Chief Financial Officer. To the extent possible, meetings are scheduled to align with the wider cadence of the business to ensure that they take place at optimal points throughout the year.

Agendas are tailored to appropriately balance detailed updates from the Executive Directors on trading and financial performance with 'deep dives' into specific strategic priority areas and the range of governance related and other matters that require the Board's attention.

LINKS TO STRATEGY:

- D Direct-to-consumer first
- O Organisational and operational excellence
- C Consumer connection
- S Support brand expansion with B2B

READ MORE ABOUT OUR STRATEGY FROM P22

STRATEGY

The Board spends a significant portion of its time during its meetings reviewing, analysing and debating matters relating to the Company's key strategic priorities, advising and shaping strategic direction as needed.

Link to relevant strategic pillars:

D O C S

Summary of activities in FY24:

- Held the annual two-day Board strategy 'off-site' at which topics including the strategic direction and development of the business over the coming five-year period were discussed in depth.
- Discussed insights from the work undertaken in partnership with specialist external consultants TruePoint and OC&C during the year to identify options to optimise the structure of the organisation to better support DTC-led operations.
- Reviewed the five-year plan and considered the critical drivers of future growth, including driving brand heat and demand, retail expansion in key markets, the rollout of omnichannel capabilities, consumer data improvements, and ecommerce.
- Reviewed and discussed senior appointments and succession planning for key roles, notably the CEO.
- Significant focus during Board discussions on the developing macroeconomic context and resolving the challenges impacting the Group's largest business in the USA.

BOARD ACTIVITIES TIMELINE

Board and Committees:

- B Board
- R Remuneration Committee
- A Audit and Risk Committee
- N Nomination Committee
- AGM Annual General Meeting
- GLT GLT meeting

Other calendar events:

- Director attended events and other key dates
- Employee Listening Group
- Market announcements

April 2023

Scheduled meetings: R GLT

Key events:

- Executive Director regional visit (USA)
- Employee Listening Group (Global Management Team)

May 2023

Scheduled meetings: B R A N GLT

Key events:

- Andrew Harrison joined the Board

June 2023

Scheduled meetings: B R GLT

Key events:

- Board Strategy Off-Site (London)
- Full Year Investor Roadshows
- FY23 Full Year results, publication of FY23 Annual Report and AGM Notice of Meeting

July 2023

Scheduled meetings: B N AGM GLT

Key events:

- NED engagement visit to the UK factory
- Executive Director regional visits (USA, France, Japan, Korea)
- Employee Listening Groups (APAC, Cobbs Lane)
- AGM trading update

DEEP DIVES

Most Board meetings incorporate focused 'deep dive' sessions dedicated to areas of particular strategic importance, which are typically led by members of the GLT. These sessions enable the Board to delve into the complexities of key issues with the relevant members of senior leadership, enabling more informed decision-making.

Link to relevant strategic pillars:

D O C S

Summary of activities in FY24:

- Reviewed the Amp product strategy, including the prior evolution of the range and plans for its future development.
- Discussed key marketing initiatives, upcoming campaigns and priority areas of focus for the Marketing function from financial, brand and consumer perspectives.
- Considered detailed updates on the Americas business and discussed local market conditions, progress in addressing the identified challenges, reigniting boots in that market, future outlook and key strategic priorities.
- Detailed discussions focusing on the budgeting process and proposals for FY25, taking into consideration the key underlying assumptions, principal risks and stress-testing.
- Reviewed the brand and product strategies, including learnings from prior years, current focus areas and longer-term objectives.

GOVERNANCE

These comprise the range of regular reviews, regulatory updates and other standing items which assist the Board in fulfilling its statutory duties to the Company.

Link to relevant strategic pillars:

D O C S

Summary of activities in FY24:

- Agreed the approach to the 2023 Annual General Meeting and approved the resolutions to be put to shareholders for approval.
- Reviewed shareholder returns, considering metrics including cash flow and liquidity prior to approving the £50m share buyback programme and the interim and final dividends for FY24.
- Received reports detailing the range of matters considered and approved by the Operating and Real Estate Committees during the year.
- Considered a range of 'ordinary course' governance matters during the year, including reviewing the draft Annual Report and approving the Modern Slavery Statement.
- Undertook an internal Board Evaluation, led by the Chair and Company Secretary, to assess its effectiveness and performance during the year, with feedback from Directors provided and discussed by the Board.
- Monitored regulatory and legislative developments and considered any potential impact on operations.

DIRECTOR UPDATES

These provide an opportunity for the Board to discuss current trading and financial performance with the Executive Directors and offer advice and insight in relation to near-term business priorities and stakeholder concerns.

Link to relevant strategic pillars:

D O C S

Summary of activities in FY24:

- Received global operational performance updates from the CEO, including progress in priority initiatives and key markets and the activities of the GLT.
- Considered detailed financial updates presented to each meeting and led by the CFO, covering recent trading performance, forecasting, capital allocation and budgeting.
- Reviewed the plan for an orderly transition to a new CFO, including the establishment of the Finance Panel.
- Received updates from the Chairs of the Audit and Risk and Remuneration Committees on the activities of those Committees, including key topics of discussion and points of concern.
- Considered the themes and issues raised during the Employee Listening Groups held during the year.
- Received regular updates on investor relations and external communications activities, covering feedback from investor roadshows, recent media coverage and planned media activities.

August 2023

To the extent possible, August is kept clear to give our teams time to rest and recharge.

September 2023

Scheduled meetings: B R A N GLT

Key events:

- Product 'teach-in' investor event
- Employee Listening Group (EMEA Retail)

October 2023

Scheduled meetings: GLT

Key events:

- Investor Roadshows (Canada, USA)
- Executive Director regional visits (USA, Korea)

November 2023

Scheduled meetings: B R A N GLT

Key events:

- Executive Director regional visit (USA)
- FY24 Half Year Results Investor Roadshow
- Employee Listening Group (Global Supply Chain)
- Announcements of new CFO and CBO appointments
- FY24 Half Year Results

December 2023

Scheduled meetings: GLT

Key events:

- Executive Director regional visit (Spain)
- FY24 Half Year Results Investor Roadshow

January 2024

Scheduled meetings: B A GLT

Key events:

- Employee Listening Group (EMEA Non-Retail)
- Q3 trading update

February 2024

Scheduled meetings: GLT

Key events:

- Executive Director regional visits (USA, Hong Kong, Japan)
- Announcement of CFO start date
- Ije Nwokorie stepped down from the Board

March 2024

Scheduled meetings: B R N GLT

Key events:

- Fireside chat: Remuneration with Lynne Weedall

DELEGATING RESPONSIBILITIES

The following pages illustrate our governance framework and, in particular, how the Board delegates authority to its Committees and the wider business.

KEY BOARD ROLES AND RESPONSIBILITIES

Chief Executive Officer

CEO Kenny Wilson reports to the Chair and to the Board and is responsible for the executive management of the Dr. Martens Group. All members of Global Leadership Team report to the Chief Executive Officer. Kenny's key responsibilities include leading the leadership team in managing the Group's activities on a day-to-day basis, developing Group strategy, plans and commercial and other objectives with the Board, leading communications with shareholders and other key stakeholders and ensuring that timely and accurate information is disclosed to the market and setting an example to the Group's workforce and communicating to them expectations in respect of the Company's culture.

Chair of the Board

The Chair of our Board, Paul Mason, leads the Board and ensures it fulfils its responsibilities to the Company and its stakeholders effectively, while promoting high standards of corporate governance across the Group. He is responsible for facilitating constructive Board relations and promoting a culture of openness and debate within the Boardroom and ensuring the clear and effective communication of information to shareholders and seeking regular engagement with them.

Senior Independent Director

Our SID, Lynne Weedall, acts as a sounding board for the Chair, provides support in the delivery of his objectives and serves as an intermediary for the other Directors. Lynne is responsible for overseeing the Chair's performance evaluation and succession plans and is available as an additional contact point for shareholders if required.

Non-Executive Directors

Our five Non-Executive Directors (four independent, one non-independent) use their outside expertise to support the Executive Directors and the Global Leadership Team. They advise on the development of Group strategy, providing objective and constructive challenge, and scrutinise the Group's financial and operational performance. More information about the independence and other commitments of the Non-Executive Directors can be found in the Nomination Committee Report on pages 108 to 115.

Director tenure

All the Independent Non-Executive Directors remain within their recommended maximum nine-year terms of service. Two Board members, Board Chair Paul Mason and Non-Executive Director Tara Alhadeff, are set to reach this threshold during FY25. The Board's longest serving Director is Tara Alhadeff, who will have served for nine years as at the date of publication of this Annual Report.

The Committee and Board continue to value the breadth and depth of experience and insight that both Paul and Tara continue to contribute and the Committee supports the Board's recommendation that both be re-elected for a further year at our AGM in July.

Director independence

The independence of the Non-Executive Directors was considered as part of the FY24 Board Evaluation process. The Board determined that all of the Non-Executive Directors continued to demonstrate independence in both character and judgement during FY24. Each of the Non-Executive Directors that were considered by the Board to be independent during the year are identified on pages 98.

Over half of the Dr. Martens plc Board (excluding the Chair) comprised Independent Non-Executive Directors during FY24. The memberships of both the Remuneration and Audit and Risk Committees continue to comprise Independent Non-Executive Directors only, while the Nomination Committee comprises all of the Non-Executive Directors and the Chair of the Board.

The Board has also determined that, with the exception of Tara Alhadeff, the Non-Executive Directors remain free from relationships or circumstances which may (or could appear to) affect their judgement. More information about Tara's relationship with the Company's largest shareholder, IngreLux S.àr.l (which is wholly owned by funds advised by Permira Advisers LLP), is provided in the Directors' Report section of this Annual Report on page 144.

The Board confirms that Tara Alhadeff is not considered to be independent for the purposes of the Code and is identified as such on page 98. Tara was appointed to the Board by IngreLux S.àr.l pursuant to its relationship agreement with the Company. This agreement permits IngreLux S.àr.l to appoint one Non-Executive Director to the Board for so long as it retains control of 10% or more of the votes able to be cast on all (or substantially all) matters at any general meeting held by the Company.

Time commitments

Non-Executive Directors are expected to avoid holding an excessive number of external appointments; however, the Board recognises that these roles can vary significantly in terms of their complexity and required time commitment, so has agreed to assess them on a case-by-case basis. When doing so, the Board considers the number of board positions that the Director in question holds at other public companies alongside the likely 'size' of their new role. It also takes into account externally published guidance and proxy voting guidelines to ensure the principles of major investors in respect of 'overboarding' are considered.

Each of the Non-Executive Directors has confirmed that they continue to be able to meet the Company's expectations of them and to allocate sufficient time to discharge their duties as Directors effectively and the Board is satisfied that this continues to be the case. Directors' external commitments are monitored by the Board on an ongoing basis, with the assistance of the Company Secretariat function, to ensure that they remain able to allocate sufficient time to their duties to the Company.

OUR GOVERNANCE FRAMEWORK

PLC BOARD

The Dr. Martens plc Board sets the Company's purpose and strategy and holds management to account for its delivery with a view to securing the success of the business over the longer term for the benefit of our shareholders and wider stakeholders.

It is responsible for ensuring that the strategy aligns with and promotes our culture, encompassing the core tenets of brand custodianship, 'doing the right thing', and 'leaving things better than we found them'.

The Board discharges its duties both directly and through authority it has delegated to its three Principal Board Committees, the Executive Directors and the Global Leadership Team. The Chairs of each Committee update the Board on their activities at each Board meeting.

Full details of the Board's responsibilities and terms of reference for the principal Board Committees are available at **www.drmartens.com**.

EXECUTIVE DIRECTORS

Comprising the CEO and CFO, the Executive Directors are responsible for the day-to-day management of the business with the support of the GLT.

All matters not specifically reserved for the Board or the Board Committees and necessary for the ongoing management of the business are delegated to the Executive Directors.

In the interests of good governance, the Executive Directors exercise some of their delegated authority through committees, particularly the Operating and Real Estate Committees.

GLOBAL LEADERSHIP TEAM (GLT)

Reporting into the CEO, this constitutes the Group's core Senior Leadership Team.

The GLT has accountability over each of the regional and central global business functions: EMEA, Americas, APAC, Technology, Operations, Brand, Strategy, Product, Marketing, Finance, Legal & Compliance, HR and Sustainability.

It is responsible for executing our strategy, identifying growth opportunities and developing strategic initiatives while supporting the Board in meeting its oversight requirements.

See page 100 for more information about the GLT.

PRINCIPAL BOARD COMMITTEES

NOMINATION COMMITTEE

SEE PAGES 108 TO 115

- Reviews the structure, size and composition of the Board.
- Recommends potential Board and senior management appointments and reappointments to the Board.
- Oversees succession planning for the Company's Directors and Global Leadership Team.
- Monitors effectiveness of policies and strategy for diversity, equity and inclusion.

REMUNERATION COMMITTEE

SEE PAGES 116 TO 125

- Develops and monitors the ongoing appropriateness of the Group's policy on Executive remuneration.
- Determines the levels of remuneration for the Board and leadership.
- Monitors remuneration structures and recommends changes.
- Reviews overall workforce remuneration and related policies and the alignment of incentives and rewards with culture and takes these into account when determining the remuneration of the Board and leadership.

AUDIT AND RISK COMMITTEE

SEE PAGES 134 TO 143

- Assists the Board in discharging its responsibilities in relation to financial and narrative reporting.
- Monitors and reviews the Group's financial controls and systems.
- Advises on the appointment of, manages the relationship with and monitors the effectiveness of the external auditor.
- Reviews the effectiveness of wider compliance, including the whistleblowing and fraud systems in place within the Group.

KEY SUPPORTING COMMITTEES AND BUSINESS FORUMS

MARKET DISCLOSURE COMMITTEE | OPERATING COMMITTEE | REAL ESTATE COMMITTEE | OPERATIONAL RISK COMMITTEE | SUSTAINABILITY COMMITTEE

These support the Board and business in specific areas. They operate to clearly defined terms of reference and, in the case of the Operating and Real Estate Committees, under authority delegated to them under the Delegation of Authority Policy. While not considered a Principal Board Committee, all Non-Executive Directors are members of the Disclosure Committee and at least one must be present at each of its meetings.

MEET THE GLOBAL LEADERSHIP TEAM

Comprising the Company's most senior leaders, the GLT is tasked with overseeing day-to-day business operations and plays a significant role in implementing our strategy.

INFORMATION ON THE ROLE OF THE GLT
P99

IJE NWOKORIE

Chief Brand Officer
Joined: February 2024

Responsibilities: Ije sets the overall brand strategy, vision and direction – elevating our brand and further strengthening the partnership with our Product, Marketing, and Strategy teams and embedding sustainability across the business.

GEERT PEETERS

Chief Operating Officer
Joined: June 2018

Responsibilities: Leads the Company's Global Supply Chain and Operations functions. These include Materials Management, Product Sourcing, Product Quality and Compliance, Demand and Supply Planning, Logistics and Regional Operations.

GRAHAM CALDER

Chief Technology Officer
Joined: October 2023

Responsibilities: Leading the development and implementation of the business's technological strategies, driving innovation to enhance operational efficiency, and focusing on the direct-to-consumer proposition.

BRIDGET JOLLIFFE

Chief People Officer
Joined: April 2024

Responsibilities: Oversees the people strategy to enable an inclusive organisation, inspiring leadership and a unique employee experience. Leads the People team to deliver commercial success by putting people at the heart of our values and brand.

ERIK ZAMBON

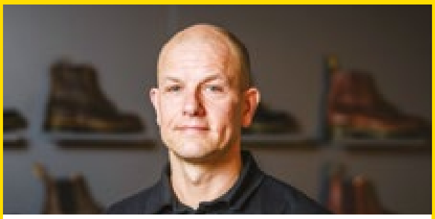
Strategy Director
Joined: April 2017

Responsibilities: Leads the Global Strategy team in defining medium-term strategic priorities, identifying growth opportunities, and managing strategic value creation programmes in collaboration with the leadership team.

ADAM MEEK

Chief Product Officer
Joined: December 2021

Responsibilities: Leads product creation at Dr. Martens and has ownership of design, development, category merchandising and Product Insight.



MIKE STOPFORTH

President, EMEA
Joined: May 2023

Responsibilities: Directs the strategic and operational management of Dr. Martens in the EMEA region, including product and marketing alongside our Ecommerce and Wholesale channels.

JENNIFER SOMER

President, Americas
Joined: November 2021

Responsibilities: Oversees the Dr. Martens business in the Americas region including regional strategy, product, marketing and direct responsibility for the brand's Retail, Ecommerce and Wholesale businesses.

DEREK CHAN

President, APAC
Joined: September 2019

Responsibilities: Leads the strategic direction and operational management of Dr. Martens' business in the Asia-Pacific region, including regional strategy, product, marketing, and oversight of the brand's Retail, Ecommerce and Wholesale operations.

CONSIDERING OUR STAKEHOLDERS

The following pages describe how the Board engages with its key stakeholders and their influence on the Board's decision-making. These pages should be read in conjunction with our s172 Statement and broader stakeholder disclosures on pages 18 to 21 of the Strategic Report, which explain how the business engaged with each stakeholder group during the year and continues to do so.

OWNERS

WHAT ARE THEIR PRIORITIES?
- Strong value creation, our business model and delivery of the DOCS strategy.
- Our position and performance in respect of ESG matters.
- Strength of leadership.
- Clear articulation and effective management of risks.
- Fair, balanced and understandable reporting of financial results.
- Efficient capital allocation.
- Clear and transparent communications.

HOW THE BOARD ENGAGES
- Board members are available at the AGM to answer questions submitted by email in advance or on the day of the meeting.
- Investor roadshows held post-financial results with our largest institutional investors by the Executive Directors and the Investor Relations team.
- Additional meetings held either in-person or virtually. In FY24 a number of such meetings were held following our interim results and Q3 trading announcements, attended by the Chief Executive Officer and Chief Financial Officer. The Chairman and Senior Independent Director are also available to discuss governance matters with institutional investors as required.
- The Chair of the Remuneration Committee invited the Company's largest shareholders to engage with her in respect of the Company's Remuneration Policy review, ahead of the new policy being put to the members' vote at the FY24 AGM, for implementation in FY25 in accordance with the Code.

INFLUENCE ON THE BOARD'S DECISION-MAKING
- Investor priorities inform the Board's shaping of dividend policy and its overall approach to capital allocation. In FY24 this included the implementation of the Company's £50m share buyback programme, conducted between July and December 2024.

OUR PEOPLE

WHAT ARE THEIR PRIORITIES?
- A diverse, equitable and inclusive workplace.
- Fair compensation.
- Having opportunities to grow and develop.
- Taking a position on climate, environmental and social justice issues.
- A positive workplace culture that empowers them.

HOW THE BOARD ENGAGES
- The Chief Executive Officer produces a series of regular video updates, 'UNPLUGGED', where he shares updates on his activities and areas of focus with the organisation.
- Contributions to diversity and inclusion initiatives and events. During Black History Month, Ije Nwokorie joined a panel event to provide insight into how his career has been shaped by his identity. On International Women's Day, Tara Alhadeff, Robyn Perriss and Lynne Weedall participated in a 'fireside chat' to share their career journeys with our people.
- Market visits to Paris, LA, Tokyo and Seoul deepened the Executive Directors' understanding of those markets and key findings were reported back to the Board.
- Our Employee Representative Non-Executive Director, Robyn Perriss, hosted Listening Groups with employees from across the global organisation, a number of which were also attended by the Senior Independent Director, Lynne Weedall.
- The Non-Executive Directors visited the Made In England factory and office at Cobbs Lane, enabling informal engagement with employees based at those sites.

INFLUENCE ON THE BOARD'S DECISION-MAKING
- Employee feedback raised through the range of available channels was factored into the Board's decisions during the year and continue to inform its strategic priorities. These included decisions relating to the prioritisation of key senior hires, continued investment in IT infrastructure and further investment in our office environments.
- The Board, supported by the Nomination and Remuneration Committees, oversaw a number of new hires and promotions to the Board and Global Leadership Team during the year. These were focused on driving the evolution of senior leadership to better support the delivery of the DOCS strategy and return the business to growth, as well as securing smooth succession processes. More information about the key senior appointments made during FY24 can be found in the Nomination Committee Report from page 108.

CONSUMERS

WHAT ARE THEIR PRIORITIES?

- Innovative, great quality, durable products.
- Value for money.
- A great end-to-end customer experience, be it in-store or online.
- Availability of the products they want.
- Socially and environmentally responsible purchasing decisions.
- A product with which they have an emotional connection.

HOW THE BOARD ENGAGES

- Consumer insights and progress in key, consumer-focused strategic projects are reported to the Board through updates from the Strategy team and Chief Executive Officer. These inform future initiatives and ensure the Board is focused on the consumer experience.
- The Executive Directors visited a number of key global markets over the course of the year and reported back to the Board on their observations and activities.
- Our Employee Representative Non-Executive Director, Robyn Perriss, chaired a retail-focused employee listening session at which members of our store teams discussed topics including consumer priorities, concerns and perspectives. The themes of this session were fed back to the Board.
- Significant focus on the consumer at Board meetings, from regular reports from the Marketing function covering ongoing and planned consumer engagement activities to detailed ‘deep-dives’ into the product, marketing and overall brand strategies.

INFLUENCE ON THE BOARD’S DECISION-MAKING

- Consumers are central to the Board’s discussions and building closer, stronger connections with them was a significant influence on the strategic decision to prioritise DTC operations.
- Insights acquired through consumer engagement inform the Board’s thinking around marketing and future pricing strategies.
- The decision to approve significant investment in a new Consumer Data Platform was driven by the need to improve the breadth and quality of our consumer data and sharpen our understanding of them.
- The Executive Directors reviewed and approved investments in a number of consumer-focused initiatives during the year, including broadening our USA store offer through new outlets, implementing a new customer service platform in EMEA, improving our website in Japan and trialling repair and resale operations in the USA.

PARTNERS

WHAT ARE THEIR PRIORITIES?

- Driving awareness of brands within multi-branded retail to capture new consumers.
- Providing a top-quality end-to-end customer experience online and in store.
- Clear understanding of their consumer base, offering a range of products that meet their needs.
- Building long-term relationships.

HOW THE BOARD ENGAGES

- B2B performance is regularly reported to the Board through updates provided by the Chief Financial Officer.
- The Executive Directors participate in regional budget meetings which include reviews of local B2B strategies and take the needs and product choices of our B2B partners into account.
- Regular visits by the Executive Directors to partner-operated stores, which in FY24 included stores in Paris, Barcelona, NYC, LA, Seoul and Hong Kong.
- The CEO attends strategic country meetings held with members of the Retail leadership and B2B teams. In FY24 these included sessions held in the UK, Spain, France, Hong Kong, Japan and South Korea, LA and New York.

INFLUENCE ON THE BOARD’S DECISION-MAKING

- The CEO provides updates on priority topics, such as wholesale performance, at each Board meeting, facilitating deep discussion and scrutiny of the same by the Board.
- Fulfilment of wholesale partner orders, sell-through and inventory levels are reviewed regularly by the Executive Directors. On occasions when delayed production and transit times would result in orders arriving late, the Executive Directors have agreed to additional costs to air freight products to ensure delivery was on time.
- The Executive Directors review and approve distributor, franchise and concession opportunities at monthly Real Estate Committee meetings, the activities of which are reported to each Board meeting.

SUPPLIERS

WHAT ARE THEIR PRIORITIES?

- Long-term collaboration.
- Responsible supply chain assurance (including environment, modern slavery and broader human rights).
- Opportunities for further growth.
- Socially and environmentally responsible operations.
- Prompt payment and fair terms and conditions.

HOW THE BOARD ENGAGES

- The Board discusses Company performance at each Board meeting and received regular updates on the supply chain during the year, including the work with suppliers to unlock value and enable growth.
- The Board, supported by the Chief Operating Officer who leads the Global Supply Chain function, reviews the long-term needs of the supply chain network in the context of future growth plans, particularly in terms of production and logistical capacity. The Chief Operating Officer attended the Board meeting in March 2024 and participated in a Board meeting at which the FY25 draft budget was discussed at length.

INFLUENCE ON THE BOARD'S DECISION-MAKING

- The feedback, insights and outcomes from engagement with suppliers have a significant impact on how the Board shapes its strategic priorities. This includes decisions relating to the Group's logistical capacity, determining the jurisdictions from which we source materials or base our manufacturing and the selection of our key Tier 1 and 2 suppliers.
- The Board considers the global footprint of manufacturing and distribution capacity to optimise lead times and the spread of risk across the business by ensuring there is no over-reliance on any single market.

ENVIRONMENT & COMMUNITIES

WHAT ARE THEIR PRIORITIES?

- The environmental impact of our business and products, including our climate-related risks and opportunities.
- Use of sustainable materials and energy from renewable sources.
- Diversity, equity and inclusion.
- Playing a positive role in society both at a local and global level.
- The human rights of all people impacted by Dr. Martens' business activities.

HOW THE BOARD ENGAGES

- The Board receives reports and presentations on the key initiatives considered by the Sustainability Committee and the activities of the Dr. Martens Foundation from members of the Senior Leadership Team and updates from the CEO, who chairs the Committee.
- The Board oversees the Company's broader sustainability reporting within the Annual Report, through the Audit and Risk Committee and the CFO's membership of the TCFD Steering Committee.
- Regular 'horizon scanning' updates on environmental, social and governance issues are provided to the Board to ensure they are up to date on regulatory changes and other developments in these areas.
- The Board attended a product teach-in to investors at which the sustainability strategy and future sustainability innovations were presented.

INFLUENCE ON THE BOARD'S DECISION-MAKING

- The feedback, insights and outcomes from the reports and updates described in the Sustainability Report on pages 46 to 74 enable the Board to monitor the impact of the business across numerous environmental indicators and guide its decision-making on broader climate and sustainability issues.
- The Executive Directors, under delegated authority from the Board, approved an investment in a third-party emissions management software platform to facilitate more consistent and efficient measurement and monitoring of the Group's carbon footprint and Net-Zero target.
- The Executive Directors approved authorised repair and ReWair, supporting the long-term vision of building a profitable repair and resale business model. Read more about these models on pages 25 and 61.

KEY BOARD DECISIONS IN FY24

AND HOW STAKEHOLDERS WERE CONSIDERED

SHARE BUYBACK

Stakeholders considered:

In line with our capital allocation framework the Company executed a share buyback programme ('Programme') in FY24.

- The Board considered capital allocation at length during Board meetings spanning FY23 and FY24. Multiple capital allocation options were considered, taking into account expert advice from our corporate brokers and the views of key institutional shareholders that had been shared with the Board.
- It was decided the Programme would be an efficient way to return excess capital to shareholders, as it would increase the proportion of the total issued share capital owned by shareholders who retained their shares.
- The Board decided the optimum consideration to be paid for shares during the Programme would be £50m, with no more than £10m of transactions made monthly, to allow for optimal cash flow management.

Execution of key decision:

- Authority to execute the Programme was proposed to shareholders at the FY23 AGM. The resolution passed at a vote of 99.94% in favour, by shareholders representing 79.19% of the Company's issued share capital.
- The Company entered into an agreement with Morgan Stanley & Co. International plc to conduct the Programme.
- The share buyback was conducted between 14 July 2023 to 15 December 2023.
- Approximately 39.9 million shares were bought back and cancelled, representing a return of approximately £50m to investors.

Section 172(1) considerations:

A The Programme was thought to be an efficient way to manage the Company's capital allocation.

B F The share buyback increased shareholders' overall ownership of the Company. This also benefitted many of our employees who are shareholders.

E The Programme was conducted in a clear and transparent manner through publication on our corporate website, RNS announcements and Companies House filings.

F The Board considered the Programme to be for the benefit of its members as a whole, having given fair consideration to all members and key stakeholders.

KEY HIRES

Stakeholders considered:

Attracting and retaining key talent was top of mind for the Board in FY24. In order to support the business's strategic aims and execute the DOCS strategy, the Board (supported by the Nomination Committee and Remuneration Committee) made decisions regarding new appointments and roles to further strengthen the leadership team:

Succession:

Giles Wilson was hired as Chief Financial Officer, commencing his role on 13 May 2024. Read more about Giles on pages 8 and 93. A key factor in the Board's decision to appoint Giles was his listed company experience, which will augment the Board's skillset, improve our communication and guidance to the market, provide strong leadership for our global finance functions and help the business to navigate through the opportunities and current challenges on the next phase of our journey as a listed company.

Graham Calder was recruited as Chief Technology Officer (CTO) in October 2023, to lead the business as it continues to build a stronger Technology function, providing improved digital experiences for our consumers and managing our IT investments. Read more about Graham on page 139.

Bridget Jolliffe was recruited as Chief People Officer in FY24 and commenced her role in early FY25. Bridget will lead the evolution of our People strategy, utilising her over 30 years' experience across a diverse range of organisations. Read more about Bridget on page 100.

Succession, promotion and development of key talent

Mike Stopforth was promoted from Sales Director EMEA/General Manager UK to President EMEA, joining the Global Leadership Team (GLT). This was a great example of the Board's succession planning and desire to foster and promote internal talent, which has also proved to be popular with our people. In endorsing Mike's promotion to this role, the Board recognised both the importance of continuity for the EMEA region and retaining his significant industry experience. Read more about Mike on page 100.

New key roles created:

- The Board decided to recruit Ije Nwokorie as the business's first Chief Brand Officer (CBO). This role was created to bring together our Product, Marketing, and Strategy teams and to set the overall brand strategy, vision and direction for the next phase of Dr. Martens' growth. The appointment of Ije was also made with a view to succession to the Chief Executive Officer role. Read more about Ije Nwokorie's transition from Non-Executive Director to CBO and future Chief Executive Officer from page 108.
- A Global Go-To-Market Director was recruited to lead on the end-to-end go-to-market process. The role will lead on ensuring alignment and collaboration among our people, partners and suppliers.

Section 172(1) considerations:

A B Proactive succession planning of the Chief Executive Officer and new GLT appointments, including internal promotions, demonstrate the Board's ongoing commitment to developing, attracting and retaining key talent for the long term, in an increasingly competitive market.

A C D The senior leaders recruited during the year will play a critical role in fostering close, constructive relationships with each of our core stakeholder groups and ensure that their interests remain appropriately embedded in our day-to-day operations. The Board continues to work closely with the Company's senior leaders to maintain oversight of the global business and ensure it is discharging its duties to the Company and its stakeholders effectively.

SECTION 172(1) FACTORS:

A The likely consequences of any decision in the long term.

B The interests of our people.

C The need to foster business relationships with our suppliers, consumers and others.

D Our impact on the community and the environment.

E Our desirability to maintain a reputation for high standards of business conduct.

F Acting fairly between members of the Company.

Q & A

ROBYN PERRISS
Independent Non-Executive Director

AMPLIFYING THE EMPLOYEE VOICE

Q

How do your employee listening sessions work?
Each session focuses on a subset of employees invited at random from a specific business function or region. This sets some common ground as a basis for open conversations and helps ensure we cover as many different areas of the business as reasonably possible.

I strongly believe in keeping the sessions as unfiltered and impartial as possible. They are safe spaces in which our employees can discuss the issues that are most important to them with myself and their peers in an open, honest way. Prior to each session, I ensure I'm up to speed on any specific issues, events or other circumstances that are impacting particular teams so I'm better able to guide the discussions or drill more deeply into particular points if necessary.

Q

How does your role as the 'employee voice' in the Boardroom work in practice?
As Employee Representative NED, I help ensure that we as a Board keep ourselves in tune with the 'mood music' of the global organisation, take action for our employees in the areas it is needed most and communicate with them about the right things, in the right way. My programme of employee listening sessions has established an important link between the Board and our employees and provides opportunities for us to monitor the health of our culture and see our values in action. I update the Board on the key themes raised at these sessions and regularly discuss relevant employee issues directly with the CEO and CFO during our one-to-one meetings to ensure they are understood and taken into account.

Q

How does the Board ensure that the priorities of employees are factored into its decisions?
From a formal perspective, I have a standing item at the start of each Board agenda where I provide an update on my activities as Employee Representative to the Board and discuss the themes and feedback from recent employee listening sessions. This helps set the scene for the rest of the Board meeting and provides important context to our discussions. Separately, the results of our annual Engagement and Inclusion Survey are discussed by the Board and help guide our decisions and future focus areas. Employee feedback is also incorporated into our Global Bonus Scheme as part of our strategic targets, to link strong and effective management with the potential remuneration of our senior leaders.

Q

What were the key themes of your discussions with employees this year?
We covered a lot of ground, as you can imagine. The topics we touched on ranged from region or even team specific to those of significance to the global business. A common theme was the challenges posed by certain outdated or inefficient systems, which impact the ability of our employees to do their jobs effectively. We talked about what these challenges look like 'on the ground' and the extensive work underway to resolve these issues by upgrading key capabilities. Our discussions encompassed numerous other topics, from cost-of-living pressures to opportunities for career development and ways to strengthen communication between leadership and the wider business.

Q

What are some of your reflections on the sessions this year?
My listening sessions really have been a showcase for our three values of 'be yourself', 'act courageously' and 'show you care' in action and continue to reflect a culture where employees feel safe and supported in raising feedback and ideas. Participants always speak openly and honestly, are receptive to and respectful of different perspectives and ready to offer support and advice to colleagues where needed. They do not expect us to have all the answers but do expect clarity in terms of our expectations of them and the strategic direction and objectives of the business and to receive assurance that their voices have been heard.

More broadly, as the business navigated its way through the challenges of FY24 and into a new financial year, the primary focus of the Board and Senior Leadership Team has been returning the business to growth. Although this has reduced the bandwidth available to drive our employee listening strategy to the extent that we would have liked, we have continued to move forward in a spirit of 'progress over perfection'. In the present environment it is more important than ever to maintain clear lines of communication between the Board and employees and that, where possible, we act on the feedback we receive at the listening sessions. For example, matters discussed during the sessions have resulted in follow-up actions taken by the GLT, while the more routine queries or requests for clarification are taken away and responded to by email as soon as possible after each session.

We will continue to operate our programme of employee listening sessions into FY25 and beyond, ensuring the Board and business benefit from the rich perspectives and innovative thinking of our people and that we are able to understand and respond to the issues that matter to them.

EMPLOYEE ENGAGEMENT: KEY EVENTS TIMELINE

April 2023
Listening group: Global Management Team

July 2023
Listening group: Northampton factory and Cobbs Lane office

July 2023
Listening group: APAC

Sept 2023
Listening group: Retail

October 2023
Black History Month 'In Conversation with..' event (Ije on the panel)

November 2023
Listening group: Global Supply Chain

March 2024
'Fireside chat': International Women's Month with Robyn Perriss, Lynne Weedall and Tara Alhadeff

March 2024
'Fireside chat': Remuneration with Lynne Weedall

HOW WE ASSESS AND MONITOR THE DM CULTURE

The following pages explain how the Board seeks to ensure our culture remains aligned with our purpose, to empower Rebellious Self Expression, and our DOCS strategy and provide an overview of the tools it employs to monitor the health of our culture on an ongoing basis.

Defining our culture

Expressing in a few words the myriad tangible and non-tangible factors which, collectively, make up the Dr. Martens culture is a challenging proposition, but one which the Board believes is essential to establish a common understanding within the organisation of who we are, what we believe in and what we stand for, which resonates with employees and from which their individual interpretations can flourish.

As such, we continue to define our culture through the maxim **'Rebellious Self Expression'**, which serves as our collective shorthand to capture the essence of Dr. Martens and what it represents to our people and consumers. The Board has always been clear that the root of Rebellious Self Expression is in our brand and products, from the original, boundary-pushing boot created in 1960 through to the range of convention-challenging subcultures which adopted the brand over subsequent decades and with which it came to be associated.

We have further distilled Rebellious Self Expression into the three core values which the Board and employees are expected to demonstrate, namely **'be yourself'**, **'act courageously'** and **'show you care'**. These balance belief in trusting our people and respecting their individual freedoms with recognition of the responsibilities that come with operating as part of a global community and the duty of care they owe to one another. The Board has sought to cultivate an environment for employees that reflects these values, respects them as individuals, empowers them to have the courage to challenge themselves and trusts them to consider the impact of their actions on others.

Taken as a whole, our culture and values set the parameters for what our consumers, employees and all other stakeholders can expect from Dr. Martens in terms of how we operate as a business.

92%

FY24 Engagement and Inclusion Survey response rate

5

Employee Listening Groups held in FY24

Protecting our culture

The Board's collective responsibility for safeguarding the Dr. Martens culture is an exceptionally important aspect of its role. It aims to set a clear tone from the top and lead by example through strong custodianship over the brand and demonstrating our values; promoting, embedding and protecting these 'yellow threads' which unite all of our people across the global business.

The Board believes that the Executive and Non-Executive Directors continue to act with utmost integrity and conduct themselves in a manner that aligns with and promotes our culture. This view was supported by the insights acquired from our FY24 internal Board Evaluation process, undertaken in February and March 2024. These are non-negotiable attributes for any new Board or senior leadership appointment and were factored into the brief set by the Nomination Committee for the search for all new senior appointments during the year. More information about this can be found in the Nomination Committee Report, from page 108.

The Board monitors the alignment of our purpose, values and strategy with our culture in a number of ways. Like many businesses, Dr. Martens circulates an annual, online Engagement and Inclusion Survey for completion by all employees, which is a key element of the Company's wider employee listening strategy and provides an important snapshot of how our people experience life at Dr. Martens. The Board also considers a range of other important inputs, including regular updates at Board meetings from senior leadership on particular focus areas and initiatives, as well as through our network of Culture champions who actively promote our culture in each of our key regions. The Board has also identified 'People, culture and change' as a principal Group risk, reflecting its importance to the Group as a whole and its significance to our ability to effectively execute our strategy. More information on our principal risks can be found on pages 38 to 43.

Additionally, Robyn Perriss continues to engage with employees through her programme of listening sessions in her capacity as our Employee Representative Non-Executive Director. Updates on the key themes from these sessions are provided to the Board at each meeting, providing it with another effective means of monitoring culture through an employee lens and gaining essential insight into the matters and issues that are important to them. More information about the sessions Robyn held during FY24 can be found on page 105.

Overall, the Board is confident that the Dr. Martens culture of Rebellious Self Expression is well-established across the global business, that it strongly connects with and is 'lived' by our people and continues to support the ongoing and successful delivery of our strategy.

READ MORE ABOUT REBELLIOUS SELF EXPRESSION IN THE STRATEGIC REPORT ON P1 TO 84 AND 46 TO 74 (SUSTAINABILITY REPORT)

MORE INFORMATION ABOUT HOW WE INVEST IN AND REWARD OUR WORKFORCE CAN BE FOUND FROM P116

HOW THE BOARD MONITORS CULTURE

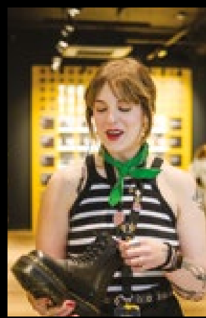
1
ENGAGEMENT AND INCLUSION SURVEY
This assists the Board in monitoring the health of our culture through understanding how our employees experience working at Dr. Martens. This in turn helps shape the Board's 'people priorities' going forwards, as well as specific initiatives at Group, function and individual team level.

2
BOARD EVALUATION
The annual Board Evaluation provides the Board with an opportunity to reflect on all aspects of its performance, including the extent to which it has been effective in promoting the Dr. Martens culture and that the Directors themselves continue to set a clear 'tone from the top' by demonstrating our values.

3
DIVERSITY, EQUITY & INCLUSION
The Nomination Committee monitors the diversity, equity and inclusion strategy at Dr. Martens, which determines how we want to create an inclusive workplace for our people and is a key element of our culture.

4
THE DOCTRINE
Brings together our key, global policies to form our employee code of conduct. Presented in a straight-forward, concise and user-friendly format, the DOCtrine comprises distinct sections which also form the basis of our compliance e-learning programme, enabling better understanding of how our behaviours are applied across the business.

5
COMMUNICATIONS
A variety of internal communications reinforce our culture and reiterate our values, from 'Unplugged' with Kenny videos and Ije Nwokorie's 'On Brand' blog to our 'Mixtape' newsletter and the 'On Air' digital employee magazine.



6
LEADERSHIP BEHAVIOURS
Our Leadership Framework sets out the key attributes, mindsets and behaviours needed to be a successful leader at Dr. Martens and is embedded into the leadership assessment and development programmes for senior employees.

8
EMPLOYEE LISTENING SESSIONS
Employee Representative Non-Executive Director Robyn Perriss regularly meets with groups of employees from different regions and business functions to discuss their priorities and updates the Board on the themes of these discussions.

9
RSE TOOLKIT
The Rebellious Self Expression 'toolkit', available on our employee intranet, brings together a range of resources to assist our people in understanding our values and embedding them within their teams.

7
REMUNERATION
The Remuneration Committee ensures that our remuneration philosophy and culture align. It promotes brand custodianship through initiatives including encouraging share ownership via our employee share plan, while Employee Listening Groups provide opportunities for our people to learn about and discuss how executive pay is structured with our Remuneration Committee Chair.

10
INFORMAL CHANNELS
Important employee or stakeholder feedback received via informal channels that pertains to or potentially impacts our culture or values is reported to the Board or relevant committee as appropriate.

11
TOWN HALLS
The CEO, CFO and GLT lead regular, interactive 'Town Halls'. These are important touchpoints in terms of promoting our culture, bringing our people together from across the globe to hear and ask questions about key initiatives, results and events in an engaging format.

12
MARKET VISITS
As custodians of our global brand, Board members and the GLT regularly visit our key markets and engage with our people 'on the ground', strengthening the links between the regional businesses and promoting our culture globally.

BE YOURSELF | **ACT COURAGEOUSLY** | **SHOW YOU CARE**

FY24 was a pivotal year at Dr. Martens from a people and succession perspective.

LYNNE WEEDALL
Chair of the Nomination Committee

ROLE OF THE COMMITTEE

To lead the process for appointing Directors to the Board and key senior leadership positions, ensuring that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors.

COMMITTEE MEMBERSHIP

The members of the Committee are the Company's Non-Executive Directors (the majority of whom are independent) and the Chair of the Board. Andrew Harrison joined the Committee on his appointment to the Board in May 2023, while Ije Nwokorie stepped down on commencing his new, full-time role as Chief Brand Officer in February 2024. The Committee will continue to monitor its composition to ensure it remains appropriate and reinforces our ability to provide independent oversight.

Emily Reichwald was secretary to the Committee throughout FY24. She will be succeeded by Katherine Bellau as secretary to the Committee when she joins the business in June.

The members of the Committee and their attendance at meetings during the year are disclosed to the right. Full biographies of each member can be found on pages 92 to 94.

FOCUS AREAS FOR FY25

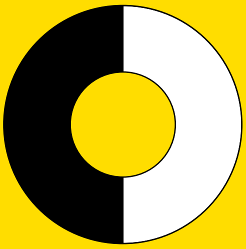
- Board and key role succession, with a focus on managing an effective onboarding process for the Chief Financial Officer and a smooth transition to a new Chief Executive Officer.
- Undertaking a comprehensive assessment of the Board's skills relative to other listed company boards.
- Reviewing the alignment of the diversity of the Board with our overall diversity aspirations and the revised Listing Rule requirements.
- Reviewing the Group-wide Diversity, Equity and Inclusion strategy.

KEY RESPONSIBILITIES

- Recommend potential Board and senior management appointments and reappointments to the Board.
- Oversee the inductions of new Board members and the ongoing training, as appropriate, for the Board.
- Review and make recommendations to the Board in relation to Board and senior management succession planning, including ensuring plans are in place for an orderly succession.
- Oversee the development of a diverse succession pipeline and the Company's policy on Board, senior management and workforce diversity and inclusion.
- Review and monitor the effectiveness of the Company's policies, objectives and strategies relating to diversity and inclusion.

Further detail on the role and remit of the Committee can be found within its terms of reference, which are available on our website, **www.drmartensplc.com**.

COMMITTEE COMPOSITION



As at 31 March 2024

Male	50%
Female	50%

COMMITTEE MEMBERS

	Number of meetings attended/max number could have attended:
Lynne Weedall[1] (Committee Chair)	6/6
Paul Mason	6/6
Tara Alhadeff[2]	5/6[2]
Robyn Perriss[1]	6/6
Ian Rogers[1,2]	5/6[2]
Ije Nwokorie[1,2]	3/4[2]
Andrew Harrison[1,3]	5/5

1. Independent.
2. Tara Alhadeff, Ian Rogers and Ije Nwokorie were unable to attend the Nomination Committee meeting on 13 April 2023 as it was called at short notice.
3. Appointed 1 May 2023.

On behalf of the Nomination Committee, I am pleased to present our Report for FY24. The past year has been a pivotal one for Dr. Martens from an executive succession perspective and a busy one for the Committee, with a number of changes in Board and key senior leadership positions requiring our support and oversight.

Our Report sets out details of our activities during the year, focusing in particular on the implementation of our succession plans to facilitate these changes, as well as how we have progressed in the key focus areas we identified in last year's Report, and our priorities for the year ahead and beyond. While my introductory letter this year will focus primarily on the Committee's extensive work on succession, our Report also covers the induction process undertaken by Andrew Harrison following his appointment as a Non-Executive Director in May 2023, the Committee's considerations in respect of Board and wider workforce diversity and the FY24 Board Evaluation process undertaken in the final quarter of the year.

- **BOARD APPOINTMENT AND INDUCTION PROCESSES** P110
- **BOARD AND WORKFORCE DIVERSITY** P113
- **FY24 BOARD EVALUATION** P114

CFO succession

As we announced in April 2023, Jon Mortimore retired as Chief Financial Officer (CFO) and left the business at the end of the financial year.

The process undertaken by the Committee to identify and appoint an appropriate successor to Jon was detailed and comprehensive. It encompassed an assessment of our internal talent together with a thorough search of the external market conducted by executive search firm Independent Search Partnership (ISP). ISP identified a number of excellent, high calibre candidates for our consideration. The Committee established the parameters of the search in a clear brief to clarify its requirements and guide ISP in identifying candidates who were most likely to reflect our culture and values.

The process culminated in the Committee's decision to recommend to the Board that Giles Wilson be appointed as our new CFO. The Committee was impressed with Giles' experience and wide-ranging skillset and we were pleased to announce his appointment in November 2023. I look forward to welcoming him to the Board and working with him over the coming years. More information about Giles' recruitment process can be found on page 110.

CEO succession

Later in the year the focus of the Committee turned to the succession of the CEO. In April 2024 we announced that, having led the business since 2018, Kenny Wilson would be stepping down as CEO before the end of FY25, succeeded by Ije Nwokorie. This announcement represented the culmination of our CEO succession plan and followed our earlier announcement, in November 2023, that Ije would join the business in the newly created role of Chief Brand Officer (CBO). At that point, he stepped down from his role as a Non-Executive Director, which he had held since 2021.

As a key part of an orderly CEO succession plan, the Committee oversaw an extensive candidate search process. We partnered with specialist independent search consultancy MWM Consulting to facilitate this process. MWM provided expert support, comprising an external search, benchmarking and evaluation of our internal talent pipeline followed by a rigorous assessment against external benchmarks.

A detailed role specification setting out the desirable attributes, skills and experience of prospective CEO candidates was developed with support from MWM and agreed by the Board. On identifying Ije as the clear, standout internal candidate, we further reviewed his suitability for the role alongside a shortlist of high calibre external candidates identified for our consideration by MWM. He undertook a full assessment by MWM, as well as by leadership consultancy ghSMART, to explore his compatibility with the role in granular detail.

Throughout this process, the Committee carefully weighed the rationales for and against appointing an internal and external candidate. We applied significant scrutiny to the relative opportunities and risks and the balance of skills needed for the future, as well as the complementary skills of other members of the team, including the newly appointed CFO.

I can confirm that neither MWM nor ISP have any other connection with the Company or with any individual Director, and are both signatories to the voluntary code of conduct for executive search firms. I can also confirm that, while Ije was a serving member of the Committee during the period in which we were focused on identifying CEO successor candidates, he was not party to our discussions relating to his own candidacy or that of others.

The process concluded with our unanimous decision to recommend Ije as Kenny's successor as CEO and we were delighted when he confirmed his acceptance of the role. We firmly believe that Ije's appointment represents an excellent outcome for the Board, the business and our wider stakeholders. Over the coming months, the Company will have the benefit of both Kenny and Ije continuing in their current roles of CEO and CBO respectively to ensure stability during a critical peak trading period for the business.

Kenny remains fully committed to leading the business into this new financial year and will work with Ije and the Committee to ensure a smooth handover at the appropriate time. This will be a significant focus area for the Committee over the coming year and one on which we will report in more detail in next year's Annual Report.

Looking ahead to FY25

With the succession of our Executive Directors now secured, we are re-appraising the balance of skills and experience on the Board to ensure we clearly identify and understand the areas in which we need to enhance our skills mix. To that end, when we appointed MWM to support our work on CEO succession we also requested that they undertake an assessment of the Board's relative strengths and areas requiring further development. In FY25, we will review this output, evaluate the appropriate skills mix for the future and consider options to further augment the Board in areas where additional skills may be needed.

In FY25, senior succession will remain a central item on the Committee's agenda, both in terms of supporting Kenny and Ije with the CEO transition process and continuing to ensure that the Board and GLT are properly structured and equipped to deliver our strategy and drive the business forwards.

L Weedall

LYNNE WEEDALL
Chair of the Nomination Committee
29 May 2024

BOARD APPOINTMENT PROCESS

The timeline below summarises each stage of the process which concluded with the Nomination Committee's recommendation to appoint Giles Wilson to the Board as CFO. The Committee is satisfied that the process described below was appropriately thorough.

BRIEF

April 2023

STAGE 1: BUILDING THE BRIEF

The Board instructed the Nomination Committee to proceed with establishing a brief setting out the attributes, skills and experience that the Board required and, from there, to oversee the search process.

The criteria for the prospective new appointment set out in the brief focused on identifying finance leaders to help lead the business effectively through its next phase and included strong, prior public markets and global brands experience as well as experience as a Chief Financial Officer in a UK listed business.

SEARCH

April 2023 – July 2023

STAGE 2: CANDIDATE SEARCH

Once the brief was finalised, the Committee engaged executive search firm Independent Search Partnership to undertake the search for candidates matching its key criteria. A diverse shortlist of candidates was identified, with regular updates fed back to the Committee via the Committee Chair for review and further consideration. Interviews were conducted at the same time as continuing to search for candidates.

The Company confirms that Independent Search Partnership has no other connection with the individual Directors or the Company.

Composition and succession

The Committee reviews the Board's composition to ensure that its mix of skills and experience remains appropriate in leading the business to deliver its strategy and that it continues to align with the Company's culture and values. A Board skills matrix is kept under review by the Committee and is used to guide and inform succession plans and the criteria for prospective appointments. This was most recently evident in the process culminating in the appointment of Andrew Harrison as the Company's newest Non-Executive Director early in FY24, which was driven by the identification of a need to bolster the Board with greater listed company and international consumer goods experience.

As mentioned in the introductory letter to this Report, senior succession will remain a key area of focus for the Committee during FY25, particularly in relation to managing the transitions to a new CFO and CEO and reviewing plans for senior role succession to ensure they remain robust.

Director induction process

All newly appointed Board Directors and GLT members undertake personalised induction programmes on joining the business. These are facilitated by the Company Secretary and are designed to bring them up to speed on the Company's business operations, strategy, culture and governance as quickly as possible.

While each programme is tailored to the needs of the individual, inductions typically incorporate market or site visits, one-to-one meetings with the GLT, other key senior leaders and external advisers. New members of the GLT will also be invited to present their initial observations and reflections to the Board after approximately three months in-role.

All new Board Directors and GLT members have access to the support and advice of the Company Secretary and are encouraged to continue to meet with members of the wider Senior Leadership Team post-induction to establish strong working relationships, provide support and share experience.

Effectiveness and independence of the Chair of the Board

The Board confirms that, in accordance with Provision 9 of the UK Corporate Governance Code, Board Chair Paul Mason was independent on his initial appointment to the Board in 2015. It also notes that, when assessed against the independence criteria set out in Provision 10 of the Code, Paul was not considered independent on the Company's admission to listing in 2021.

Paul has held various roles within the Group, including acting as Executive Chairman for a period. Nevertheless, the Board remains confident in Paul's continued leadership of the Board on the basis that his extensive knowledge of the Group's business and significant retail and consumer brand experience are in the best interests of the Company and shareholders as a whole. It confirms that Paul continues to operate in his role effectively, demonstrating objective judgement and leading by example in promoting a healthy culture of open, honest debate in the Boardroom.

GILES WILSON
Chief Financial Officer

ASSESS

May 2023 – October 2023

STAGE 3: REVIEW, ASSESSMENT AND INTERVIEW

The Committee reconvened on several occasions to discuss progress and review the profiles of the candidates who most clearly reflected the criteria set out in the initial brief.

Before any recommendation to appoint a particular individual could be made to the Board, meetings were arranged between the shortlisted candidates and members of the Committee, the retiring CFO and the CEO. The shortlisted candidates also undertook a detailed assessment process with specialist leadership consultancy ghSMART to further gauge their compatibility with the Company.

OFFER

November 2023

STAGE 4: OFFERING THE ROLE

The Committee was unanimous in the view that Giles Wilson was the right candidate for the role of CFO, possessing recent experience as both a Chief Financial Officer and Chief Executive Officer at large, listed businesses and a strong track record of driving growth at other organisations.

The role was formally offered to Giles and accepted shortly afterwards, with the Company announcing on 14 November that Giles had been appointed to the role of CFO to start in FY25. Giles formally joined the business on 13 May 2024.

CASE STUDY: INDUCTING A NEW NED

ANDREW HARRISON
Independent Non-Executive Director

On formally joining the Board in May 2023, Andrew commenced a robust and varied induction process aimed at familiarising him with the intricacies of the business and our key stakeholders. Over several months, Andrew participated in a series of meetings and site visits, described to the right.

- Introductory meetings with fellow Board members, the Global Leadership Team and other key members of senior leadership.
- Visits to the Dr. Martens store in Leeds, accompanied by our Chair, Paul Mason, and to a selection of wholesale retailers in the region, providing insights into our core retail operations.
- A visit to our Cobbs Lane factory and office, providing opportunities to engage with employees at both sites and learn about the end-to-end production process.
- Participation in an employee listening session facilitated by Robyn Perriss and Lynne Weedall.
- A market visit to Italy alongside our EMEA President, Mike Stopforth, gaining valuable insights into local market operations.

Additionally, on joining the business Andrew was provided with a suite of company documents in the form of reports, past Board and Committee papers and numerous internal policies and procedural documents, to assist him in broadening his understanding of our internal frameworks, values and culture.

Board gender and ethnic diversity

The Committee is mindful of and supports the recommendations of the FTSE Women Leaders Review, the Parker Review and the diversity targets set out in the Listing Rules. The numerical data tables the Company is required to disclose pursuant to Listing Rule 9.8.6R(9) can be found on page 91.

As at 31 March 2024, the Board met two of the three targets set out in LR 9.8.6R(9). Lynne Weedall continues to serve as Senior Independent Director, therefore the Board continues to meet the target to have at least one woman in a senior Board position. With the departures of Ije Nwokorie and Jon Mortimore from the Board in February and March 2024 respectively and Giles Wilson not joining the business until May, the Board also briefly exceeded the 40% target for female representation as at the Company's reference date of 31 March. At this point, women comprised 43% of the Board. However, with Giles having joined the business on 13 May 2024, women now comprise 38% of the Board, slightly below the Listing Rules target. This is unchanged from the position as at 31 March 2023 and a technical improvement on that which applied for the majority of the year under review, throughout most of which women comprised 33% of our Board.

Although outside the scope of the Listing Rules targets, the Board notes that each of its principal committees is chaired by a female Board member, with Lynne Weedall chairing the Nomination and Remuneration Committees and Robyn Perriss chairing the Audit and Risk Committee. Robyn also continues to play an important role as the Company's Designated Employee Representative Non-Executive Director.

In terms of ethnic diversity, following Ije's departure from the Board just prior to the year end the Board no longer meets the target for at least one member to be from a minority ethnic background. However, the Board will once again meet this target when Ije rejoins it as CEO before the end of FY25. In the interim period, Ije's energy, insights and expertise, from which the Board has been fortunate to directly benefit during his tenure as a Non-Executive Director and will again on his appointment as CEO, will remain devoted fully to the GLT and the global business through his new role as Chief Brand Officer.

THE BOARD'S POLICY ON DIVERSITY

The Board is committed to ensuring that diversity, equity and inclusivity remain among its core tenets and underpin all future appointments to the Board, GLT and the memberships of the Audit and Risk, Remuneration and Nomination Committees, be it diversity of gender, background, heritage, sexuality or any of the many aspects of identity that make individuals unique. Further, it continues to support the business in fostering a culture that enables talent to progress at Dr. Martens irrespective of any of these factors.

All recommendations for future Board and senior leadership appointments are made on merit following rigorous search and recruitment processes that focus on individuals possessing specific skillsets and experience that have been identified as essential for the business to achieve its strategic ambitions. This ensures the appropriate balance of skills and experience across our senior leadership, the Board and the Audit and Risk, Remuneration and Nomination Committees is maintained or improved.

The Board is mindful of the recommendations of both the Parker and FTSE Women Leaders Reviews and the revised targets and 'comply or explain' reporting requirements set out in the Listing Rules and it remains the Board's intention to meet or exceed these targets on an ongoing basis.

The Board is pleased to have met the prescribed targets relating to its ethnic diversity and the appointment of a woman to at least one of the 'big four' Board roles of Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director. While the Board does not currently meet the 40% target for female membership, it continues to be the intention and aspiration of the Board to do so. This will be an important focus area for the Nomination Committee during FY25.

The Board is clear that adherence to the principles outlined above facilitates broader, richer debate and ultimately results in better decision-making in the interests of the business, the Company's shareholders and wider stakeholder groups.

“

The Committee will continue to ensure that diversity and the recommended targets in respect of gender and ethnic diversity are at the forefront of its considerations and as part of its long-term Board succession planning.

The Committee will ensure that the recommended targets relating to gender and ethnic diversity on the Board remain central factors in its considerations in respect of the Board's composition and long-term succession planning going forwards. It further confirms that it will also continue to ensure that Board and senior recruitment processes will be conducted in a manner which encourages and invites a diverse mix of candidates in terms of gender, social and ethnic backgrounds as well as cognitive and personal strengths.

The Board's policy on diversity is set out on page 112, opposite.

Diversity in the workforce

The diversity of the wider leadership team is monitored with reference to data extracted from the Company's secure HR information system, Dayforce. All employees are able to use this system to provide information relating to their identity and their individual diversity data, including gender identity and ethnic background, should they wish to do so. A Company-wide 'Self-ID' campaign led by the Diversity, Equity and Inclusion team was undertaken early in FY24 to raise awareness of this tool and encourage employees to provide their information, assisting the business in building a more complete picture of the diversity of its workforce. All information provided in this manner is confidential and managed in line with the Company's data protection and privacy obligations.

The reporting tables setting out the specific, numerical diversity data in the format prescribed by Listing Rule 9.8.6R(10) can be found in the 'At a glance' section on pages 90 and 91.

The data indicates that, as at the reference date of 31 March 2024, 70% of our Global Leadership Team (GLT) excluding the Executive Directors were men and 30% women. The data relating to the next layer of senior management indicate an even split of 50% men (57% in FY23) and 50% women (41% in FY23), with no employees identifying as non-binary or preferring to self-describe (2% in FY23). Across the global workforce (and based on a response rate of 99%), 63% (2,202 employees) identified as female, 33% (1,140 employees) male and 3% (115 employees) non-binary, with 1% (21 employees) preferring to self-describe.

More broadly, the business continued to make encouraging progress during the year towards its diversity aspirations for the global workforce. More information on this can be found in the Sustainability Report on pages 68 and 69.

Committee effectiveness

The effectiveness of the Committee was assessed as part of the internal Board Evaluation process undertaken in the latter part of the financial year.

From the ratings and feedback provided through the Board questionnaires and the subsequent meetings, it was concluded that the Committee continued to operate effectively. Continued focus on succession in light of the recent senior leadership changes and on the Board's skills mix were highlighted as opportunities and will form two key priorities for the Committee in the year ahead.

NOMINATION COMMITTEE ACTIVITIES DURING FY24

April 2023

- Reviewed the Board's skills matrix.
- Reviewed the Company's process for succession in key roles, focusing in particular on the Chief Financial Officer.
- Reviewed the specification for a successor to the Chief Financial Officer and agreed a set of non-negotiable and desirable attributes for prospective candidates.

May 2023

- Reviewed progress of the CFO search and discussed potential successor candidates in the context of the Board's skills matrix.

July 2023

- Reviewed and discussed the list of potential CFO candidates and agreed next steps.

September-November 2023

- Discussed the CFO shortlist and identified Giles Wilson as the Board's preferred candidate.
- Agreed to extend Jon Mortimore's contract through to the end of FY24 to secure continuity through to the end of the financial year.
- Discussed GLT succession and agreed the appointments of the Interim Chief Technology Officer and Chief Brand Officer.
- Reviewed an update on the global DE&I strategy.

March 2024

- Discussed the Board's skills matrix and considered the capabilities required for the Company's next phase of development.
- Reviewed Board and key role succession processes and plans, including for the CEO.
- Reviewed the Committee's effectiveness as part of the internal FY24 Board Evaluation process.
- Reviewed the Committee's terms of reference.

April 2024 (post-FY24)

- Recommended Ije Nwokorie as CEO successor.

BOARD EVALUATION

The following pages provide insight into the Board's evaluation of its effectiveness and performance in FY24.

Approach to the FY24 Board Evaluation
The Board undertook an internal Board Evaluation in FY24, an overview of which is set out on the following pages. Since this was the second internal evaluation conducted in succession, the Board intends that its next evaluation in FY25 will be externally facilitated, in line with Board policy and the best practice requirements of the UK Corporate Governance Code to undertake externally facilitated reviews every three years.

The Board is clear that, regardless of whether it is externally or internally facilitated, the annual Board Evaluation is an important opportunity for the Board to assess whether it was effective in discharging its duties over the course of the year, implementing any specific actions recommended through feedback provided during the evaluation and identifying areas of focus for the year ahead.

The Board also recognises that monitoring, refining and improving its effectiveness is a continuous process. It does this by taking time to reflect on the quality of its conversations, the strength of working relationships between individual Board members and between the Board and the Company's Senior Leadership Team and considering whether its balance of skills and experience remains appropriate when measured against its skills matrix.

PROGRESS UPDATE: FY23 EVALUATION

The Board made progress on a number of areas highlighted as opportunities for improvement in last year's Board Evaluation.

Succession planning had been identified as an area on which the Board should increase its focus and this was the case in FY24, with the Board and Nomination Committee overseeing the succession of the CFO and several key GLT roles.

Additionally, the Board fulfilled its commitment to broadening its mix of skills and experience following the smooth induction of Andrew Harrison.

FY24 BOARD EVALUATION TIMELINE

Purpose

The Board's annual evaluation provides an important opportunity for the Directors to reflect on their performance over the previous year, both individually and collectively, and assess their effectiveness in fulfilling their statutory duties in the interests of the Company's members as a whole. It is also an essential tool for identifying opportunities to further improve the Board's effectiveness while acknowledging its existing strengths.

The timeline to the right summarises each stage in the process undertaken in FY24, from initial considerations relating to the design through to the Board's reflections and feedback.

November 2023

STAGE 1: DESIGN

The Board discussed the intended approach to the FY24 Board Evaluation and agreed with the Company Secretary's proposal that it be facilitated internally and conducted in a manner that was broadly in line with FY23 and comprised the following elements:

- Questionnaire mixing quantitative ratings and incorporating qualitative feedback.
- One-to-one meetings between each Non-Executive Director and the Chairman to discuss individual performance and feedback points.
- Non-Executive only session chaired by the SID.
- Full Board discussion to explore the feedback from the meetings and questionnaires and agree future priorities.

February 2024

STAGE 2: QUESTIONNAIRE

Each Board member was asked to provide a rating on range of questions relating to their effectiveness during FY24. These were organised under the categories 'Board processes', 'Board culture', 'strategy' and 'oversight'. They were also asked to provide comments on their assessment of the Board's strengths in those areas and any opportunities for future improvements. The topics explored through the questionnaires covered:

- Effectiveness of Board succession planning.
- Appropriateness of overall skills and knowledge mix.
- Quality of debate, discussion and decision-making.
- Focus on key strategic issues.
- Degree of interaction and engagement between the Board and wider business
- Effectiveness in identifying and managing key business risks.

THE BOARD'S EVALUATION CYCLE: FY22 TO FY24

FY22
HYBRID EVALUATION

Set against a backdrop of a recent IPO and a newly established Board, the FY22 evaluation combined a full external assessment by external consultancy ghSMART and an internal process, led by the Chair of the Board and Company Secretary, to explore whether the Board was focused on the right priorities, comprised the right individuals and had established a culture of trust, debate and challenge.

FY23
INTERNAL EVALUATION

The Board's internal evaluation in FY23 sought to build on the themes of the extensive process undertaken in the previous year. It focused on the Board's assessment of the progress it had made in broadening its skillset, including through its search for a new Non-Executive Director (culminating in Andrew Harrison's appointment in May 2023), and developing its overall maturity as a PLC board over the course of the year.

FY24
INTERNAL EVALUATION

This year's process was framed in the context of a challenging year for the business. It covered a general review of the Board's effectiveness in discharging its duties to the Company, focusing in particular on clarifying its established strengths and identifying gaps and opportunities for development into FY25. An overview of this is set out in the section below.

FY25 – **EXTERNAL EVALUATION**

March 2024

STAGE 3: MEETINGS

- One-to-one meetings between each Non-Executive Director and the Chair provided an opportunity to expand on the feedback provided in their questionnaire and reflect on their own contributions to the Board over the course of the year.
- The Senior Independent Director then chaired a session with the Non-Executive Directors to evaluate the effectiveness of the Chair and Executive Directors and to discuss any further outputs or feedback from the questionnaires that had not been previously considered.
- The Board reconvened for a final discussion at its meeting in March to review its progress over the year, consider any recommendations for future areas of focus and the most pressing opportunities for improvement.

STAGE 4: FEEDBACK

Based on the information provided through the questionnaires and the feedback from the subsequent meetings, the Company Secretary compiled a report setting out main findings and insights. This was agreed with the Chair and circulated to the Board to inform and guide the final discussion, with all Board members present, at the Board meeting in March.

This discussion provided Board members with an opportunity to share their final reflections on the challenges and successes of FY24 and agree the areas on which it should focus to drive continued improvements in its effectiveness in FY25. These included a holistic review of its skills matrix and creating space for more regular exposure to the GLT and leadership talent from the wider business.

OBSERVATIONS

The feedback received from the Board was positive overall. The feedback provided by individual Board members highlighted a number of strengths as well as opportunities to drive further improvements, including the following:

- **Strength:** Board discussions continue to be substantive and focused on the right strategic priorities.
- **Opportunity:** to sharpen focus on pushing the brand agenda, improved financial forecasting and interrogating identified problem areas.
- **Strength:** an experienced and open-minded Board with a varied skillset and range of perspectives.
- **Opportunity:** to increase time spent with senior leadership and key talent to bridge the gap between Board discussions and business operations.
- **Strength:** diligently chaired Board meetings supported by well thought through agendas and comprehensive, high quality papers.
- **Opportunity:** continued focus on improving succession processes in key roles.

In the context of a challenging year, the Committee has sought to act with restraint within the framework of the Policy.

LYNNE WEEDALL
Chair of the Remuneration Committee

COMMITTEE MEMBERSHIP

The Committee currently comprises Lynne Weedall (Chair), Robyn Perriss and Andrew Harrison, all of whom are Independent Non-Executive Directors and provide a balance of skills and experience. Andrew Harrison joined the Committee on 1 May 2023 and so did not attend the April 2023 meeting. The April 2023 meeting was attended by Ian Rogers who was a Committee member throughout FY23, stepping down from the Committee on 1 May 2023.

The full terms of reference of the Committee are available on the Company's corporate website at **www.drmartensplc.com**. Full biographies of each member can be found on pages 92 to 94.

The attendance of Committee members at meetings during the year is disclosed below.

FOCUS AREAS FOR FY25

The Committee is planning to undertake a number of key activities, and have discussions in the course of the coming year, on a range of matters including:

- Implementing the Remuneration Policy appropriately and cautiously, in a challenging external environment, for the first year of the new policy period.
- Approving remuneration arrangements for appointments to the Executive Group, including CEO succession.
- Monitoring shareholding of the Executive Group against share ownership requirements.
- Reviewing remuneration arrangements for the wider workforce.
- Reviewing performance and effectiveness of the Committee, as part of the annual Board Evaluation process.

KEY RESPONSIBILITIES

- Establish and agree with the Board the Remuneration Policy for the Executive Directors, the Company Secretary, the Global Leadership Team (GLT) (together, the 'Executive Group'), the Chair of the Board and any other senior employees as the Board may determine.
- Determine the individual remuneration packages of the Executive Group, the Chair of the Board and relevant senior employees within the terms of the agreed Remuneration Policy.
- Monitor the remuneration structures and overall levels of remuneration of the Executive Group and relevant senior management and make recommendations to the Board where appropriate.
- Oversee the remuneration of the wider Dr. Martens workforce and ensure that our policy for the senior team is consistently structured and also ensures alignment between incentives and Company culture and values.
- Oversee the operation of the Group's share plans.

COMMITTEE MEMBERS

	Number of meetings[1] attended/max number could have attended:
Lynne Weedall **(Committee Chair)**	6/6
Robyn Perriss	6/6
Ian Rogers[2]	1/1
Andrew Harrison[3]	5/5

1. Includes an extraordinary meeting held on 23 June 2023.
2. Ian stepped down from the Committee on 1 May 2023.
3. Andrew joined the Committee on 1 May 2023.

COMMITTEE COMPOSITION

As at 31 March 2024

Male	33.33%
Female	66.67%

ANNUAL STATEMENT FROM THE CHAIR OF THE REMUNERATION COMMITTEE

DEAR SHAREHOLDER,

On behalf of the Remuneration Committee, I am pleased to introduce the Directors' Remuneration Report for the year ending 31 March 2024.

This Report is divided into three sections:

- This Annual Statement, which summarises the work of the Committee and our approach to Directors' remuneration.
- The Remuneration Policy section, which details the revised Policy. The full Remuneration Policy can be found on pages 120 to 123 of this Annual Report (and is also available here: **www.drmartensplc.com/investors/results-centre/**).
- The Annual Report on Remuneration, which sets out the remuneration outcomes for the financial year ended 31 March 2024 and the proposed implementation of the Remuneration Policy for the upcoming year.

The Remuneration Policy will be put to shareholders for a binding vote at the Annual General Meeting (AGM) to be held on 11 July 2024. This Annual Statement and the Annual Report on Remuneration will be put to an advisory (non-binding) vote at the AGM.

Looking back

COMPANY PERFORMANCE

FY24 has been a disappointing year and again we faced a number of challenges. These included a difficult consumer environment in the USA, with widespread caution from wholesale customers, and increased depreciation and amortisation charges as a result of our ongoing investment programmes. We ended the year with profit before tax (PBT) of £93.0m and revenue of £877.1m.

REMUNERATION PAYABLE IN RESPECT OF FY24

Base salaries and fees

As disclosed in the FY23 Annual Report, the Executive Directors received a 2% increase in salary with effect from 1 April 2023. In addition, Non-Executive Directors' fee levels were also increased by 2%. In both cases, these increases were half the average increase of the UK workforce.

FY24 annual Global Bonus Scheme outcome

Employees throughout the Company, whether in our stores, distribution centres, factory or offices, participate in a bonus scheme. To foster alignment across the business, in FY24, the Executive Directors' annual bonus (Global Bonus Scheme, or GBS) continued to broadly mirror that of the wider workforce with all participants working towards the same global PBT targets that applied across the Group. Alongside the GBS, our employee bonus plans have the ability to reward exceptional performance, ensuring that our employees across the world are all aligned towards our single global growth ambitions.

For the Executive Directors, the GBS comprised a financial metric of PBT with a weighting of 75% and three equally weighted strategic objectives with a combined weighting of 25%. These three strategic objectives were focused on increasing employee engagement, accelerating our sustainability (ESG) journey, and growing our brand health and equity. These reflect our passion and focus on culture, sustainability and being brand custodians.

We set stretching targets for ourselves and did not meet them. Our PBT result of £93.0m was below the minimum threshold of £149.0m and therefore the Executive Directors did not receive a bonus.

With regard to the strategic objectives, our sustainability (ESG) targets were met in full, reflecting our effort during the year to progress our sustainability agenda. We were not able to meet the threshold level of performance for our other strategic objectives with the result that one out of three targets was met in aggregate. As a result, the formulaic outcome of the GBS is 8.33% of maximum. Considering the disappointing financial performance, our Executive Group have taken the decision to waive their entitlement to a bonus in respect of the FY24 strategic objectives.

Long Term Incentive Plan (LTIP) award

The award granted in 2021 at admission is due to vest in June 2024.The award has two performance measures: EPS (compound annual growth over three years), and relative Total Shareholder Return (TSR) (vs. FTSE 350 excluding investment trusts). The Company's CAGR EPS and TSR performance did not meet the minimum required threshold performance and as such there will be an overall nil vesting for the 2021 LTIP award.

The Committee is comfortable that actions taken on pay during the year across the Company were appropriate and balanced the interests of all stakeholders and that the Remuneration Policy operated as intended.

Looking ahead

In FY25 there is particular focus on setting targets that are appropriate, that support our business strategy and deliver operational improvements.

DIRECTORS' REMUNERATION POLICY FOR FY25

In line with corporate governance and legal requirements, our Remuneration Policy is reviewed every three years and approved by shareholders. During FY24, the Committee undertook a review of the Policy to ensure that it remains aligned to our business strategy and supports our future success. After careful consideration, including consulting with shareholders and employees, the Committee agreed that the Policy remained fit for purpose and that no changes to the Policy itself were required. Adjustments made to some of the incentive metrics for FY25, within the Policy, are described below and the incentive plans will continue to be based on performance measures aligned to the business strategy with stretching targets and the majority of the overall incentive delivered in shares which must be held long term.

The Committee and management will continue to operate the Policy diligently and with restraint where necessary as we have done in relation to the current Policy.

IMPLEMENTATION OF THE POLICY IN FY25

Salary and fees

The salary for the Chief Executive Officer has not been increased for FY25 and remains at the same level of £735,420. Giles Wilson, the CFO, joined the Company on 13 May 2024 and will receive a salary of £485,000.

The fees for the Chair of the Board and the Non-Executive Directors are unchanged from FY24.

Global Bonus Scheme (GBS)

The maximum annual bonus payable under the GBS is 200% of salary for the CEO and 150% of salary for the CFO. For FY25, the performance conditions will continue to be based on PBT for 55% of the bonus opportunity, with the introduction of a measure related to the number of pairs of boots sold in the Direct-to-consumer (DTC) channel for 20% of the bonus opportunity. We will continue to set three strategic objectives, with a total of 25% of the bonus opportunity, reflecting our core focus areas. Sustainability (ESG) remains, with the introduction of new metrics, brand desire and leadership behaviours. Stretching targets will be set and further details will be provided in the Directors' Remuneration Report for FY25.

LTIP
For FY25, the performance conditions will continue to be based on EPS and TSR, with the introduction of a cash conversion measure to ensure focus on managing inventory and cash collection from debtors.

To ensure that the LTIP award is aligned to the rolling business plan, which is currently being finalised for the period covering this award, and so that there is full transparency for all stakeholders at the time the targets are set, the Committee has delayed the finalisation of the appropriate award levels and the precise range of financial targets.

CHIEF FINANCIAL OFFICER SUCCESSION

On 14 November 2023, we announced that Giles Wilson would succeed Jon Mortimore as Chief Financial Officer and he took up his position on 13 May 2024.

Giles' salary is £485,000 with a cash allowance of 5% in lieu of pension. The salary is only slightly higher than the level for Jon, and is lower than at his previous employer, and was necessary to secure him. Giles will participate in the GBS up to a maximum of 150% of salary and the LTIP up to a maximum of 300% of salary.

In addition, as part of his joining arrangements, we agreed to compensate Giles for awards forfeited on leaving his previous employer. Further details of the remuneration arrangements for Giles, including the buyout awards, are shown on page 128.

Following the announcement on 14 April 2023 that Jon Mortimore would be stepping down from his role as CFO, the Committee noted that he was retiring and, on that basis, confirmed his 'good leaver' status.

Jon retired on 31 March 2024, leaving the Company and stepping down from the Board at that date. We are grateful to Jon for agreeing to stay with the business beyond his contractual notice period to help ensure a smooth year end. His leaving arrangements are detailed on page 129 and are in line with policy.

Once these are determined, the Committee will publish this information on RNS announcement when the Executive Directors' awards are made, and within next year's Directors' Remuneration Report.

CHIEF EXECUTIVE OFFICER
On 16 April 2024, we announced that the Board and Kenny Wilson had agreed the time was right for him to step down as CEO. In FY25, Kenny will be succeeded by Ije Nwokorie, the current Chief Brand Officer, who will become the CEO before the end of the financial year. Appropriate remuneration arrangements for the incoming and outgoing Executive Directors will be carefully considered by the Committee in line with the Policy, and will be disclosed in the Directors' Remuneration Report for FY25.

WORKFORCE ENGAGEMENT
In order to support the review of the Remuneration Policy, this year I spoke in depth to employees on our approach to executive remuneration, in particular to explain how it aligns with Company strategy and the contribution of all the workforce. In the form of a 'Fireside Chat', we found this informal approach encouraged an open forum for discussion and questions, giving us very useful insight and feedback.

Outside core remuneration listening, we see all forms of employee engagement and listening as an important and fundamental part of how we do business. I will continue to partner with Robyn Perriss (our Non-Executive Director Designated Employee Representative) over the coming year to progress our approach to our employee listening initiatives.

PAY AND BENEFITS FOR THE WIDER DR. MARTENS TEAM
Dr. Martens' culture and remuneration philosophy is aligned across the business. We offer a comprehensive package of base pay and benefits for all employees.

Our average pay increase was 3.2% of salary across our wider head office workforce for the year ending 31 March 2024.

As brand custodians, we remain committed to protecting and enhancing the brand for the future and we will continue to do this through encouraging share ownership across all levels of the business, to foster a sense of Company ownership and long-term investment among employees. We believe that all employees should have the ability to have a stake in the business and to share in our success. Your Share, Buy As You Earn (BAYE), is our global share scheme, enabling all employees[1] to buy shares from their income which the Company matches on a 1:1 basis. We have been very pleased with the take-up, with c.35% of employees becoming shareholders under this scheme alone.

DIVERSITY, EQUITY AND INCLUSION
Dr. Martens has strong female representation across all areas of the business, which we see reflected in all pay quartiles. The Company's latest Gender Pay Gap Statement (for the snapshot period to 5 April 2023) can be found on the Dr. Martens corporate website and details of our gender balance on the Board and the GLT can be found on page 91 of the Nomination Committee Report.

We have set ourselves specific gender and ethnicity representation commitments to achieve our Diversity, Equity and Inclusion (DE&I) aspirations.

Further information about our Diversity, Equity and Inclusion initiatives across the workforce is set out in the Sustainability Report on pages 68 and 69.

SHAREHOLDER ENGAGEMENT
The Committee consults with its larger shareholders on executive pay matters, when considered appropriate. In FY24, we have carried out a formal consultation with shareholders and proxy advisers in relation to the revised Remuneration Policy. I would like to thank those who engaged with us for their input. I am always happy to make myself available to shareholders to discuss any concerns or feedback they may have.

On behalf of the Committee, thank you for reading this Report and we look forward to receiving your support at the AGM on 11 July 2024.

L Weedall

LYNNE WEEDALL
Chair of the Remuneration Committee
29 May 2024

1. Available in all countries where the regulations allow.

AT A GLANCE

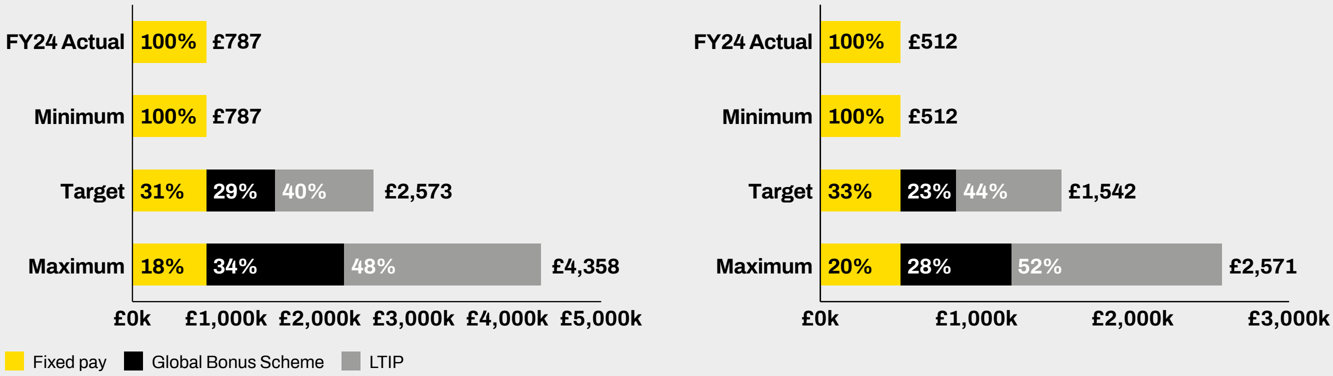
Performance snapshot

GLOBAL BONUS SCHEME PERFORMANCE

	Measure	Weighting of the bonus	Result achieved	Achievement (out of a maximum 100%)	Payout as a % of total bonus[1]
Financial performance	**PBT**	**75.0%**	**£93.0m**	**0%**	**0%**
Strategic objectives	Employee engagement	8.33%	3.94	0%	0%
	Brand equity	8.33%	1.86 out of 6 areas improved	0%	0%
	ESG	8.33%	6 targets completed	100%	8.33%
Formulaic outcome					8.33%
Final outcome					0%[1]

1. Executive Directors elected to waive their bonus entitlement for FY24.

KENNY WILSON, CEO / **JON MORTIMORE, CFO**



Time horizons for remuneration elements

	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed pay	Salary, pension and benefits				
Global Bonus Scheme (recovery provisions apply)	66.7% cash	33.3% shares			
LTIP (recovery provisions apply)	Performance period			Holding period	

Implementation for FY25

Base salary	0% increase for the Executive Directors • CEO – £735,420 • CFO – £485,000
Benefits	No change.
Pension	5% of salary (in line with the wider workforce).
Global Bonus Scheme (GBS)	• Maximum opportunity: – CEO – 200% of salary – CFO – 150% of salary • Subject to PBT (55%), number of pairs of DTC boots sold (20%) and strategic objectives (25%) • 33.3% deferred into shares for two years
LTIP	• Award level and ranges to be confirmed and published when the awards are made • Subject to EPS (50%), cash conversion (25%) and relative TSR (25%) • Two-year holding period applies
Shareholding guidelines	300% of salary (to be held for two years post employment).
Chair and Non-Executive Directors	0% increase in fees.

DIRECTORS' REMUNERATION POLICY

This Report has been prepared in accordance with the provisions of the Companies Act 2006 (the Act), the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the subsequent amendments, and the UK Listing Authority Listing Rules. In addition, the Report has been prepared on a 'comply or explain' basis with regard to the UK Corporate Governance Code 2018 (the Code). The Remuneration Policy described in this section is intended to apply for three years and will be applicable from the date of approval by shareholders at the Company's 2024 AGM.

Decision-making process for determination, review and implementation of the Policy

The Committee is responsible for the development, implementation and review of the Directors' Remuneration Policy. In addressing this responsibility, the Committee works with management and external advisers to develop proposals and recommendations. The Committee considers the source of information presented to it, takes care to understand the detail and ensures that independent judgement is exercised when making decisions. The Remuneration Committee works alongside other Board Committees as needed.

The Committee reviews the Policy and its operation to ensure it continues to support and reward the Executive Directors for achieving the business strategy, both operationally and over the longer term. It reviews the structure and quantum of rewards and takes into account the Code, market practice, shareholder views and the views of institutional investors and investor representative bodies. The Committee also considers the remuneration arrangements, policies and practices for the workforce as a whole which it reviews as part of its annual agenda.

The Policy's operation is considered annually for the year ahead, including metrics for incentives, weightings and targets. The Committee reviews the Policy's operation for the prior year and considers whether, in light of the strategy, changes are required for the coming year. Targets for the annual bonus and LTIP awards are also reviewed to determine whether they remain appropriate or need to be recalibrated. It is the Committee's policy to engage with and seek feedback from shareholders as appropriate, depending on the changes proposed.

Consideration of employment conditions elsewhere in the Group

The Company provides a market competitive package to all employees with additional reward through incentive payments linked to the achievement of stretching performance targets. This reward philosophy applies to all levels of the business. In view of the greater potential remuneration, the Executive Directors have a greater proportion of their pay at 'risk' and subject to payment in shares, deferral and holding periods. The Remuneration Committee takes into account general workforce remuneration and related policies, and the alignment of incentives and rewards with culture when setting and operating the Policy for Executive Directors' remuneration and the Committee receives regular updates on any changes to wider Company Remuneration Policy.

During the year I, alongside Robyn Perriss (our Non-Executive Director Designated Employee Representative), engaged extensively with our wider workforce and successfully progressed our approach to our employee listening initiatives. The objective of these sessions was for me to share our approach to executive remuneration, explain how it aligns with Company strategy and invite comments, questions and input. Employees invited to these forums are selected at random. Feedback from the employee session was considered when designing the Remuneration Policy.

The Committee also receives updates on the remuneration structure throughout the Group, with salary and bonus reviews each year. In setting remuneration for the Executive Directors, the Committee takes note of the overall approach to rewards for employees in the Group. Therefore, the Committee is satisfied that the decisions made in relation to Executive Directors' pay are made with an appropriate understanding of the outcomes for the wider workforce.

Consideration of shareholder views

In considering the operation of the Remuneration Policy, the Committee takes into account the published remuneration guidelines and specific views of shareholders and proxy voting agencies. The Committee will consult with the Company's larger shareholders, where considered appropriate. As part of the Policy renewal process the Committee Chair consulted with major shareholders, as well as proxy voting bodies and shareholder advisory groups. Furthermore, the Committee will consider specific concerns or matters raised at any time by shareholders on remuneration.

Other considerations

In line with the Code, the Policy has been tested against the six factors listed in Provision 40:

- **Clarity** – the Policy is as clear as possible and is described in straightforward, concise terms to shareholders and the workforce in this Report.
- **Simplicity** – remuneration structures are as simple as possible and market typical, whilst at the same time incorporating the necessary structural features to ensure a strong alignment to performance, strategy and minimising the risk of rewarding failure.
- **Risk** – the Directors' Remuneration Policy has been shaped to discourage inappropriate risk taking through a weighting of incentive pay towards long-term incentives, the balance between financial and non-financial measures in the annual bonus known as the Global Bonus Scheme (GBS), a portion of the GBS being paid in shares, recovery provisions, and in-employment & post-employment shareholding requirements. To avoid conflicts of interest, Committee members are required to disclose any conflicts or potential conflicts ahead of Committee meetings. No Executive Director or other member of management is present when their own remuneration is under discussion.
- **Predictability** – elements of the Policy are subject to caps and dilution limits. Examples of how remuneration varies depending on performance is set out in the scenario charts on page 124. The Committee may exercise its discretion to adjust Directors' remuneration if a formula-driven incentive payout is inappropriate in the circumstances.
- **Proportionality** – there is a sensible balance between fixed pay and variable pay, and incentive pay is weighted to sustainable long-term performance. Incentive plans are subject to performance conditions that consider both financial and non-financial performance linked to strategy. Outcomes will not reward poor performance.
- **Alignment to culture** – the Remuneration Committee will consider Company culture and wider workforce policies when shaping and developing executive remuneration policies to ensure that there is coherence across the business. There will be a strong emphasis on the fairness of remuneration outcomes across the workforce.

Conclusion of the review and key changes to the Policy

The Committee concluded that the Directors' Remuneration Policy had operated as intended over the past three years, and following the review, concluded that the Policy was fit for purpose and that no changes to the Policy itself were required.

Policy detail by remuneration element (no change from previous Policy)

PAY ELEMENT AND PURPOSE	OPERATION	OPPORTUNITY	PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT
Base salary			
Provide a base level of remuneration to help us acquire, retain and engage top talent	Salaries are generally reviewed annually and any changes are normally effective from the beginning of the financial year. The review will take into account several factors including (but not limited to): • The Director's role experience and skills; • The remuneration policies, practices and philosophy of the Company; • Pay conditions in the Group; • Business performance; • Market data for similar roles and comparable companies; and • The economic environment.	Having been set based on relevant factors, base salaries will normally increase no more than the average increases made to the wider workforce. Higher increases may be permitted where appropriate, for example where there is a change to role or there is additional responsibility or complexity.	None
Benefits			
To provide a market-competitive level of benefits based on the market in which the Executive is employed	The Executive Directors receive benefits which include, but are not limited to, family private health cover, life assurance cover and car allowance, although they can include any such benefits that the Committee deems appropriate. The Remuneration Committee retains the discretion to be able to adopt other benefits including (but not limited to) relocation expenses, tax equalisation and support in meeting specific costs incurred by Directors. Any reasonable business-related expenses can be reimbursed, including the tax thereon, if determined to be a taxable benefit.	The maximum will be set at the cost of providing the benefits described.	None
Pensions			
To provide market-competitive retirement benefits	Contribution to the Group Pension Plan or a cash allowance in lieu of pension.	Pension contribution in line with the rate applicable for the majority of the UK workforce (currently 5% of salary).	None
Global Bonus Scheme (GBS)			
To reward annual performance against financial and non-financial KPIs and to encourage long-term sustainable growth and alignment with shareholders' interests through payment in shares	The Remuneration Committee will normally determine the GBS payable after the year end, based on performance against targets. No more than two-thirds of the GBS will be paid out in cash after the end of the financial year. The remaining amount will be used to purchase shares which the Executive is required to hold for two years. Malus and clawback provisions will apply up to the date of the GBS determination and for three years thereafter.	The maximum GBS opportunity for the Executive Directors is as follows: CEO – 200% of base salary. CFO – 150% of base salary.	GBS payouts are determined based on the satisfaction of a range of key financial and strategic objectives set by the Remuneration Committee. The majority of the performance measures will be based on financial performance. Performance measures will be set each year in line with Company strategy. No more than 10% of the relevant portion of the GBS is payable for delivering a threshold level of performance, and no more than 50% is payable for delivering a target level of performance (where the nature of the performance metric allows such an approach). The Remuneration Committee has the discretion to adjust the formulaic GBS outcome if it believes that such outcome is not a fair and accurate reflection of business performance.

PAY ELEMENT AND PURPOSE	OPERATION	OPPORTUNITY	PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT
Long Term Incentive Plan (LTIP)			
To encourage long-term sustainable growth and to provide alignment with shareholders' interests	Awards can be granted in the form of conditional shares or nil-cost options. Awards will vest at the end of a performance period of at least three years, subject to the satisfaction of performance conditions and provided that the Executive remains employed by the Group. The net of tax number of shares that vest will be subject to an additional two-year holding period, during which the shares cannot be sold. An additional payment, normally in shares, may be made equal to the value of dividends which would have accrued on vested shares. Malus and clawback provisions will apply for three years post vesting.	The normal maximum award level will be 300% of salary per annum, based on the face value of shares at grant. If exceptional circumstances arise, including (but not limited to) the recruitment of an individual, awards may be granted up to a maximum of 400% of salary.	Awards will be subject to a combination of long-term measures which are aligned to the business strategy and shareholder experience and may include financial metrics (such as EPS), shareholder value metrics (such as TSR), and ESG or strategic objectives. At least half of the award will be subject to financial and/or shareholder return measures. The Committee will have discretion to set different measures and weightings for awards in future years to best support the strategy of the business at that time. Threshold performance under each metric will result in no more than 25% of that portion of the award vesting. The Remuneration Committee has the discretion to adjust the formulaic outcome of the LTIP if the Committee believes that it is not a fair and accurate reflection of business performance.
All-employee share plans			
To provide alignment with Group employees and to promote share ownership	The Executive Directors may participate in any all-employee share plan operated by the Company.	Participation will be capped by the HMRC limits applying to the respective plan.	None
Shareholding requirement			
To provide alignment with shareholders' interests	**During employment** Executives are required to build up and retain a shareholding equivalent to 300% of their base salary. Until the shareholding requirement is met, Executive Directors will be required to retain 50% of the net of tax shares they receive under any incentive plan. **Post-employment** Any Executive Director leaving the Company will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 300% of salary for a period of two years.	300% of salary.	None
Non-Executive Directors			
To provide an appropriate fee level to attract and retain Non-Executive Directors and to appropriately recognise the responsibilities and time commitment	Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and as Chair of Board Committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments). The Chair of the Board receives an all-inclusive fee. Neither the Chair of the Board nor the Non-Executive Directors participate in any incentive plans. Fees are reviewed annually.	The fee for the Chair of the Board is set by the Remuneration Committee and the Non-Executive Directors' fees are set by the Board (excluding the Non-Executive Directors). In general, fee level increases will be no higher than the average rise in salaries for the rest of the workforce. The Company will reimburse any reasonable expenses incurred (and related tax if applicable).	None

Notes to the Remuneration Policy table

CHOICE OF PERFORMANCE MEASURES

Each year the Remuneration Committee will select the most appropriate performance measures and targets for the GBS and LTIP. The measures selected will be aligned with Company strategy and key performance indicators and may also be based on Total Shareholder Return (TSR).

GBS performance metrics include a mix of financial targets and non-financial objectives, reflecting the key annual priorities of the Company. The financial metrics determine the majority of the bonus alongside a combination of key strategic and wider non-financial targets. For FY25, the GBS measures are PBT, the number of pairs of boots sold Direct-to-consumer (DTC), and three strategic objectives covering leadership behaviours, brand desire and sustainability. The LTIP performance metrics relate to creating long-term returns and typically include measures of long-term profitable growth (e.g. EPS) and shareholder returns (e.g. TSR). The performance measures for FY25 will be EPS and TSR with the addition of a cash conversion target. The detailed performance measures and targets for FY25 will be disclosed in the RNS when the awards are made.

The Committee retains discretion within the Policy to set different performance criteria and/or alter weightings for the GBS and long-term incentives in line with the Company's strategic priorities.

Performance targets are set based on a range of expected outcomes, taking into account both internal and external expectations of performance. Targets are set to be challenging yet realistic. All assessments of performance are ultimately subject to the Committee's judgement. Any discretion exercised, and the rationale, will be disclosed in the Annual Report on Remuneration.

DIFFERENCES IN POLICY FROM BROADER EMPLOYEE POPULATION

Dr. Martens' culture and remuneration philosophy is aligned across the business, although pay is generally more variable and linked more to the long term for those at more senior levels. Overall, the Policy for the Executive Directors is more heavily weighted towards performance-related pay than for other employees. In particular, performance-related long-term incentives are not provided outside the senior management population as they are reserved for those considered to have the greatest potential to influence overall performance. Although long-term incentives are awarded only to the more senior levels in the Group, we believe that all employees should have the ability to have a stake in the business and to share in our success. Your Share, Buy As You Earn (BAYE), is our global share scheme, enabling all employees to buy shares[1] from their income which the Company matches on a 1:1 basis. Executive Directors are eligible to participate in this plan on the same basis as other employees.

MALUS AND CLAWBACK

The Committee may, at any time in the period ending on the third anniversary of the Release Date of an LTIP award or GBS payment, determine that malus and/or clawback provisions apply in the following circumstances:(i) material financial misstatement; (ii) significant reputational damage; (iii) negligence or gross misconduct by a participant; (iv) fraud effected by or with the knowledge of a participant; (v) material corporate failure; or (vi) where awards were granted or vested based on erroneous or misleading data. There are robust mechanisms in place to ensure that these provisions are enforceable.

DISCRETION

The Remuneration Committee can exercise discretion in a number of areas when operating the Company's incentive schemes more widely within the business, in line with the relevant rules of the schemes. These include (but are not limited to):

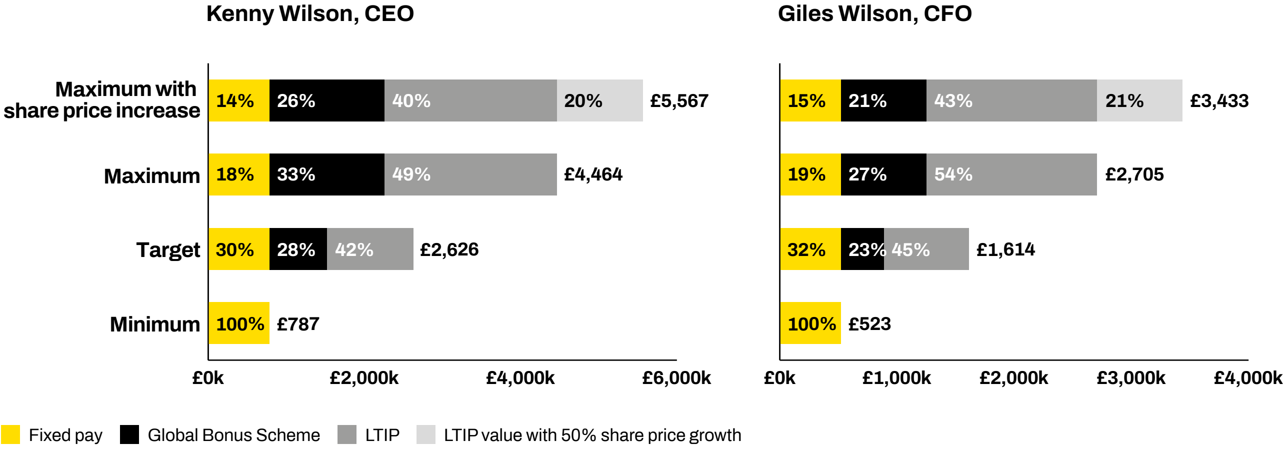
- the choice of participants;
- whether or not to apply performance conditions to awards, and what any applicable conditions should be (for the avoidance of doubt, GBS and LTIP awards to Executive Directors will always be subject to performance conditions);
- the size of awards in any year (subject to the limits set out in the Directors' Remuneration Policy table);
- the extent of payments or vesting in light of the achievement of the relevant performance conditions;
- the determination of good or bad leavers and the treatment of outstanding awards (subject to the provisions of the Scheme Rules and the Remuneration Policy provisions); and
- the treatment of outstanding awards in the event of a change of control, in accordance with the plan rules.

In addition, if events occur which cause the Remuneration Committee to conclude that any performance condition is no longer appropriate, that condition may be substituted, varied or waived as is considered reasonable in the circumstances in order to produce a fairer measure of performance that is not materially less difficult to satisfy.

1. Available in all countries where the regulations allow.

REMUNERATION SCENARIOS FOR EXECUTIVE DIRECTORS

The charts below give an indication of the level of total annual remuneration that would be received by each Executive Director in accordance with the Policy in respect of minimum pay (fixed pay), on target and maximum performance based on assumptions set out below. The charts are based on the policy maximum for both GBS and LTIP for illustrative purposes.



Minimum: Comprises fixed pay only based on FY25 base salaries, FY25 benefits and a 5% Company pension contribution.

On Target: Fixed pay plus 50% of the maximum FY25 GBS (100% of salary for the CEO and 75% of salary for the CFO) and 50% LTIP vesting (150% of salary for the CEO and CFO).

Maximum: Fixed pay plus 100% of the maximum FY25 GBS (200% of salary for the CEO and 150% of salary for the CFO) and 100% LTIP vesting (300% of salary for the CEO and CFO).

Maximum with share price increase: The same as Maximum but assumes 50% share price growth on the LTIP award.

Recruitment policy

When setting remuneration packages for new Executive Directors, pay will be set in line with the Remuneration Policy outlined above. Several factors will be considered: the geography in which the role competes or is recruited from, the candidate's experience and skills, as well as the remuneration levels of other Executives and colleagues in the business. The Remuneration Committee is mindful that the Company should avoid paying more than is necessary to recruit the desired candidate.

REMUNERATION ELEMENT	POLICY
External appointment to the Board	
Salary	Base salary would be set at an appropriate level considering the factors mentioned above.
Relocation	If an Executive Director needs to relocate in order to take up the role, the Company would pay to cover the costs of relocation including (but not limited to) actual relocation costs, temporary accommodation and travel expenses.
Buyout awards	For external appointments, the Remuneration Committee may (if it is considered appropriate) provide a buyout award equivalent to the value of any outstanding incentive awards that will be forfeited on cessation of a Director's previous employment. To the extent possible, the buyout award will be made on a broadly like-for-like basis. The award will take into account the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting, the likelihood of vesting and the nature of the awards (cash or equity). Any such buyout award may be granted under the LTIP or the provision available under UKLA Listing Rule 9.4.2. to enable awards to be made outside the LTIP in exceptional circumstances.
GBS	Joiners may receive a pro-rated GBS based on their employment as a proportion of the financial year and targets may be different to those set for other Executives.
LTIP	Grants will be set in line with the Policy in the year of joining.
Other elements	Benefits and pension will be set in line with Policy.
Internal appointment to the Board	When existing employees are promoted to the Board, the above policy will apply, from the point where they are appointed to the Board and not retrospectively. In addition, any existing awards will be honoured and form part of ongoing remuneration arrangements.
Non-Executive Directors	Fees will be in line with the Remuneration Policy and the fees provided for the other Non-Executive Directors.

In exceptional circumstances, the maximum level of variable pay which may be awarded to a new Executive Director in the first year of appointment under the Policy will be 600% of salary for a CEO and 550% for a CFO.

Service agreements and letters of appointment

The Executive Directors have a service contract requiring nine months' notice of termination from either party as shown below:

Executive Director	Date of appointment	Date of current contract	Notice from the Company	Notice from the individual	Unexpired period of service contract
Kenny Wilson	5 January 2021	21 January 2021	9 months	9 months	Rolling
Giles Wilson	13 May 2024	14 November 2023	9 months	9 months	Rolling

Copies of Executive Directors' service contracts are available for inspection at the Company's registered office.

In the event of termination for cause (e.g. gross misconduct) neither notice nor payment in lieu of notice will be given, and the Executive Director will cease to perform their services immediately.

Treatment of other elements of the Policy (including GBS and LTIP) will vary depending on whether an Executive Director is defined as a 'good' or 'bad' leaver. The Remuneration Committee has the discretion to determine whether an Executive Director is a good leaver, and reasons for good leaver treatment include, but are not limited to, death, ill-health, injury or disability and retirement.

The treatment of the various elements of pay on termination are summarised below.

Salary, benefits and pension	If notice is served by either party, the Executive Director can continue to receive base salary, benefits and pension for the duration of their notice period. The Executive Director may be asked to perform their normal duties during their notice period, or they may be put on garden leave. The Company may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary, benefits and pension, with any such payments being paid in monthly instalments over the remaining notice period. The Executive Director will normally have a duty to seek alternative employment and any outstanding payments will be subject to offset against earnings from any new role.
GBS	Good leavers will still be eligible to receive a GBS at the usual time with performance measured at usual time. The GBS will normally be pro-rated for service during the financial year. Bad leavers will not be eligible to receive a GBS. Deferred shares are beneficially owned by the Executive Director from grant and so they are not at risk of forfeiture, other than in relation to clawback and malus. Shares subject to a holding period will be released at the normal time.
LTIP	Awards are forfeited on cessation of employment except for 'good leavers' (where awards vest subject to performance conditions and normally scaled back pro rata to the proportion of the performance or vesting period served). The Remuneration Committee will have the ability to allow the awards to vest in full subject to performance but with no time pro-rating, in exceptional circumstances. Shares subject to a holding period will be released at the normal time.

Chair and Non-Executive Directors

The Chair of the Board and Non-Executive Directors have letters of appointment with the Company. In line with market practice, there is typically an expectation for Non-Executives to serve two three-year terms but they may be invited by the Board to serve an additional period, subject to annual re-appointment at the AGM. Appointments are terminable by either party on three months' written notice. The appointment letters provide that no compensation is payable on termination, other than accrued fees and expenses.

The table below details the letters of appointment for each Non-Executive Director.

Non-Executive Directors[1]	Date of appointment	Date of current letter of appointment	Notice from the Company	Notice from the individual
Paul Mason	5 January 2021	9 January 2021	6 months	6 months
Lynne Weedall	11 January 2021	8 January 2021	3 months	3 months
Ian Rogers	11 January 2021	25 November 2020	3 months	3 months
Robyn Perriss	11 January 2021	8 January 2021	3 months	3 months
Tara Alhadeff	5 January 2021	9 January 2021	N/A	3 months
Andrew Harrison	1 May 2023	27 March 2023	3 months	3 months

Copies of Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office.

1. Ije Nwokorie stepped down from the Board on 1 February 2024 to take up the position of Chief Brand Officer with immediate effect.

External appointments

With the approval of the Board, Executive Directors may accept one external appointment as a Non-Executive Director and retain the fees.

ANNUAL REPORT ON REMUNERATION

Remuneration Committee

ROLE AND RESPONSIBILITIES

The role of the Remuneration Committee is to determine and establish a Remuneration Policy for the Executive Group and to oversee the remuneration packages for those individuals. When determining remuneration arrangements, the Committee must review workforce remuneration and related policies and the alignment of incentives and rewards with culture and take these into account when determining remuneration of the Executive Group. Further details on the roles and responsibilities of the Committee are disclosed in the terms of reference which can be found on the Company's corporate website: www.drmartensplc.com.

REMUNERATION COMMITTEE MEMBERSHIP AND MEETINGS

During the year the Remuneration Committee comprised Lynne Weedall (Chair), Robyn Perriss, Andrew Harrison and Ian Rogers, all of whom are Independent Non-Executive Directors. Andrew Harrison joined the Committee on 1 May 2023.

The Committee met a total of six times during the year ended 31 March 2024 (one meeting was an extraordinary meeting in June 2023). The number of meetings attended out of the possible maximum for each of the members of the Committee is set out on page 116 and included in the Annual Report on Remuneration by reference.

KEY ACTIVITIES DURING THE YEAR

Key actions and areas of review by the Committee during the year included:

- Reviewed and approved the Remuneration Policy to be presented to shareholders at the AGM in July 2024;
- Consulted with major shareholders as part of the Policy renewal process;
- Approved the remuneration arrangements for Giles Wilson, the CFO, and confirmed the leaving arrangements for Jon Mortimore, the former CFO;
- Approved remuneration packages for new senior hires below the main Board;
- Determined the remuneration arrangements for the Executive Group;
- Reviewed and approved the Global Bonus Scheme outcome for the Executive Directors and the wider workforce;
- Approved the GBS and LTIP measures and targets for FY24 awards, ensuring that performance measures align with our strategy and that targets are stretching and incentivising against the wider global economic challenges that we face;
- Monitored performance for the inflight GBS and LTIP awards;
- Reviewed shareholdings against share ownership requirements for the Executive Group; and
- Reviewed remuneration and related policies relating to the wider workforce.

EXTERNAL ADVISERS

The Remuneration Committee receives independent advice from Korn Ferry, who were appointed in June 2020 by the pre-IPO Remuneration Committee, following a tender process. The Committee is satisfied that Korn Ferry remains independent of the Company and that the advice provided is impartial and objective. Korn Ferry is a signatory to the Remuneration Consultant Group's Code of Conduct which sets out guidelines to ensure that any advice is independent and free of undue influence, details of which can be found at www.remunerationconsultantsgroup.com. During the year, Korn Ferry did not provide any other services to the Group. The total fees paid to Korn Ferry for Remuneration Committee advice in FY24 were £75,300 and were charged on a time and materials basis. The Committee's advisers attend Committee meetings as required and provide advice on remuneration for executives, analysis of the Remuneration Policy and regular market and best practice updates. The advisers report directly to the Committee Chair.

STATEMENT OF VOTING AT THE ANNUAL GENERAL MEETING

At the 2023 AGM Dr. Martens' shareholders were asked to approve the 2023 Directors' Remuneration Report. The Directors' Remuneration Policy was last approved by shareholders at the 2021 AGM. The votes received are set out below:

2023 AGM (13 July 2023)	Nature of vote	Votes for	%	Votes against	%	Votes total	Votes withheld
Approve the 2023 Directors' Remuneration Report (excluding the Remuneration Policy)	Advisory	789,249,709	99.70	2,387,991	0.30	791,637,700	33,798,706

2021 AGM (29 July 2021)	Nature of vote	Votes for	%	Votes against	%	Votes total	Votes withheld
Approve the Directors' Remuneration Policy	Binding	810,983,185	99.20	6,512,215	0.80	817,495,400	275

Single total figure of remuneration for the financial year ending 31 March 2024 (audited)

The following table sets out the total remuneration for Executive and Non-Executive Directors for the financial year ended 31 March 2024.

All figures shown in £000	Salary and fees		Benefits[1]		Pension[2]		Other[3]		Total Fixed Remuneration		GBS (Annual bonus)		LTIP		Total Variable Remuneration		Total	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
Kenny Wilson	**735**	721	**15**	15	**37**	36	**1**	1	**788**	773	**0**	0	**0**	–	**0**	0	**788**	773
Jon Mortimore	**473**	464	**16**	15	**24**	23	**1**	1	**513**	503	**0**	0	**0**	–	**0**	0	**513**	503
Paul Mason	**342**	335	**–**	–	**–**	–	**–**	–	**342**	335	**–**	–	**–**	–	**–**	–	**342**	335
Lynne Weedall	**101**	99	**–**	–	**–**	–	**–**	–	**101**	99	**–**	–	**–**	–	**–**	–	**101**	99
Ian Rogers	**68**	67	**–**	–	**–**	–	**–**	–	**68**	67	**–**	–	**–**	–	**–**	–	**68**	67
Robyn Perriss	**96**	94	**–**	–	**–**	–	**–**	–	**96**	94	**–**	–	**–**	–	**–**	–	**96**	94
Ije Nwokorie[4]	**57**	67	**–**	–	**–**	–	**–**	–	**57**	67	**–**	–	**–**	–	**–**	–	**57**	67
Tara Alhadeff[5]	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Andrew Harrison[6]	**62**	N/A	**–**	–	**–**	–	**–**	–	**62**	–	**–**	–	**–**	–	**–**	–	**62**	–

Notes to the table

1. Benefits represents the taxable value of benefits paid. Benefits provided to Executive Directors are family private health cover and car allowance.
2. Executive Directors receive a cash in lieu of pension contribution of 5% of salary (in line with the wider workforce).
3. This relates to the value of the matching and dividend shares awarded under the terms of the Share Incentive Plan known as Buy As You Earn (BAYE).
4. Ije Nwokorie stepped down from the Board on 1 February 2024 to take up the position of Chief Brand Officer with immediate effect; his fees have been pro-rated accordingly.
5. Tara Alhadeff, a representative of Permira, receives no fees for her role as Non-Executive Director.
6. Andrew Harrison joined the Board on 1 May 2023; his fees have been pro-rated accordingly.

Global Bonus Scheme (audited)

The maximum Global Bonus Scheme opportunity for FY24 was 200% of salary for the CEO and 150% for the CFO. The performance against measures for FY24 is set out below. The bonus was subject to PBT (75% of maximum) and strategic objectives (25% of maximum). The strategic element was based on three equally weighted measures: employee engagement, brand health and sustainability (ESG) targets.

Measure	Weighting	Threshold 10% of maximum	Target 50% of maximum	Stretch 100% of maximum	Actual	Achievement % of maximum available under that element	Payout as a percentage of total bonus
PBT	75%	£149.0m	£165.5m	£182.1m	£93.0m	0%	0%
Employee engagement[1] Grow global employee engagement to reflect a thriving culture.	8.33%	Maintain Global Grand Factor Mean Engagement Score at 3.98	Grow Global Grand Factor Mean Engagement Score to 4.08	Stretch Global Grand Factor Mean Engagement Score to 4.13	Global Grand Factor Mean Engagement Score of 3.94	0%	0%
Brand health[2] Growing the brand equity across 6 key areas (Awareness, Familiarity, Ever Purchased, L24M Purchased, Net Consideration and Net Future Purchase Intent) in our 7 key markets.	8.33%	Improvement in 2 of the 6 brand equity measures	Improvement in 4 of the 6 brand equity measures	Improvement in all 6 brand equity measures	1.86 out of 6 areas improved	0%	0%
Sustainability (ESG)[3] Implementation of the sustainability strategy across business, by showing the progress under key commitments.	8.33%	Achieved 3 out of 6 targets	Achieved 5 out of 6 targets	Achieved 6 out of 6 targets	6 targets completed	100%	8.33%

Notes

1. Employee engagement – In March 2024, all employees were invited to participate in our annual employee Engagement and Inclusion Survey. Engagement is measured with reference to a Grand Factor Mean Score which is calculated based on output from a survey system provided by an external provider. Our survey participation rate remains high at 92% (3,158 responses out of a possible 3,448). Our overall score for March 2024 was 3.94 and our Threshold target was missed. This has gone down by 0.04 since March 2023. While this is disappointing, it is not a statistically meaningful drop, which is defined as anything at or above 0.10 for this population size.
2. Brand health – The targets were based on improving the equity of the brand across 6 core indicators of brand health including Awareness, Familiarity, Ever Purchased, Purchased in the last 24 months, Net Consideration and Net Future Purchase Intent. Measurement was across our 7 priority markets of the UK, France, Germany, Italy, USA, China and Japan using relative improvement versus a specific group of footwear companies with the base period being October 2022 to October 2023.
3. Sustainability (ESG) – Targets were based on our Planet, Product and People sustainability strategies. Planet targets included (i) identifying an appropriate mechanism to systematically collect and analyse carbon data in accordance with carbon accounting requirements to measure progress towards Net-Zero and (ii) achieving at least 95% of renewable energy contracts in EMEA and identifying solutions in USA renewables to hit our target deadline of 2025. Product targets included (i) repair and resale model: finalising heads of terms contracts with the third-party white label partner and (ii) successfully marketing a product with more sustainable material (alternative material such as eLeather or regenerative leather). People targets included (i) DE&I: all Executive Group completing inclusive leadership training led by an external specialist consultancy and (ii) all Tier 1 suppliers continuing to be audited and achieving high CSR standards in externally conducted audit. For FY24, 6 out of 6 targets were achieved. (The leadership training was not completed in FY24 for logistical reasons but has been committed to in early FY25.) Further details on the actions we have taken on sustainability can be found in the Sustainability Report on page 46.

*We define sustainable materials as those which are 1) Durable, 2) Recycled, Renewable and/or Regenerative and 3) Produced Responsibly.

Based on performance during FY24 the formulaic outcome of the GBS for Executive Directors is 8.33% of maximum. However, the Executive Directors elected to waive their bonus for FY24, the equivalent of £122,750 and £59,096 for our CEO and former CFO respectively. As a result, there was no payout under the GBS.

Long Term Incentive Plan (LTIP) vesting during the year (audited)

The award opportunity for the LTIP awards granted in 2021 at admission was 300% of salary for the CEO and former CFO. The performance against the measures is set out below. The LTIP was subject to EPS: compound annual growth over three years (67% of maximum) and relative TSR vs. FTSE 350 excluding investment trusts (33% of maximum). The performance period for the EPS for this award was 1 April 2021 to 31 March 2024 with TSR measured from admission on 3 February 2021 to 31 March 2024. The awards are due to vest in June 2024.

		Targets			
Measure	**Weighting**	**Threshold (25% vesting)**	**Stretch (100% vesting)**	**Actual**	**Vesting (% of total award)**
EPS: compound annual growth over three years	67%	12% p.a.	21% p.a.	-21%	0%
Relative TSR vs. FTSE 350 (excluding investment trusts)	33%	Median	Upper Quartile or above	Below Median	0%

LTIP granted during the year (audited)

On 30 June 2023, an LTIP award was granted to the CEO. As explained in the 2023 Annual Report, the LTIP award was reduced to 250% of salary from the usual policy level of 300% to take into account the share price at the time of grant.

Executive	Basis of the award (% of salary)	Share price[1]	Number of shares granted[2]	Face value of the award at grant date (£)	Threshold vesting (% of award)	Grant date[3]	Vesting date[4]
Kenny Wilson	250%	119.3p	1,541,114	1,838,550	25%	30 June 2023	30 June 2026

1. The share price is based on the mid-market close on the day before the date of grant (30 June 2023).
2. LTIP grants were granted in the form of conditional share awards.
3. Performance is measured over three financial years from 1 April 2023 to 31 March 2026.
4. An additional two-year holding period applies after the end of the three-year vesting period.

To note: No award was made to Jon Mortimore as he was under notice of retirement at the time of the award grant.

The awards above are subject to the EPS and TSR targets set out in the table below:

Performance measure	Weighting	Targets		Performance period
EPS (compound annual growth)	67%	3% p.a.	11% p.a.	1 April 2023 – 31 March 2026
Relative TSR vs. FTSE 350 (excluding investment trusts)	33%	Median	Upper Quartile or above	

Payments to former Directors (audited)

No payments were made to former Directors of the Company during the year.

Appointment of new Chief Financial Officer

Giles Wilson took up the position of CFO on 13 May 2024.

In setting Giles' remuneration, we benchmarked his salary against a peer group of 30 FTSE companies positioned above and below the Dr. Martens' market cap as well as taking into account the value of his previous remuneration and that of the departing CFO. His salary of £485,000 is positioned just below the median salary of this group and is less than 3% above that of the former CFO and lower than his salary with his former employer.

Participation in the GBS up to a maximum of 150% of salary and the LTIP up to a maximum 300% of salary are in line with incentive opportunities for the former CFO. Likewise pension allowance will be 5% of salary.

In addition, we agreed to compensate Giles for bonus and LTIP awards forfeited on leaving his previous employer.

Giles will receive a cash payment as compensation for the loss of his annual performance bonus for 2023 to a value of £299,356. He will also be compensated for a separate one-off bonus to the value of £62,750 which he would have received had he not resigned. Payment of these amounts were made shortly after joining, with Giles using one-third of the net amount payable to purchase shares. We will also make a cash payment to Giles in lieu of his forfeited annual performance bonus for the period 1 January 2024 to 30 April 2024 to a value of £99,785. This will be made in March 2025, in line with the original payment date, with one-third of the net amount used to purchase shares.

The cash LTIP awards held by Giles for 2022 and 2023 will be replaced by an award under the 2025 LTIP (with DM's performance conditions), vesting in June 2027, being after the original vesting schedule of April 2025 for the 2022 award and April 2026 for the 2023 award. His 2021 cash LTIP which was due to vest in April 2024 was paid in cash to a value of £400,400 shortly after joining, based on the outturn of the original performance conditions.

Giles has been provided with a relocation allowance of £18,000 net, payable in six equal instalments after joining, to cover the cost of interim accommodation. We will also cover £20,000 associated with removal expenses. Finally, we provided £2,000 towards legal costs related to a review of his Executive Service Agreement (ESA).

Full details will be set out in the FY25 Directors' Remuneration Report once all the awards have been granted.

Retirement of Executive Director (audited)

On 14 April 2023, we announced that Jon Mortimore would be retiring as Chief Financial Officer with the agreement of the Board and on that basis the Committee confirmed his 'good leaver' status for the purposes of the GBS and LTIP. Whilst his notice period required nine months' notice we are grateful to Jon for agreeing to remain actively employed full time with the business for longer to secure a smooth year end.

On this basis, Jon continued to receive salary, benefits and pension until he left the Company on 31 March 2024. Jon will receive no further contractual payments after his retirement.

Jon was eligible to participate in the FY24 GBS. However, as detailed on page 117, the Executive Directors have waived their entitlement to any payout under the plan.

Jon will retain any share awards granted to him up to the date his retirement was announced. Bonus shares granted to him in July 2022 are under two-year restriction until July 2024. Jon was not granted a FY24 LTIP award in June 2023. Outstanding LTIP awards from previous grants will remain capable of vesting on their original vesting dates, subject to performance conditions and pro-rated to reflect the period from their date of grant to the end of his period of employment in accordance with the rules of the plan. The usual two-year post vest holding period will apply to any net of tax vested shares under the LTIP. Awards held by Jon will remain subject to malus and clawback in accordance with the plan rules. As detailed previously, the LTIP award granted in 2021 at admission will not vest.

Jon is required to maintain, for two years after leaving the Company, a minimum shareholding equal to the shareholding requirement he was subject to during employment (300% of his base salary).

These arrangements are in line with Jon's ESA and the Directors' Remuneration Policy.

Director interests and Executive Directors' shareholding requirements (audited)

During employment, Executive Directors are required to build and maintain a shareholding equivalent to 300% of their base salary. Post-cessation of employment, Executive Directors must retain shares to the value of 300% of salary for a period of two years in accordance with the Remuneration Policy (which now applies to Jon Mortimore, the former CFO). The shareholdings of Kenny Wilson and Jon Mortimore exceed this requirement significantly.

The table below summarises each Director's current shareholding, including shares subject to a deferral or holding period and performance conditions, and whether the shareholding requirement has been met.

In the period 1 April 2024 to 29 May 2024, Kenny Wilson acquired 698 shares due to his participation in the BAYE plan. As a result, he increased the number of beneficially owned shares by 349 (Partnership Shares) to 11,533,506 shares. He also increased his shares subject to continued employment by 349 (Matching Shares) to 2,322. In the same period Jon Mortimore acquired 318 shares due to his participation in the BAYE plan and contribution made prior to his retirement. As a result, he increased the number of beneficially owned shares by 159 (Partnership Shares) to 6,379,205 shares. He also increased his shares subject to continued employment by 159 (Matching Shares) to 2,132. There were no other changes in the Directors' interests as set out below between 1 April 2024 and 29 May 2024.

Director	Beneficially owned shares on 31 March 2023[1]	Beneficially owned shares on 31 March 2024[1]	Shares subject to continued employment[2]	Unvested shares subject to performance conditions	Shareholding requirement (% of salary)	Current shareholding (% of salary)[3]	Requirement met
Kenny Wilson	11,221,559	11,533,157	1,973	2,864,763	300%	1,376%	Yes
Jon Mortimore	6,377,396	6,379,046	1,973	850,916	300%	1,184%	Yes
Paul Mason	7,875,000	7,875,000	–	–	N/A	N/A	N/A
Lynne Weedall	17,054	21,054	–	–	N/A	N/A	N/A
Ian Rogers	20,270	20,270	-	-	N/A	N/A	N/A
Andrew Harrison	N/A	18,374	–	–	N/A	N/A	N/A
Robyn Perriss	89,054	99,328	–	–	N/A	N/A	N/A
Ije Nwokorie	5,405	5,405[4]	–	–	N/A	N/A	N/A
Tara Alhadeff	0[5]	0[5]	–	–	N/A	N/A	N/A

Notes

1. The total number of interests in shares in the Company of the Director including interests of connected persons. This also includes Partnership Shares and Dividend Shares under the BAYE and Bonus Shares under the Global Bonus Scheme which are subject to a two-year holding period.
2. This includes BAYE Matching Shares which are subject to continued employment (a forfeiture period of three years) but are not subject to performance conditions.
3. For the purposes of compliance with the share ownership guidelines, only beneficially owned shares are counted. This includes any Partnership Shares and Dividend Shares under the BAYE, and Bonus Shares purchased under the Global Bonus Plan. Unvested shares in the LTIP are not counted. This figure is calculated using the base salary on 31 March 2024, and a share price on 29 March 2024 of 87.75 pence.
4. Ije Nwokorie stepped down from the Board on 1 February 2024 to take up the position of Chief Brand Officer with immediate effect. His interest in shares is shown at this date.
5. Tara Alhadeff is a Partner at Permira Advisers LLP, and they nominated her for appointment to the Board. IngreLux S.àr.l (which is wholly owned by Permira Advisers LLP) hold 369,942,440 shares in Dr. Martens.

In the tables below, we have summarised the outstanding awards for the Executive Directors included in the Directors' share interest table.

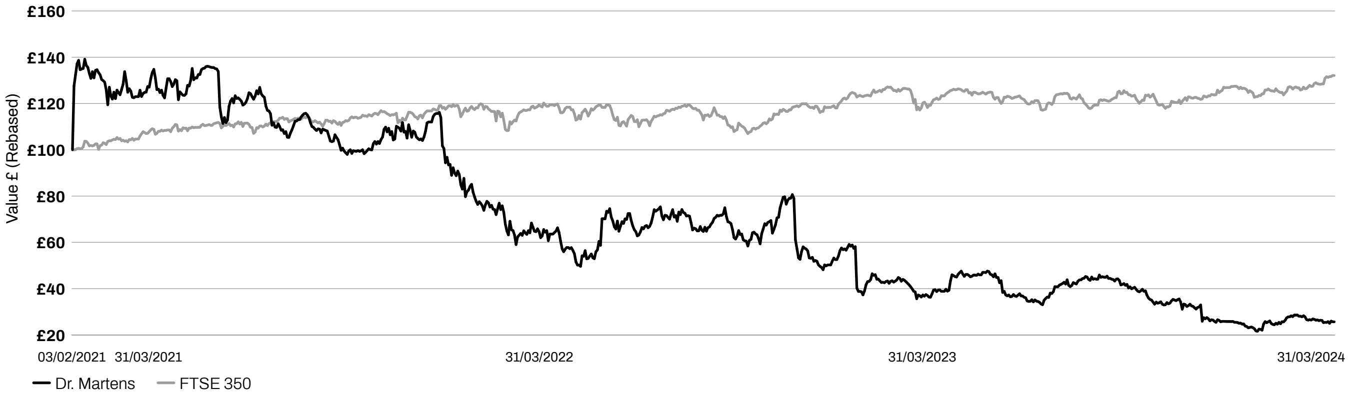
LTIP awards (awards subject to performance conditions)

		Grant date	Share price at grant	Type of award	No of shares under the award 01/04/2023	Granted during the year	Vested during the year	Exercised during the year	Lapsed during the year	No of shares under the award 31/03/2024	End of performance period
	2023 LTIP	30/06/2023	119.3p	Conditional shares	–	1,541,114	–	–	–	1,541,114	31/03/2026
	2022 LTIP	15/06/2022	238.4p	Conditional shares	756,082	–	–	–	–	756,082	31/03/2025
Kenny Wilson	2021 LTIP	09/02/2021	513.0p[1]	Conditional shares	567,567	–	–	–	–	567,567	31/03/2024
Total					1,323,649	1,541,114				2,864,763	
	2022 LTIP	15/06/2022	238.4p	Conditional shares	486,052	–	–	–	–	486,052	31/03/2025
Jon Mortimore	2021 LTIP	09/02/2021	513.0p[1]	Conditional shares	364,864	–	–	–	–	364,864	31/03/2024
Total					850,916					850,916	

1. As explained in the Prospectus and also in the 2021 Annual Report, the number of shares awarded was calculated using the offer share price of 370.0p. The closing share price on the date of grant was 513.0p.

Performance graph and table

Dr. Martens' shares began unconditional trading on the London Stock Exchange's main market on 3 February 2021. The chart below shows the TSR performance of £100 invested in Dr. Martens from 3 February 2021 (using the offer price of 370p per share) to 29 March 2024 against the FTSE 350 index (excluding investment trusts). The FTSE 350 index is considered an appropriate comparison as Dr. Martens is a constituent of the index.



	FY24	FY23	FY22	FY21[1]
CEO single total figure total remuneration (£000s)	**788**	773	1,656	259
GBS (as % of maximum opportunity)	**0%**	0%	65%	75%
Long-term incentive vesting (as % of maximum opportunity)	**0%**	–	–	–

1. FY21 was based on period from admission on 29 January 2021 to 31 March 2021.

Change in Directors' and employee remuneration

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees.

	Percentage change in FY23 – FY24			Percentage change in FY22 – FY23			Percentage change in FY21-FY22[1]		
	Salary	Taxable benefits	Global Bonus Scheme	Salary	Taxable benefits	Global Bonus Scheme	Salary	Taxable benefits	Global Bonus Scheme
Kenny Wilson	**2%**	**(1%)[3]**	**0%**	3%	(1%)[3]	(100%)	0%	0%	15.7%
Jon Mortimore	**2%**	**1%[4]**	**0%**	3%	0%	(100%)	0%	0%	71.6%
Paul Mason	**2%**	**–**	**–**	3%	–	–	0%	–	–
Lynne Weedall	**2%**	**–**	**–**	3%	–	–	0%	–	–
Ian Rogers	**2%**	**–**	**–**	3%			0%		
Robyn Perriss	**2%**	**–**	**–**	12%[2]	–	–	2.9%	–	–
Ije Nwokorie	**2%**	**–**	**–**	3%	–	–	0%	–	–
Andrew Harrison	**N/A**	**–**	**–**	N/A			N/A		
Tara Alhadeff	**–**	**–**	**–**	–	–	–	–	–	–
Employees[5,6]	**5.8%**	**(17.6%)**	**(23.8%)**	7.6%	19.4%	(91.3%)	7.0%	34.8%	37.5%

1. In FY21, the single total figure of remuneration table was based on the period from admission on 29 January 2021 to 31 March 2021, whereas in FY22 the table was based on the full financial year ending 31 March 2022. As a result, the figures for the prior year are annualised based on the change in the actual single total figure of remuneration for FY22 compared to the annualised single total figure of remuneration for FY21 for both Directors and employees.
2. In January 2022 (FY22), Robyn was appointed the Non-Executive Director responsible for employee engagement to represent the employees' voices at the Board level. To reflect the increased time that Robyn is spending on her commitment and responsibilities, the Board introduced an additional fee of £10,000 per annum for this role on 1 January 2022.
3. In November 2022, Kenny opted to reduce his private healthcare from family cover to partner cover. He continued to receive partner cover throughout FY24.
4. This reflects the increased cost of private healthcare; there were no additional benefits received.
5. The average percentage change for employees is calculated with reference to UK based employees only using the same data used for CEO pay ratio purposes. This population has been selected as it aligns to the group for the CEO pay ratio and so enables a more meaningful internal comparison. There are no employees, other than Executive Directors, in the listed parent company.
6. In order to show a more direct comparison to taxable benefits for the Executive Directors, the basis for the percentage change in taxable benefits for employees has been updated from prior year disclosures to exclude payroll allowances paid to some employees which are not strictly considered as benefits. The percentage change for FY23 – FY24 reflects the removal of a car allowance for new joiners at executive level (excluding the Executive Directors).

CEO pay ratio

UK regulations require companies with more than 250 UK employees to publish a ratio to show CEO total pay versus that of its UK employees. In line with these regulations, we have provided the ratio calculated using Method A determined by the regulations, under which a single total figure of remuneration is derived for each employee and the quartiles analysed. This method is, in the Committee's view, the most comprehensive and accurate reflection of the remuneration picture across our employee population.

Year ended	Method	Lower Quartile	Median	Upper Quartile
31 March 2024	A	31:1	26:1	15:1
31 March 2023	A	32:1	27:1	15:1
31 March 2022	A	77:1	60:1	31:1
31 March 2021	A	76:1	62:1	35:1

The pay for the CEO and the employees at the percentiles is set out below:

£'000s	CEO	Lower Quartile	Median	Upper Quartile
Basic salary	735	23.0	26.2	47.0
Total pay	788	25.7	30.4	53.5

The employee pay figures were calculated by reference to and as at the year ended 31 March 2024 using full-time equivalent data for relevant employees in service as at 31 March 2024. In FY24, for the CEO there was a modest salary increase (lower than the workforce rate), no payout under the bonus for the second year running and no payout under the LTIP award granted on admission. This is the reason why the ratio of his remuneration to the rest of the wider workforce is similar to that in FY23 (when the CEO also received a zero bonus payout) but lower compared to FY22, when a bonus was payable to the CEO.

The Committee is comfortable that the pay ratio shown above is consistent with our pay, reward and progression policies for the Group's UK employees as a whole. The CEO's remuneration package is more heavily weighted towards variable pay than that of the wider workforce, due to the nature of the role, and means the ratio is likely to fluctuate depending on the performance of the business and the related outturns of the incentive plans in each year.

Relative importance of the spend on pay

The table below shows the Group's expenditure on employee pay compared to distributions to shareholders for the year ended 31 March 2024, compared to FY23:

	FY24 £m	FY23 £m	% Change
Distribution to shareholders	**57.8**	58.4	(1.0)
Total employees' pay	**126.7**	117.5	7.8

Implementation of Policy in FY25

The section below sets out the planned implementation of the Remuneration Policy in FY25.

Executive Director remuneration

BASE SALARY

The salary for Kenny Wilson was not increased for FY25. The salary for Giles Wilson was agreed as part of his recruitment.

	Base salaries		
Executive Director	**FY25**	**FY24**	**% Change**
Kenny Wilson	**£735,420**	£735,420	0%
Giles Wilson	**£485,000**	–	–

PENSION AND BENEFITS

Executive Directors will continue to receive a cash in lieu of pension contribution of 5% of salary in line with the rate applying to the majority of the UK workforce. Other benefits include family private health cover, life assurance cover, group income protection and car allowance.

GLOBAL BONUS SCHEME

The maximum GBS opportunity will be in line with Policy, being 200% of salary for the CEO and 150% of salary for the CFO.

Performance will be based on profit before tax (PBT) weighted 55%, the number of pairs of DTC boots sold weighted 20% and strategic objectives relating to leadership behaviours, brand desire and sustainability (ESG) weighted 25% in total or 8.33% per objective. The Committee considers the disclosure of the precise targets to be commercially sensitive, but there will be full retrospective disclosure in next year's Annual Report. The Remuneration Committee has the discretion to adjust the formulaic GBS outcome if it believes that such outcome is not a fair and accurate reflection of business performance.

One-third of the post-tax GBS awarded will be used to purchase shares, which must be held for two years from the date of acquisition. Malus and clawback provisions apply as outlined in the Remuneration Policy, from the date of determination of bonus outturn, and for up to three years thereafter.

LONG TERM INCENTIVE PLAN

The Committee has not yet finalised the award levels or precise range of financial targets which will apply to the awards. Once these are determined, the Committee will publish this information by RNS announcement when the Executive Directors' awards are made, and within next year's Directors' Remuneration Report.

When assessing the performance outcome, the Remuneration Committee will have the discretion to alter the formulaic vesting if it believes that it is not a fair and accurate reflection of business performance.

Awards are subject to a two-year post-vesting holding period. Malus and clawback provisions apply for up to three years following vesting.

Non-Executive Director remuneration

In line with the CEO, the Chair and Non-Executive Directors' fees have not been increased for the year ending FY25. The fees are set out in full in the table below.

	Fees		
Non-Executive Director	**FY25**	**FY24**	**% Change**
Chair of the Board	**£341,970**	£341,970	0%
Non-Executive Director base fee	**£68,078**	£68,078	0%
Senior Independent Director	**£15,759**	£15,759	0%
Audit and Risk Committee Chair's fee	**£17,755**	£17,755	0%
Remuneration Committee Chair's fee	**£17,019**	£17,019	0%
Employee Engagement Director	**£10,506**	£10,506	0%

All-employee share incentives

The Executive Directors will be eligible to participate in any all-employee share plan operated by the Company on a consistent basis to other UK-based employees. Kenny Wilson (and Jon Mortimore to 31 March 2024) elected to participate in Your Share, Buy As You Earn (BAYE), an HMRC Approved SIP, under which participants invest from their gross monthly income into Partnership Shares and receive a 1:1 Matching Share for each Partnership Share purchased.

Approval

This Remuneration Report was approved by the Board of Directors on 29 May 2024 and signed on its behalf by the Remuneration Committee Chair:

L Weedall

LYNNE WEEDALL
Chair of the Remuneration Committee
29 May 2024

"The Committee covered extensive ground over the course of what was, in many respects, a difficult year for Dr. Martens.

ROBYN PERRISS
Chair of the Audit and Risk Committee

ROLE OF THE COMMITTEE

To provide independent challenge and oversight of the accounting, financial and narrative reporting and internal control processes, risk management, the Internal Audit function and the relationship with our external auditor.

COMMITTEE MEMBERSHIP AND COMPOSITION

The Committee reviewed its composition during the year and is satisfied that it is appropriate. During FY24 the Committee comprised four Independent Non-Executive Directors: Lynne Weedall, Ije Nwokorie, Andrew Harrison and Robyn Perriss as Committee Chair. Andrew formally joined the Committee on 1 May 2023 and was present along with every other Committee member at all of its meetings during the year. Ije stepped down from the Committee on his appointment as Chief Brand Officer in February 2024.

Emily Reichwald was secretary to the Committee throughout FY24. She will be succeeded by Katherine Bellau as secretary to the Committee when she joins the business in June.

The current members of the Committee and their attendance at meetings during the year are disclosed to the right. Full biographies of each member can be found on this page and/or pages 93 and 94.

KEY RESPONSIBILITIES

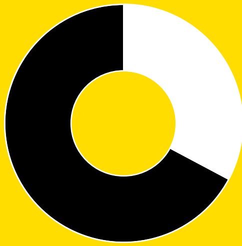
- Monitoring the integrity of the Group's Annual Reports and financial statements and any other formal announcements relating to the Group's financial performance, and reviewing the significant financial reporting judgements made in connection with their preparation.
- Monitoring and reviewing the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems.
- Overseeing and maintaining an appropriate relationship with the Company's external auditor and reviewing the independence, objectivity and effectiveness of the audit process.
- Ensuring that Internal Audit arrangements are appropriate and effective.
- Ensuring that fraud prevention and whistleblowing arrangements are embedded to minimise the potential for fraud and financial impropriety.

COMMITTEE MEMBERS DURING FY24

	Number of meetings attended/max number could have attended:
Robyn Perriss **(Committee Chair)**	5/5
Ije Nwokorie[1]	5/5
Lynne Weedall	5/5
Andrew Harrison[2]	4/5[3]

1. Stepped down 1 February 2024.
2. Appointed 1 May 2023.
3. Andrew Harrison was unable to attend the 3 May 2023 Audit and Risk Committee meeting due to pre-existing business commitments. This was notified prior to the Chair of the Committee.

COMMITTEE COMPOSITION



As at 31 March 2024

Female	67%
Male	33%

LOOKING AHEAD: FOCUS AREAS FOR FY25

- Ensuring a smooth transition to a new CFO.
- Oversight of control and reporting relating to planned cost reduction initiatives.
- Monitoring of working capital balances including planned reduction in inventory holding levels.
- Continued ESG maturity and future CSRD reporting requirements.
- Reviews of key business transformation projects.

As Chair of the Audit and Risk Committee (the Committee), I am pleased to present our Report for FY24.

The Committee covered extensive ground over the course of what was, in many respects, a difficult year for Dr. Martens, with mixed trading performance compounded by macroeconomic uncertainty and a challenging consumer environment, particularly in the USA. These pressures brought the importance of the Committee's role into sharp relief, particularly our provision of assurance to the Board through our independent challenge and oversight of the Group's accounting, financial and narrative reporting, risk management and internal control processes.

Our Report is structured to present an overview of how we fulfilled our role during FY24, including our oversight of the Internal Audit function and management of the relationship with our external auditor, PricewaterhouseCoopers LLP (PwC). It covers:

- how we supported the business in responding to the challenges it has faced through our activities, discussions and debates at our meetings during the year;
- our work in overseeing and providing assurance to our Board in respect of the integrity of our reporting;
- our process for reviewing, with the assistance of management, the FY24 Annual Report for the purposes of assessing whether, in the view of the Committee, it represented a fair, balanced and understandable account of the Group's position and prospects; and
- how we reviewed and assessed the effectiveness of the external and internal audit processes, as well as of our performance as a Committee, during the year.

As ever, our Report is best read in conjunction with the financial statements and their accompanying notes, which can be found from page 160.

Activities in FY24

Our programme of work in FY24 covered the priority focus areas we identified and disclosed in our FY23 Annual Report, our regular annual reviews of the range of areas within our remit and deeper dives into specific issues, which I will summarise here and about which more information is set out in the Committee's Report. A summary of the range of items we considered as a Committee at each of our meetings during the year can also be found in the timeline on page 137.

Over the course of the year we received detailed business updates from the IT and Information Security, Compliance, Data Protection, Tax and Treasury functions, reviewed and approved a number of new or revised Group policies and approved our annual Tax Strategy Statement. We also undertook our regular 'business as usual' reviews of the full and half year accounts and their corresponding announcements, external audit policies, the effectiveness of the external auditor and the Internal Audit function, whistleblowing and anti-fraud procedures, risk management processes and the Group Risk Register.

The following sections provide more insight into the key issues we considered as a Committee over the course of FY24.

Navigating the CFO transition

During the interim period between Jon Mortimore's retirement at the end of the financial year and Giles Wilson formally joining the Board on 13 May 2024, the Committee provided additional oversight support to the Finance Panel established by the business to cover the period where it had no CFO in situ and to ensure continuity, transparency and collective ownership of the range of activities which usually fall within their remit.

As Chair of the Committee, I kept in regular contact with management during this time to provide support and guidance as needed. The roughly two month period during which the Finance Panel operated also provided us as a Committee with greater visibility of, and excellent insight into, the 'bench strength' of the wider Finance leadership team. I am pleased that this potentially tricky period was ultimately navigated smoothly and commend the members of the Finance Panel and those who supported them for their hard work and professionalism, without which it would not have been possible. A description of the role of the Finance Panel can be found on page 136.

With Giles now having joined, both I and my fellow Committee members look forward to working with him throughout FY25.

Governance and sustainability reporting

The Committee received updates at various points during the year on the work underway to prepare the business for the range of incoming corporate governance and sustainability reporting requirements. With the subsequent withdrawal of the draft reporting regulations by the UK Government in October 2023, the Committee received updates from the Internal Audit function on the range of activities that were already underway in preparation for the new requirements and which would be continued on a 'no regrets' basis, including further work on ESG assurance, developing internal controls and fraud risk management.

In terms of climate and sustainability reporting, we completed our annual review of the requirements of the Task Force on Climate-related Financial Disclosures (TCFD). With the support of our Sustainability team, we considered the impact of climate change from a risk perspective and the quality and consistency of our reporting against each of the TCFD pillars.

We also considered the developing ESG reporting landscape in more detail, particularly the incoming EU Corporate Sustainability Reporting Directive (CSRD) and enhanced ESG assurance requirements. We received a detailed report on these topics from PwC and discussed the implications, timings and approach to preparing for the new requirements in depth. Although still some time away, the implementation of this new directive will be a significant, cross-functional undertaking for Dr. Martens and all companies to which it will apply. As such, it will remain a key area of focus for the Committee for the foreseeable future. More information can be found in the Sustainability Report on pages 46 to 74.

Focus on internal controls

Internal controls were an area of particular focus for the Committee throughout FY24. We received reports from PwC and the Internal Audit function and discussed inventory controls in the USA and controls over the recording of shipping related costs. Reviews of inventory controls, particularly in our USA distribution centre, were a key priority for the Internal Audit function given the issues we experienced in the previous year and our ongoing elevated inventory levels.

We reviewed the IT general controls roadmap and were pleased to note the Group's increasing maturation in this key area. We also continued our monitoring of developments and progress in the Group's cyber and IT security maturity, considered the impact of emerging technologies such as generative AI and approved a number of related internal policies to tighten the level of internal oversight and guidance. More insight on IT controls, our Cyber Strategy and the evolving technology landscape can be found in the Q&A with our Chief Technology Officer, Graham Calder, on page 139.

Internal Audit programme

The Committee received regular reports from the Internal Audit function on the FY24 Internal Audit plan. The Internal Audit reviews conducted during FY24 encompassed a range of areas and were conducted with a significant focus on controls, including the aforementioned reviews of inventory and IT controls as well as controls around social media access, payroll and freight costs.

We discussed the progress, findings and outcomes of specific Internal Audit reviews and the assurance work undertaken on the Committee's behalf by the Internal Audit function in relation to key strategic projects at each of our meetings in FY24. More information on the role and effectiveness of the Internal Audit function and their activities during FY24 can be found on page 142.

Risk

In terms of our considerations around the Company's key risks, we added a new principal risk of 'macroeconomic uncertainty' to ensure we had appropriately captured the impact of factors including geopolitical instability on consumer demand, cost inflation and trading conditions in our key markets. We also agreed to adjust our assessments of a number of existing risks to better reflect our present circumstances, including increased organisational change risk linked to our new Board and GLT appointments.

FY24 audit

FY24 was PwC's second year as our external auditor. I am pleased to report that the FY24 audit was completed smoothly and evolved in certain key areas, including increased usage of digital tools to support elements of the audit process. There was a good level of challenge on key areas of judgement and appropriate identification of our key risks. The working relationships between the PwC and Dr. Martens teams remain constructive and strengthened by a healthy degree of trust and respect. More information about the Committee's role in overseeing the relationship with and reviewing the effectiveness of the external auditor during the year can be found on page 141. PwC's Independent Auditor's Report is available from page 150.

Areas of accounting judgement, going concern and viability

To assist the Committee in fulfilling our core responsibilities to satisfy ourselves that the Annual Report (as a whole) offers a fair, balanced and understandable assessment of the Company's position and future prospects and that the accounts provide a true and fair view of the Company's financial affairs, we considered the significant financial judgements made, and any key accounting issues identified, by management over the course of the year. We considered these in detail, alongside our going concern and viability scenarios in the context of the challenges impacting the business during the year and with an eye towards FY25 as a year in which the business would 'reset' for the future. Full details of these and the Committee's assessments of each can be found on pages 143. Our going concern and viability statements can be found on pages 44 and 45.

Committee effectiveness

In FY24 we again completed our annual review of the Committee's effectiveness as part of the internal Board Evaluation process. We considered and reflected on our assessment of our effectiveness subsequent to the year end, during our meeting in early April 2024. I am pleased that our review concluded that we continue to operate effectively as a Committee and to provide the Board with the required level of assurance through our work. More information can be found on page 142.

Future priorities

Looking ahead to FY25, there are a number of priority areas on which the Committee will be focusing its attention. A number of the most important are listed on page 134. Additionally and in recognition of the ongoing, difficult trading environment combined with a number of significant organisational changes, particularly those in key governance roles, we will support and monitor the progress of our new senior appointments to help ensure a smooth transition and an ongoing, effective control environment.

We will also continue our monitoring of planned investment and progress in key workstreams designed to support better data management and more resilient and scalable platforms. ESG remains a key focus area and in FY25 this will include the outcome and next steps of the proposed double materiality assessment as well as ongoing compliance and reporting requirements.

R Perriss

ROBYN PERRISS
Chair of the Audit and Risk Committee
29 May 2024

FINANCE PANEL

ROLE AND MEMBERSHIP OF THE PANEL

The Finance Panel (the Panel) was established in March 2024 to secure continuity in respect of key matters falling within the remit of the Chief Financial Officer during the period between Jon Mortimore's retirement and Giles Wilson's formal start date. The establishment of the Panel was agreed by the Board with oversight of its activities delegated to the Committee. The Panel operated under terms of reference defining its membership and responsibilities. For the duration of the Panel's operation, its members comprised the Chief Operating Officer, Company Secretary, Investor Relations Director, Director of Finance Control, Finance Director EMEA, Director of Supply Chain Finance, Director of FP&A and Corporate Finance and the General Counsel.

GOVERNANCE

ROLE AND MEMBERSHIP OF THE COMMITTEE

Details of the composition, role and range of responsibilities within the Committee's remit are set out on page 134. More details on these are available at **www.drmartensplc.com**, where the Committee's terms of reference can also be found.

COMPETENCE OF THE COMMITTEE

The members of the Committee bring a breadth of financial, commercial and sector expertise, which was augmented during the year with the appointment of Andrew Harrison. The Committee remains satisfied that it meets its responsibilities under the UK Corporate Governance Code (the 'Code') and retains an appropriate level of competence relevant to the sector in which the Company operates.

CHAIR OF THE COMMITTEE

Robyn Perriss has chaired the Audit and Risk Committee since January 2021. Her responsibilities include setting the Committee's agenda and forward planner, maintaining relationships between the Company's senior leadership and the external auditor, ensuring that any relevant audit issues are reported back to the Board effectively and in a timely fashion, and reporting to shareholders through the Annual Report.

RECENT AND RELEVANT FINANCIAL EXPERIENCE

The Committee is satisfied that Robyn Perriss, a Chartered Accountant, former Finance Director of a FTSE 100 company and an experienced Audit Committee Chair, has recent and relevant financial experience and she has been designated as the financial expert on the Committee for the purposes of the Code.

→ **EXPERIENCE AND QUALIFICATIONS OF EACH MEMBER OF THE COMMITTEE** P93 AND 94

HOW THE COMMITTEE OPERATES

The Committee met five times during FY24, with each meeting attended by a full complement of Committee members. Meetings are scheduled to align with key dates in the Group's financial calendar and in accordance with a forward planner, developed by the Committee Chair and the Company Secretary. This provides clarity in respect of the planned structure of future agendas and the matters on which the Committee's attention will focus over the course of the year. It also assists the Committee in ensuring it devotes sufficient time to discussing the key topics within its remit and discharging its responsibilities in full.

Representatives from external auditors PwC are invited to attend each meeting, together with the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, Tara Alhadeff, the Company Secretary and the Head of Internal Audit and Risk. This means that a majority of Board members are present at Committee meetings, which conclude with private, 'in-camera' sessions with the Committee and PwC but without the Executive Directors present.

Outside of the annual cycle of scheduled meetings, the Committee Chair will regularly set time aside to seek the views of the external auditors and the Head of Internal Audit and Risk on specific matters of relevance or concern. Additionally, the Committee Chair maintains regular dialogue with the Chief Financial Officer, Company Secretary and other members of the Finance and management teams between meetings.

COMPETITION AND MARKETS AUTHORITY (CMA) ORDER COMPLIANCE

The Committee confirms that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 throughout its financial period ended 31 March 2024 and up to the date of this Report.

GOVERNANCE UPDATES

The Committee is kept updated on any developments within the audit, corporate governance, reporting and regulatory landscapes that are of relevance to audit committees by the external auditor. During the year, the Committee also received updates on a range of topics including:

- Developing standards in ESG reporting and initial considerations in respect of preparing the business for incoming CSRD requirements.
- The withdrawal in October 2023 of draft corporate reporting regulations and the related initiatives the business intended to continue on a 'no regrets' basis, from ESG assurance to further development of internal controls and fraud risk management.

AUDIT AND RISK COMMITTEE ACTIVITIES TIMELINE

Early May 2023

- **Reviewed** Audit and Risk Committee effectiveness.
- **Reviewed** the effectiveness of the Internal Audit function.
- **Reviewed** an Internal Audit report and the FY24 Internal Audit plan.
- **Noted** audit update report from PricewaterhouseCoopers (PwC).
- **Reviewed** updates on the Group Finance function's market visit to South Korea, IT general controls, Treasury, insurance, whistleblowing and compliance.
- **Reviewed** early drafts of the Committee's report and TCFD disclosures for the FY23 Annual Report.

Late May 2023

- **Reviewed** FY23 draft Annual Report (including accounting judgements, going concern and viability, and whether the report was fair, balanced and understandable) and Full Year Results announcement.
- **Noted** PwC's external audit report.
- **Reviewed** external auditor effectiveness.
- **Reviewed** internal controls.
- **Reviewed** Internal Audit and TCFD reporting updates.
- **Noted** an update on the intended Audit and Assurance Policy approach.

July 2023 – AGM

Resolutions to re-appoint PwC as external auditor and renew the authority for the Directors to determine their remuneration formally approved by shareholders.

September 2023

- **Reviewed** a half-year audit review planning report from PwC.
- **Noted** an update from PwC on developing ESG reporting and assurance requirements.
- **Noted** updates on Information Security and projects to improve business critical IT systems.
- **Reviewed** an Internal Audit update, including ongoing work on ESG assurance.
- **Noted** a further progress update on the IT general controls action plan.

October 2023

Withdrawal of the Companies (Strategic Report and Directors' Report) (Amendment) Regulations 2023 announced.

November 2023

- **Noted** FY24 half year accounts (including accounting judgements and going concern) and Half Year Results announcement.
- **Reviewed** the report on the half year audit review from PwC.
- **Reviewed** an Internal Audit update.
- **Noted** the withdrawal of the UK Government's new reporting regulations and considered the implications on the Company.
- **Approved** global AI and data retention policies at the recommendation of the Operating Committee.

January 2024

- **Reviewed** an update from the Tax team, including tax strategy and horizon scanning.
- **Approved** the FY24 tax strategy statement.
- **Reviewed** and approved the FY24 external audit plan.
- **Reviewed** an Internal Audit update, including risks and risk management.
- **Reviewed** an update on data security maturity.
- **Reviewed** the Committee's terms of reference.
- **Reviewed** the Non-Audit Services Policy.
- **Approved** the Group-wide Conflicts of Interest Policy.
- **Approved** the forward agenda planner for FY25.

Post year-end

- **Reviewed** Audit and Risk Committee, Internal Audit and external auditor effectiveness and the FY24 Annual Report.
- **Oversaw** the operations of the Finance Panel established to manage the period where no CFO was in situ.

FINANCIAL AND NARRATIVE REPORTING

FULL AND HALF YEAR RESULTS

A key element of the Committee's role is to assist the Board in its oversight of the quality and integrity of Dr. Martens' reporting and its accounting policies and practices. As such, the Committee reviewed both this FY24 Annual Report and the half year accounts prior to their publication in November 2023 on behalf of the Board.

In line with its terms of reference, the Committee monitored the Group's year end and half year reporting processes to ensure that Dr. Martens provided accurate, timely financial results and that appropriate accounting standards and judgements were implemented effectively. In doing so, the Committee received and discussed reports from relevant members of the leadership team, including reports on the Group's management of risk and internal controls, long-term viability, going concern and, in relation to the FY24 Annual Report specifically, the work that had been undertaken to ensure the report was fair, balanced and understandable.

It also received and discussed regular reports from the external auditor.

SIGNIFICANT FINANCIAL REPORTING ISSUES, JUDGEMENTS AND ESTIMATION UNCERTAINTY

The Committee exercises its judgement in determining the accounting matters that are of particular significance to the financial statements. Any such matters are subject to discussions between the Senior Leadership Team, including the Chief Financial Officer and Director of Finance Control, and the external auditor as part of the audit process.

Subsequent to the year end, the Committee received reports from the leadership team in relation to significant accounting issues, judgements and key sources of estimation uncertainty, significant accounting policies and proposed disclosures in the FY24 Annual Report. The Committee is satisfied that each has been appropriately addressed by the business and reviewed by the external auditor. As such, the Committee believes that the judgements made are reasonable, that suitable accounting policies have been adopted and appropriate disclosures have been made in the accounts. Details of significant financial accounting issues and areas where judgement was exercised in relation to the FY24 financial statements are set out in the table on pages 140 and 141.

FAIR, BALANCED AND UNDERSTANDABLE

A key governance requirement is for the Board to ensure that the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. To assist in making this determination, the Board has requested the advice of the Committee. The process we followed as a Committee in making our assessment is set out in the table to the right.

GOING CONCERN AND LONG-TERM VIABILITY

The Committee reviewed the Group's going concern and long-term viability disclosures in this Annual Report, together with the reports prepared by the leadership team in support of each statement, and advised the Board on their appropriateness.

As part of its review, the Committee considered the Group's future prospects with reference to forward-looking views on risk, viability and planning, considering among other things a number of scenarios modelled by the business to assess the strength of the Group's financing arrangements and covenant compliance. The going concern and long-term viability statements were also reviewed by the external auditor and their findings reported back to the Committee. The Committee also reviewed and discussed the conclusions underpinning each of the statements that had been drawn by the Senior Leadership Team.

→ GOING CONCERN AND VIABILITY
P44

EARLY DRAFT ANNUAL REPORT

↓

BOARD FIRST REVIEW

The Board received an early draft of Strategic Report (including the Sustainability Report) and Governance Report to allow for feedback and guidance on the messaging, narrative tone and overall consistency. Any narrative or financial disclosures that the Committee believed required additional information or clarification were highlighted and the necessary edits made during the subsequent drafting phase.

SECOND DRAFT ANNUAL REPORT

↓

MANAGEMENT REPORTS TO THE COMMITTEE

The Committee reviewed papers from the Group Finance function relating to the financial statements and narrative reports, covering key areas of accounting judgement, growth projections and going concern.

FAIR, BALANCED AND UNDERSTANDABLE REVIEW

The Committee considered a dedicated 'fair, balanced and understandable' paper from management identifying the key narrative themes of the 'front half' of the Annual Report, where these were located throughout the document and how the project team had sought to ensure these themes were consistent with the financial statements in the 'back half' of the Annual Report.

INDEPENDENT AUDITOR'S REVIEW

The findings of the FY24 audit, presented to and discussed with the Committee by PwC, concurred that management's assessment that the Annual Report was fair, balanced and understandable was consistent with the financial statements and PwC's knowledge obtained during the audit.

RECOMMENDATION TO THE BOARD

↓

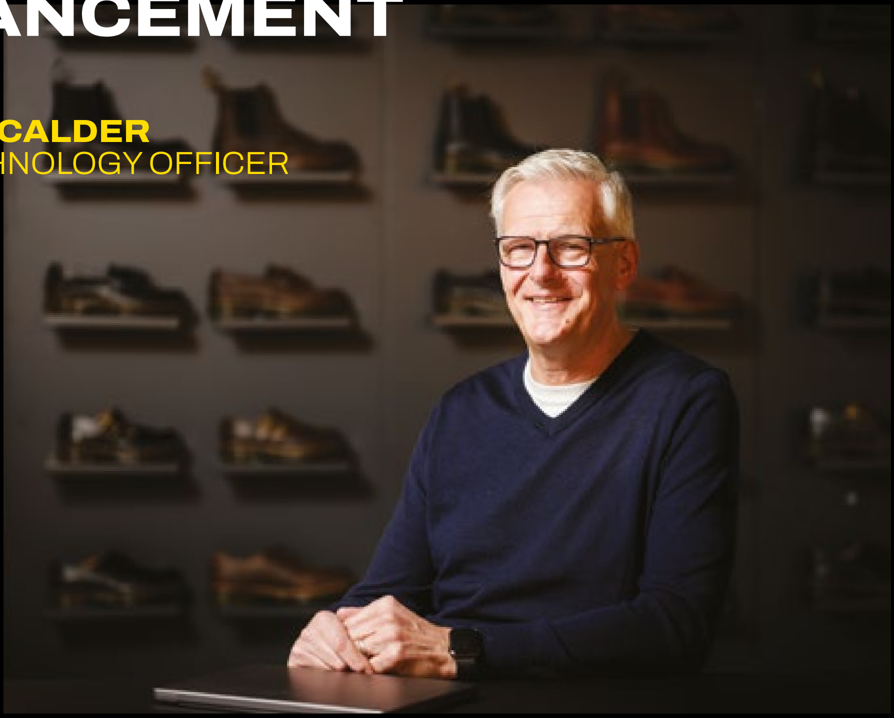
Having completed its assessment, the Committee concluded that the disclosures throughout the Annual Report and financial statements, as well as the processes and controls underlying its production, were appropriate and that the FY24 Annual Report and financial statements were fair, balanced and understandable, allowing the Committee to provide positive assurance to the Board to assist it in making the statement required by the Code.

The Board's formal statement in respect of fair, balanced and understandable can be found on page 138.

Q & A

KEEPING PACE WITH TECHNOLOGICAL ADVANCEMENT

GRAHAM CALDER
CHIEF TECHNOLOGY OFFICER



Q

IT controls are a key part of the Company's overall control framework. How have these continued to develop over the past year?
Since the introduction of an ERP (Enterprise Resource Planning) system at DM's a number of years ago, we've recognised the importance of strong IT controls. In the past year, we've had an initiative to streamline access controls for the ERP system, which is an important foundation for a robust control framework. We're also looking at continuous improvement to get the most out of our existing systems, including opportunities for more automation to improve efficiency and effectiveness of controls and processes.

Q

Cyber security risks are frequently noted as a top risk for many companies. How do you rate these for Dr. Martens and what are the key areas of focus for you and your team?
Our Cyber Strategy is aligned to our DOCS business strategy sitting specifically under the operational excellence pillar. We measure our cyber security maturity against the NIST Cyber Security Framework. We have achieved the NIST maturity level agreed by the Board, and now are transitioning to the new NIST 2.0 framework to ensure we continue our maturity. Focus areas for the next year include continuing our security awareness programme to supporting behaviour change across the global business, and further improving our monitoring capability under our new Extended Managed Detection and Response (MXDR) service.

Q

Customer facing technology plays a pivotal role for the business and is paramount in delivering a great service. How do you ensure system downtime is kept to a minimum?
Technology, and specifically the stability of our ecommerce platforms, play a crucial role in supporting our DTC channel, which is also aligned to our DOCS business strategy. I think we've done a good job of maintaining the availability of our website, including during peak trading periods. The focus for the next year is to look at how we can further improve the overall customer experience of our online channel.

Q

With the technology landscape constantly evolving, what further investments is Dr. Martens making?
Dr. Martens is continually looking to further strengthen and evolve our technology offering. Investments covered by our current business transformation programmes include supply chain, marketing, and further enhancing our omnichannel reach. A key theme for all of these is how do we better capture and use data to inform business decisions and provide an enhanced experience for our customers.

Q

What potential emerging technology risks and opportunities do you see for Dr. Martens in the short-term future?
We see Artificial Intelligence (AI) as an opportunity to drive change in areas of the business where we can work quicker and smarter. The first steps have been taken by setting policy and establishing a dedicated, internal AI forum as we look to exploit this new age of opportunity while ensuring any potential risks are managed appropriately.

"

The rise of generative AI is the latest example of how quickly today's risk landscape evolves. We've officially entered a new generation of risk.

GRAHAM CALDER
Chief Technology Officer

<table>
<tr><th>SIGNIFICANT AREA</th><th>HOW THIS WAS ADDRESSED</th></tr>
<tr><td>Revenue recognition</td><td>Revenue accounting policies and recognition criteria are assessed in relation to the three key streams: ecommerce, retail and wholesale. An element of estimation and judgement is involved in relation to:
• cut-off and what proportion of relevant ecommerce and wholesale sales have not yet been received by the customer at year end date and should not be recognised as revenue;
• the returns provisions and the accounting requirements in relation to variable consideration under IFRS 15;
Based on reports and discussions with management and the external auditor, the Committee reviewed and assessed the timing of revenue recognition under IFRS 15 and is satisfied that the judgements made were reasonable and appropriate.</td></tr>
<tr><td>Inventory, valuation and provisions</td><td>Inventory provisioning requires significant judgement on which inventory lines should be classed as obsolete. Inventory age, historical sales patterns and trading forecasts are used when classifying inventory lines to be provided against. This is reassessed quarterly in relation to the changing external and internal environment.
In light of continued elevated inventory levels within the Group, the Committee has considered the value of continuity inventory at year end together with the high margin nature of the product. It has also reviewed the key provision assumptions made, including where seasonal or non-continuity products were discounted and sold in FY24, that they achieved prices in excess of original cost. The Committee was satisfied that the provision calculation has been determined in line with the Group framework and that the overall inventory provision as a proportion of gross inventory is appropriate.</td></tr>
<tr><td>Defined benefit pension scheme</td><td>Airwair International Limited operates a pension arrangement called the Dr. Martens Airwair Group Pension Plan which has a defined benefit section within it. This closed to new members in 2002 and to future accrual from January 2006. The scheme has been in a surplus for several years.
The recognition of the pension scheme surplus is an area of accounting judgement which depends on the interpretation of the Scheme Rules and the relevant accounting standards including IAS 19 and IFRIC 14. The surplus under the scheme is not recognised as an asset benefitting the Group on the Balance Sheet, as the Group believes there is uncertainty in relation to the recoverability of any surplus, and is therefore unlikely to derive any economic benefits from that surplus. In the Group's view there is uncertainty over whether the Scheme Rules provide the Group with an unconditional right to a refund of the surplus from the scheme due to third-party discretionary investment powers which could use up any surplus prior to wind-up. Consistent with previous years, given this uncertainty, the Group has restricted the pension scheme surplus to zero; the surplus of £9.1m (31 March 2023: £11.1m) has been restricted to £nil (31 March 2023: £nil). The Committee has considered the actuarial valuation report and related assumptions, corroborated by the work performed by the external auditor's actuarial team, and believes that the related disclosures are appropriate.</td></tr>
<tr><td>Carrying value of non-financial assets</td><td>The Committee considered the assessments made by management in relation to the carrying value of non-financial assets, which require the use of estimates of future cash flows and discount rates in order to assess whether any impairment should be applied to the current carrying value.
The Committee receives detailed annual reports from management on the impairment reviews undertaken by the Group in relation to retail stores, goodwill and investment. These outlined the Group's approach to and treatment of impairment testing, applicable valuation methodologies and the rationale for management's underlying assumptions (for example, discount rates and the allocation of group support costs to stores). The assumptions and projections presented by management were reviewed by the Committee and challenged where necessary, with reference to information provided by the management reports and detailed reporting provided by PwC. Based on its review, the Committee is satisfied that the relevant assumptions and projections are appropriate.
No impairments were noted by management for the FY24 reporting period and the Committee is satisfied that the Group's conclusions are appropriate.</td></tr>
<tr><td>Corporation tax</td><td>There is judgement involved in determining the Group's corporation tax provision. The Group recognises liabilities for anticipated tax issues based on estimates of whether taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which the determination is made. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. The Committee has reviewed the judgement exercised by management in this area and has determined that the taxation charge is appropriate.</td></tr>
<tr><td>Going concern and viability</td><td>Based on papers prepared by management, the Committee performed a detailed review of the Group's projected cash flows, borrowing capacity and the covenants within its borrowing facilities over a three-year period (our viability assessment period). The approach was discussed and agreed by the Committee in May 2024 by reviewing the Group's financial position and performance, budgets for FY25 and three-year cash projections, which were stress tested under different scenarios having regard to the principal risks faced by the business. Further details of the scenarios, including a 'severe but plausible' scenario and consideration of potential mitigations, are set out on page 45.
The Committee reported to the Board that, in its view, the going concern assumption remained appropriate.</td></tr>
</table>

EXTERNAL AUDITOR

Audit firm:	PricewaterhouseCoopers LLP (PwC)
Date appointed:	13 July 2022
Lead partner:	Jonathan Sturges
Lead partner tenure:	2 years
Total fees in FY24:	£2.5m (FY23: £2.0m), of which £0.2m (FY23: £0.1m) related to non-audit services)

EXTERNAL AUDITOR EFFECTIVENESS

The Committee's responsibility for overseeing the relationship between the Group and the external auditor incorporates an additional duty to review the external auditor's independence, objectivity and overall effectiveness.

The Committee received a comprehensive audit plan from PwC setting out the proposed scope and areas of focus for the FY24 audit, as well as their assessment of the key areas of risk they had identified. The audit plan and the areas of risk identified by the auditor were reviewed and, where appropriate, challenged by the Committee to ensure the underlying assumptions and estimates were robust.

After the financial year end, the Committee conducted a review of the effectiveness of PwC and its work during the FY24 audit. A session led by the Committee Chair, attended by members of the Company's global finance leadership teams and dedicated to discussing the effectiveness of PwC, was held in advance of the Committee's meeting on 22 May.

To frame these discussions and ensure the key topics were covered, a tailored list of questions focusing on, among other things, the audit transition and FY24 audit plan, the working relationship with and quality of the PwC team, PwC's understanding of the business model and industry, management of any issues identified, audit process and any particular areas of excellence and/or challenge, was circulated to attendees in advance. Feedback from the session, together with relevant specific examples, was subsequently discussed by the Committee.

The Committee also considered the quality of communication and reporting it received from PwC during the year, with a particular focus on areas of significant judgement and how they had addressed higher risk areas such as inventory provisions, store impairment and the going concern and viability assessment.

The review acknowledged that PwC had approached the audit with pragmatism, flexibility and a clear emphasis on working with the Company to resolve issues, which together with increased reliance on IT general controls and further adoption of digital audit procedures, had been appreciated by the Dr. Martens team. It found that PwC had established a good understanding of the Dr. Martens business and had formed good working relationships with the Dr. Martens teams. There had been a healthy degree of challenge from PwC in key areas during the audit and in respect of management's assumptions, estimations and judgements. The PwC team was considered to be highly visible, organised and supportive. Looking ahead to the FY25 audit, there would be opportunities for PwC to further deepen their understanding of the business and to continue to embed their ways of working.

CONFIRMATION

The Committee confirms that, overall, the external auditor was effective in planning and executing the FY24 audit.

EXTERNAL AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES POLICY

The Committee oversees the process for approving any non-audit work undertaken by the external auditor to ensure the Company does not impair or compromise its objectivity, effectiveness or independence and that engagement satisfies all relevant ethical standards.

The Company's policy governing the provision of non-audit services by its external auditor reflects the regulations that prohibit external auditors from undertaking certain non-audit services. As Dr. Martens is a public interest entity (PIE) by virtue of its transferable securities being admitted for trading on a regulated market, the external auditor can only provide services on the FRC 'whitelist' of permissible services and the level of non-audit fees is capped at 70% of the average Group audit fee paid by the Company over the previous three financial years. The Company's non-audit services policy complies with the FRC's Revised Ethical Standard (2019).

In making any determination as to whether to appoint the external auditor to provide certain non-audit services that are not prohibited, the Committee must consider:

- whether its skills and experience make it a suitable supplier;
- whether appropriate safeguards are in place to ensure there is no threat to its objectivity and independence;
- the nature of the service to be provided, including fees both individually and in aggregate relative to the audit fee;
- the application of any relevant Revised Ethical Standard issued by the FRC.

AUDIT FEES

Fees relating to services performed by the external auditor are reported to and approved by the Committee. Details of fees paid to PwC in relation to the FY24 audit can be found in the table on page 141 and in note 5 to the Financial Statements on page 177.

The fees for non-audit services performed by PwC during FY24, which are disclosed on this page, related to work undertaken for the half year review, provision of turnover certificates, access to PwC Viewpoint (online accounting and reporting information platform) and an extended statutory review for Dr. Martens Airwair Denmark ApS.

CONFIRMATION

The Committee confirms it reviewed and discussed fees for the FY24 audit and permitted non-audit services with PwC (as set out on this page), considered them to be appropriate and subsequently approved them.

INTERNAL AUDIT, RISK AND INTERNAL CONTROL

ROLE OF THE INTERNAL AUDIT FUNCTION

The remit of the Group's Internal Audit function includes responsibility for reviewing, appraising and reporting on:

- the adequacy and effectiveness of the Group's systems of operational controls, including outsourced services, financial controls, and management controls and their operation;
- the integrity of processes and systems, including those under development, to help ensure that controls offer adequate protection against error, fraud and loss;
- the Group's policies, standards and procedures including their use and appropriateness;
- the operation of the Group's corporate governance and risk management arrangements; and
- significant aspects of the Group's activity including major projects and as directed by the Committee.

Additionally, the Head of Internal Audit and Risk continues to chair the Company's Operational Risk Committee, which has day-to-day responsibility for overseeing the Group Risk Register and the development and implementation of the Group's approach to risk.

The range of internal audits led by the Internal Audit function during the year were set out in the FY24 Internal Audit plan and agreed with the Committee. Where additional expertise or resource was required in respect of certain reviews within this plan, the Internal Audit function was closely supported by co-source partners.

The Committee received updates from the Internal Audit function at each of its meetings during the year. It reviewed:

- Regular updates on the status of the FY24 Internal Audit plan.
- Detailed reports on the process, findings and learnings of specific internal audits.
- The Group Risk Register and a risk management update.
- The nature, scoping and resourcing of planned future audits.
- The outcomes of internal audit and risk work with the Supply Chain team, including controls over inventory.
- Progress with the monitoring of ongoing improvements to IT controls.

Additionally, the Internal Audit function worked closely during the year with management and the Committee Chair on the Internal Audit plan for FY25. The approach to shaping this plan was unchanged from previous years; specifically, it was formulated with reference to Dr. Martens' strategic plans and objectives and in consideration of topics of particular importance or relevance, the principal risks facing the business and the wider economic and regulatory climate.

During FY25, reviews are planned covering assurance over key risks and controls, programme and project assurance, and risk management activities.

INTERNAL AUDIT EFFECTIVENESS

The Committee's review of the Internal Audit function during FY24 concluded that it remained effective, possessed a good level of experience and knowledge and had established strong working relationships with senior management and the external auditor. It also found that Internal Audit had made good progress in driving improved focus among other business functions on their key risks and that opportunities to continue to strengthen its connections with the wider organisation were being actioned.

In addition to attending Committee meetings, the Head of Internal Audit and Risk meets regularly with the Chair of the Committee, without the presence of management, and also meets with other members of the Committee and with the external audit partner, as necessary and appropriate. Additionally, all members of the Committee are entitled to request a meeting with the Head of Internal Audit and Risk to discuss risk, control and audit matters.

CONFIRMATION

Overall, the Committee is satisfied that the Internal Audit function continues to operate effectively and demonstrates the appropriate degree of quality, experience and expertise for the business.

RISK

The role of the Committee relating to internal control and risk management is set out in the table below:

PLC Board

- Provides oversight of and is ultimately accountable for risk.
- Assesses the principal and emerging risks facing the Group.
- Monitors the Group's overall risk management and internal control systems.
- Annually reviews the effectiveness of the systems of risk management and internal control.

Audit and Risk Committee

- Reviews the effectiveness of the Group's internal financial controls.
- Receives reports from management on the effectiveness of the Group's systems and the conclusions of any testing undertaken.
- Reviews and approves statements in the Annual Report in relation to internal control and management of risk.

Leadership

Supported by Internal Audit, is responsible for:

- The identification, assessment, management and monitoring of risk on a day-to-day basis.
- Developing, operating and monitoring systems of internal control.
- Providing assurance to the Board, through the Audit and Risk Committee, that it has done so.

MORE INFORMATION ABOUT **OUR APPROACH TO RISK MANAGEMENT** IS AVAILABLE ON P38

ASSESSMENT OF THE GROUP'S SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

The Group's processes for assessing and managing significant business risks, including its principal risks and uncertainties, is a key area of focus for the Committee. Activity is driven primarily by the Company's assessment of its principal risks and uncertainties, as set out on pages 40 to 43. The Committee reviewed the Group's risk management and internal control systems through reports and updates presented to it by management at its meetings during the year.

The Company has established an internal control environment to protect the business from the material risks which have been identified. Management is responsible for establishing and maintaining adequate internal controls over financial reporting and for ensuring the effectiveness of these controls. The Committee receives updates on internal control matters through reports from the Internal Audit function, ensuring that issues are identified in a timely fashion, that remedial action is taken in the event that control failures or weaknesses are identified and that progress can be monitored by the Committee.

The Committee Chair updates the Board verbally at each subsequent Board meeting on the key issues discussed by the Committee or to make any recommendations on matters that fall within the Committee's remit. All Board members are given access to Committee papers, reports and supporting materials. Board members who are not also members of the Committee are invited to attend Committee meetings as appropriate to offer their valuable input and expertise. As such, all Board members are kept up to date on the Committee's discussions relating to risk management and systems of internal control, as well as on its activities generally.

The Committee confirms that it identified no significant failings or weaknesses that may significantly impact the financial statements.

CONFIRMATION

Further to the Committee's review, the Board is satisfied that the Company's systems of internal control and risk management continue to be effective, in accordance with the requirements of the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

ANTI-BRIBERY, FRAUD AND CORRUPTION

The Board has delegated responsibility for reviewing the Group's systems and controls for preventing bribery and corruption to the Committee, with support provided by the Internal Audit and Compliance functions.

Dr. Martens has in place a clear Anti-Bribery and Corruption Policy which forms part of its global code of conduct, the 'DOCtrine'. Employees are issued with a copy of the DOCtrine in their local language at the time they join the business and materials relating to the DOCtrine are available for general access via the Company's internal intranet, 'Backstage'. The Company's compliance training programme aligns with the DOCtrine and the global policies that it refers to, ensuring our people understand their responsibilities in matters including preventing bribery and corruption.

The Committee maintains oversight of the controls the Company has in place to mitigate fraud risk. It received a report from the Internal Audit function during the year, which confirmed that no failings or significant weaknesses in the control environment had been identified.

CONFIRMATION

The Committee is satisfied that the Company's processes, systems and controls relating to anti-bribery, fraud and corruption remain appropriate and are sufficiently embedded and well understood across the business.

WHISTLEBLOWING

The Committee is responsible for ensuring the Company has in place effective policies and procedures to ensure that issues can be raised, investigated and acted upon. These procedures are set out in the Company's 'Speak Up' Policy, which details the process by which employees are able to safely raise concerns about suspected illegal or unethical business practices. A confidential incident reporting facility is available, provided by an independent specialist firm, for the anonymous reporting of concerns. The policy sits alongside, and is referenced in, the DOCtrine and is supported by clear, concise messaging within our employee training and internal communications to raise awareness of its existence.

The Committee receives updates on whistleblowing activity, including incidents, investigations and outcomes, within its regular reports from the Compliance function.

CONFIRMATION

The Committee continues to believe the Company's processes and procedures in relation to whistleblowing are effective, appropriate and understood.

Directors' Report

The Directors' Report for the year ended 31 March 2024 comprises pages 85 to 148 and 219 to the IBC of this Annual Report, including any sections incorporated by reference. The Directors' Report fulfils the requirements of the Corporate Governance Statement for the purposes of DTR 7.2.3R. Further information is available online, in the Governance section of www.drmartensplc.com.

The Strategic Report can be found on pages 1 to 84. In accordance with Section 414C(11) of the Companies Act 2006 (the 'Act'), the Board has included certain disclosures in the Strategic Report set out below:

- Information relating to future business developments can be found throughout the Strategic Report.
- Information relating to the Group's principal risks and risk management can be found on pages 38 to 43.
- The going concern and long-term viability statements can be found on pages 44 and 45.
- Details of branches operated by the Company are set out on pages 5 and 28 and 31.
- The Company's global greenhouse gas emissions, energy consumption and efficiency during FY24 can be found on page 53 of the Sustainability Report, which is located within the Strategic Report.
- Information relating to research and development can be found on pages 16 to 17 and 24 to 29 of the Strategic Report and 56 to 62 of the Sustainability Report.
- Information on how the Directors have had regard for the Company's stakeholders, and the effect of that regard, can be found on pages 18 to 21 of the Strategic Report and pages 101 to 105 of the Governance Report.
- Disclosures based on the principles of Task Force on Climate-related Financial Disclosures (TCFD) are detailed on pages 75 to 83.

For information on our approach to social, environmental and ethical matters, please refer to the Sustainability Report, which can be found within the Strategic Report on pages 46 to 74.

Other information which legislation requires to be disclosed in the Directors' Report is set out on the following pages.

The Strategic Report and the Directors' Report together form the Management Report for the purposes of the Disclosure Guidance and Transparency Rules (DTR) 4.1.8R.

Information relating to financial instruments can be found on pages 191 to 194 and is incorporated by reference.

Both the Strategic Report and the Directors' Report have been drawn up and presented in accordance with and in reliance upon applicable English company law, and the liabilities of the Directors in connection with those reports shall be subject to the limitations and restrictions provided by such law.

Relating to the Board

THE BOARD OF DIRECTORS

The Directors who held office during the year ended 31 March 2024 and up until the date of this Report are set out below. Full biographical details of each Director are provided on pages 92 to 94.

- Giles Wilson was appointed on 13 May 2024.
- Andrew Harrison was appointed on 1 May 2023.
- Ije Nwokorie resigned as Director on 1 February 2024.
- Jon Mortimore resigned as Director on 26 March 2024.

The appointment and replacement of Directors are governed by the Company's Articles of Association (the 'Articles'), the UK Corporate Governance Code 2024 (the 'Code'), the Act and related legislation.

The Company may, by ordinary resolution, declare dividends not exceeding the amount recommended by the Board. Subject to the Act, the Board may pay interim dividends and also any fixed rate dividend, whenever the financial position of the Company, in the opinion of the Board, justifies its payment.

The Directors may from time to time appoint one or more Directors. The Board may appoint any person to be a Director (so long as the total number of Directors does not exceed the limit prescribed in the Articles). Under the Articles, any such Director shall hold office only until the next Annual General Meeting (AGM) where they will stand for annual election.

ARTICLES OF ASSOCIATION AND POWERS OF DIRECTORS

The Articles set out the rules relating to the powers of the Company's Directors and their appointment and replacement. The Articles may only be amended by special resolution at a general meeting of the shareholders. Subject to the Articles, the Act and any directions given by special resolution, the business of the Company will be managed by the Board which may exercise all the powers of the Company.

DIRECTORS' INDEMNITIES AND INSURANCE

The Company maintained Directors' and Officers' liability insurance cover throughout the reporting period, providing appropriate cover for legal action brought against the Directors. The Directors may also obtain independent legal advice at the Company's expense, as necessary, in their capacity as Directors. The Company has entered into deeds of indemnity with each Director, which provide that the Company shall indemnify the Directors to the fullest extent permitted by law and the Articles, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

COMPENSATION FOR LOSS OF OFFICE

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs as a result of a takeover bid.

DIRECTORS' SHARE INTERESTS

Details of Directors' beneficial and non-beneficial interests in the shares of the Company are shown on page 129. Further information regarding employee share schemes is provided in note 26 to the Financial Statements on page 196 to 199.

DIRECTORS' CONFLICTS OF INTEREST

The Company has put in place procedures for managing conflicts of interest. On becoming aware of the existence of an actual or potential conflict of interest impacting themselves or any person closely associated with them, the Directors are required to provide details to the Board for consideration and, if appropriate, its authorisation. If a conflict is deemed to exist, the relevant Director will excuse themselves from consideration for discussions relating to that conflict. Directors have a continuing duty to update any changes to these conflicts.

RELATED PARTY TRANSACTIONS
Internal controls are in place to ensure that any related party transactions involving Directors, or their closely associated persons, are conducted on an arm's length basis and are properly recorded and disclosed where appropriate.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT
Details of the Executive Directors' service agreements and Non-Executive Directors' letters of appointment are available in the Remuneration Report on page 125.

Relating to the Company's share capital

SHARE CAPITAL
Details of the Company's issued share capital are set out in note 23 to the financial statements on page 195. As at 31 March 2024, this comprised a single class of ordinary share carrying the right to one vote at general meetings of the Company. Holders of ordinary shares are entitled to attend and speak at general meetings of the Company, to appoint one or more proxies and, if they are corporations, corporate representatives to attend general meetings and to exercise voting rights. The Articles provide a deadline for submission of proxy forms of not earlier than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. However, when calculating the 48-hour period, the Directors can decide not to take account of any part of a day that is not a working day.

Holders of ordinary shares may receive a dividend, if declared, and may share in the assets of the Company on its liquidation. Holders of ordinary shares are entitled to receive the Company's Annual Report and Accounts.

Subject to meeting certain thresholds, holders of ordinary shares may requisition a general meeting of the Company or the proposal of resolutions at AGMs.

VARIATION OF RIGHTS
Subject to applicable statutes, rights attached to any class of share (unless otherwise provided by the terms of allotment of the shares of that class) may be varied or abrogated with the written consent of the holders of at least three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held in treasury), or by a special resolution passed at a separate general meeting of the shareholders, but not otherwise.

RIGHTS AND OBLIGATIONS ATTACHING TO SHARES
Subject to the provisions of the Companies Act 2006, and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

RESTRICTIONS ON TRANSFER OF SECURITIES
In connection with the IPO, IngreLux S.àr.l. and certain pre-IPO shareholders who are members of the Griggs family entered into an Orderly Marketing Agreement (to which the Company is not a party) regulating the disposal of shares by any of them, such that any disposals of any of them following the IPO may be coordinated and conducted in an orderly manner. This agreement stipulates that, after the expiration of the restrictions referred to above, following a disposal of shares by IngreLux S.àr.l., the parties agree that they will be bound by a further lock-up on identical terms to the equivalent lock-up terms in the Underwriting Agreement (in the case of IngreLux S.àr.l.) and in the SSE Deed (in the case of the relevant pre-IPO shareholders) for a period of 90 calendar days from the date on which the disposal completes.

In addition to the specific restrictions set out in this section, there are the following ongoing general restrictions on the transfer of shares in the Company:

- certain restrictions apply which may from time to time be imposed by legislation and regulations (for example, legislation relating to insider dealing);
- pursuant to the Company's securities dealing code, the Directors and members of the leadership team require permission to deal in the Company's shares;
- restrictions apply where a member, or any other person appearing to be interested in shares held by such member, with an interest representing at least 0.25% in nominal value of the issued shares of their class, has been served with a disclosure notice under Section 793 of the Act and has failed to provide the Company with information concerning interests in those shares;
- the subscriber ordinary shares may not be transferred without the prior written consent of the Directors;
- the Board may, in its absolute discretion, refuse to register the transfer of any shares which are not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis;
- the Board may also refuse to register a transfer in favour of more than four transferees; and
- the Board may also refuse to register the transfer of an uncertificated share in the circumstances set out in the uncertificated securities rules (as defined in the Articles).

REPURCHASE OF OWN SHARES
On 14 July 2023, under authorities granted by shareholders at the AGM held on 13 July 2023, the Company announced the commencement of a £50m share buyback programme. A total of 39,869,135 ordinary shares were repurchased and cancelled during the programme, which concluded on 19 December 2023. The total consideration paid for the shares purchased under the programme, excluding transaction costs, was £49,999,999.26.

MAJOR SHAREHOLDERS
As at 31 March 2024, the Company had received notification of the following interests in voting rights pursuant to Chapter 5 of the DTR:

	Date notified	% of voting rights[1]
IngreLux S.àr.l.[2]	1 December 2023	38.102%
GIC Private Limited	31 July 2023	5.00%
Artemis Investment Management LLP	11 July 2023	5.08%[3]
BlackRock, Inc	24 June 2021	<5%[3]

1. Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.
2. IngreLux S.àr.l.'s shareholding passed the 38% notifiable threshold as a result of the decreased number of total ordinary shares in the Company due to the share buyback programme commenced on 14 July 2023.
3. Disclosures made prior to the 2023 share buyback programme.

This information was correct at the date on which it was notified to the Company. However, the date of notification may not have been during the year under review and further notifications are not required to be made until the next notifiable threshold is crossed. No changes to the positions set out above and no new positions were disclosed to the Company between 31 March 2024 and the publication of this Annual Report.

Relating to the Company

PROFIT AND DIVIDENDS

The profit for the financial year, after taxation, amounts to £69.2m. An interim dividend of 1.56p per ordinary share was announced on 30 November 2023 and paid in February 2024 in relation to the period under review and the Directors intend to propose the Company pay a final dividend for the year ending 31 March 2024 of 0.99p per ordinary share.

Listing Rule	Detail	Page reference(s)
9.8.4R (1-2), (4), (7-13)	Not applicable	N/A
9.8.4R (5-6)	Waivers of future emoluments	Remuneration Report pages 117, 119, 127 and 129
9.8.4R (14) (A-D)	Agreements with controlling shareholder	'Relationship agreement with controlling shareholder', page 147, and 'Additional statement of compliance with UK Listing Rule 9.8.4 (14)', below.

ADDITIONAL STATEMENT OF COMPLIANCE WITH UK LISTING RULE 9.8.4 (14)

Since the Company's admission to listing, it has complied with the independence provisions contained in UK Listing Rule 9.2.2ADR(1). So far as the Company is aware, IngreLux S.àr.l. and its associates have also complied with these provisions.

SUBSIDIARIES AND PRINCIPAL ACTIVITIES

The Company is the holding company of the Dr. Martens Group of companies (the 'Group'), the principal activities of which are described in this Annual Report. The Group's subsidiaries and their locations are set out in note 13 on page 215 of the financial statements.

EMPLOYMENT POLICIES

The Company has in place a number of policies covering important issues including diversity, equity and inclusion, equal opportunities and wellbeing. We are committed to creating an environment where our people can all be proud to work and, to do this, we are an equal opportunity employer. All qualified applicants will receive consideration for employment without regard to race, colour, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability or age and we take all reasonable steps to ensure equality of opportunity in recruitment, training, development and conditions of work. Persons with disabilities and/or health conditions are given full and fair consideration for available roles, having regard for their particular aptitudes and abilities, and we are committed to providing reasonable accommodations for qualified individuals with disabilities throughout our job application process. Employees who become disabled during their career at Dr. Martens will be retained in employment wherever possible and the Company will support them in their rehabilitation in the workplace and provide any training or retraining where needed.

EMPLOYEE INVOLVEMENT

Clear and open communication with our people is fundamentally important to our culture and to securing our long-term success. We ensure our people across all the regions in which we operate globally are kept well informed of our performance and strategy and any significant events or developments impacting the business. Detailed information about how we involve our people at Dr. Martens can be found in the Sustainability Report, the Employee engagement section of the Governance Report (which details the work of Robyn Perriss as our Employee Representative Non-Executive Director) and the wider Strategic Report, specifically on pages 18, 19, 21 and 63 to 72.

POLITICAL DONATIONS

The Company did not make any political donations or incur any political expenditure during the year ended 31 March 2024.

EXTERNAL AUDITOR

Resolutions proposing to re-appoint PricewaterhouseCoopers LLP as auditor of the Company and to authorise the Audit and Risk Committee to determine its remuneration will be proposed for shareholder approval at the upcoming AGM in July 2024.

AGREEMENTS WITH CONTROLLING SHAREHOLDER

Set out in the Directors' Report in the sections entitled 'Relationship agreement with controlling shareholder' on page 147, and 'Additional statement of compliance with UK Listing Rule 9.8.4 (14)', left.

CHANGE OF CONTROL

Details of the significant agreements to which the Company is party that take effect, alter or terminate upon a change of control of the Company following a takeover bid are set out below:

Share plans: The Company's share plans contain specific provisions relating to change of control. Outstanding awards and options will normally automatically vest and become exercisable or payable on or following a change of control arising as a result of a general offer to acquire the whole of the Company's issued share capital or a court sanctioned compromise or arrangement under Section 899 of the Act, subject to the relevant performance conditions being met at that time.

Available facilities: The Senior Facilities Agreement dated 27 January 2021 between the Group and various banks, pursuant to which the Group has access to: (i) a €337.5m term loan facility; and (ii) a £200m multi-currency revolving credit facility, containing provisions that, in the event of the occurrence of a change of control event, the banks shall have 15 business days to exercise an individual right: (i) to cancel all undrawn commitments on five business days' notice; and (ii) on 60 days' notice to require that all outstanding participations in utilisations are repaid with accrued interest and any other relevant amounts accrued.

Relationship agreement: Details of the relationship agreement with IngreLux S.àr.l. are set out in the relevant section of this Directors' Report on the next page. The relationship agreement ceases to apply if the Company's shares cease to be listed on the premium listing segment of the Official List and traded on the London Stock Exchange's main market for listed securities, or if the holding of IngreLux S.àr.l. (together with any of its associates) ceases to control or to be entitled to control the exercise of, in aggregate, 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

MODERN SLAVERY STATEMENT

The Company's Modern Slavery Statement is reviewed and approved by the Board annually and published on our corporate website, in line with Section 54(1) of the Modern Slavery Act 2015. The statement covers the activities of the Company and its subsidiaries and details policies, processes and actions we have taken to ensure that slavery and human trafficking are not taking place in our supply chains or any part of our business.

More information on our statement can be found on our website.

RELATIONSHIP AGREEMENT WITH CONTROLLING SHAREHOLDER

The Company's largest and, for the purposes of the Listing Rules, controlling shareholder is IngreLux S.àr.l., which owns 38.46% of the issued share capital of Dr. Martens plc as at the date of this Report. IngreLux S.àr.l. is wholly owned by funds advised by Permira Advisers LLP, a global investment firm. In accordance with the UK Listing Rules, the Company and IngreLux S.àr.l. have entered into a relationship agreement (the 'Relationship Agreement') to ensure that:

1. the Group can carry on an independent business as its main activity;
2. any transactions and arrangements between the Group and IngreLux S.àr.l. (and/or any of its associates) are at arm's length and conducted on normal commercial terms;
3. neither IngreLux S.àr.l. nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules;
4. neither IngreLux S.àr.l. nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules; and
5. at all times a majority of the Directors of the Company shall be independent of IngreLux S.àr.l.

Pursuant to the Relationship Agreement, IngreLux S.àr.l. is also entitled to appoint one Non-Executive Director to the Board and nominate that individual to be a member of the Company's Nomination Committee for so long as it (together with any of its associates) controls or is entitled to control the exercise of in aggregate 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company. IngreLux S.àr.l.'s first appointed representative is Tara Alhadeff, whose biography can be found on page 94), and it will consult in advance with the Chair of the Nomination Committee regarding the identity of any person proposed to be nominated as a Non-Executive Director in the future.

Pursuant to the Relationship Agreement, IngreLux S.àr.l. has certain information rights for the purposes of its accounting, tax or other regulatory requirements. In addition, the Company may request that Permira Advisers LLP provides it with advisory services. IngreLux S.àr.l. has undertaken to keep information it receives on the Group confidential and in accordance with applicable law.

The Relationship Agreement also provides for the Company to provide, subject to certain limitations and exceptions, reasonable cooperation and assistance to IngreLux S.àr.l. in the event of a sale of shares by IngreLux S.àr.l., and that IngreLux S.àr.l. will ensure that any such secondary sales of shares in the Company are conducted in an orderly manner.

The Directors believe that the terms of the Relationship Agreement enable the Group to carry on its business independently of IngreLux S.àr.l. The Relationship Agreement will continue for so long as:

1. the Company's shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's Main Market for listed securities; and
2. IngreLux S.àr.l. (together with any of its associates) controls or is entitled to control the exercise of in aggregate 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

While IngreLux S.àr.l., on its own or together with any person with whom it is acting in concert, holds 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company, it is considered a 'controlling shareholder' for the purposes of the Listing Rules. While IngreLux S.àr.l. remains a controlling shareholder, certain resolutions, such as resolutions relating to the election of Independent Directors or the cancellation of the Company's listing, will, in order to be passed, need to be approved by both:

1. a majority of shareholders voting on the resolution; and
2. a majority of shareholders voting on the resolution excluding IngreLux S.àr.l.

ANNUAL GENERAL MEETING

The Company's AGM will be held at Holiday Inn, 30 Jamestown Road, Camden NW1 7BY, on Thursday 11 July 2024 at 9.30am.

The Notice of Meeting, together with explanatory notes and guidance on voting and arrangements, will include details of the business to be put to shareholders at the AGM.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors section, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

This responsibility statement was approved by the Board of Directors on 29 May 2024.

By order of the Board

EMILY REICHWALD
Company Secretary
29 May 2024
Dr. Martens plc
Company number: 12960219

FINANCIAL STATEMENTS

In this section:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion:

- Dr. Martens plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

We have audited the financial statements, included within the Annual Report 2024 (the "Annual Report"), which comprise:

- the Consolidated and Parent Company Balance Sheets as at 31 March 2024;
- the Consolidated Statement of Profit or Loss,
- the Consolidated Statement of Comprehensive Income,
- the Consolidated and Parent Company Statements of Changes in Equity,
- the Consolidated Statement of Cash Flows for the year then ended; and
- the Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND APPOINTMENT

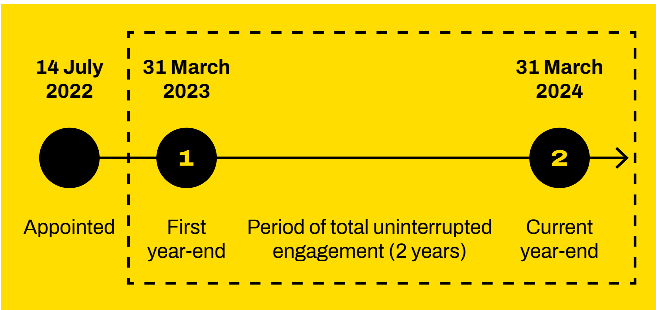
We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5 to the consolidated financial statements, we have provided no non-audit services to the Parent Company or its controlled undertakings in the period under audit.

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 14 July 2022 to audit the financial statements for the year ended 31 March 2023 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 March 2023 to 31 March 2024.

TIMELINE OF ENGAGEMENT



Our audit approach

OVERVIEW

AUDIT SCOPE

- We performed full scope audits of four components;
- In addition, for a further four components, we performed audit procedures on specific accounts within each component based on either the size or risk profile of those accounts;
- Specific audit procedures in relation to various Group activities, including over the consolidation, leases, share based payments, taxation, pensions and the carrying value of both goodwill and assets attributable to stores, were performed by the Group team centrally; and
- We performed a statutory audit of the Parent Company.

4
full scope component audits

4
components with specific audit procedures

KEY AUDIT MATTERS

Valuation of inventory provisions (Group)

YEAR ON YEAR: Consistent

Carrying value of investment in subsidiary (Parent Company)

YEAR ON YEAR: Consistent

No longer a KAM
Existence of inventory at the Los Angeles ("LA"), US warehouse (Group)

MATERIALITY

Overall Group materiality
based on 5% of the three-year average of Group profit before tax with a further haircut applied.

£7.2M

Overall Parent Company materiality
based on 1% of total assets.

£14.1M

Performance materiality

Group
£5.4M

Parent Company
£10.6M

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence of inventory at the Los Angeles ("LA"), US warehouse, which was a key audit matter last year, is no longer included because of the changes made by management with respect to the inventory held at this location and its satellite warehouses throughout the current financial year, which meant less audit effort was spent on this matter.

This is not a complete list of all risks identified by our audit.

Valuation of inventory provisions (Group)

Background:

Refer to the Audit and Risk Committee report, Note 13 Inventories and Note 2.26 Significant judgements and estimates.

The Group sells a variety of footwear and accessory products and is subject to changing consumer demands and fashion trends, increasing the level of judgement involved in estimating inventory provisions.

The significant majority of inventory consists of the business's core footwear product lines. These are predominantly boots and shoes which have been designed with Dr. Martens' branding and have been sold for many years. The Group's inventory provision is primarily based on the classification of inventory product lines, inventory age and the risk that certain products cannot be sold above cost.

Judgement is required to estimate future sales forecasts and to assess whether alternative sales strategies, including discounting, are required to clear excess inventory.

Procedures performed:

- We performed audit procedures over this area in five locations, which covered 93% of the total Group inventory balance and 74% of the inventory provision recognised of £2.6 million. This balance includes all categories of inventory provisions.
- We obtained an understanding of the inventory provisioning process in each of the above locations, assessing the conformity to Group policy.
- We recomputed the provision calculations based on management's methodology and substantively tested the inputs to validate the completeness and accuracy of the reports used to quantify the provisions, including testing inventory classification within the provision workings.
- We challenged and validated the key assumptions applied by management to calculate the provision, with particular focus on the level of inventory sold below cost during FY24.
- We performed sensitivity analysis to assess the significance and risk of changes in assumptions on the provision amount in the component that holds the highest value of inventory provision.
- We performed inquiries across the business and observed a sample of inventory counts with particular focus on verifying the obsolete inventory and aged inventory which may have indicated that a provision may be required.

Observations

We found that the provisions recorded were consistent with the evidence obtained.

Carrying value of investment in subsidiary (Parent Company)

Background:

Refer to Note 2 (Parent Company financial statements) for accounting policies and Note 6 (Parent Company financial statements) – Investments of the Parent Company financial statements. Investments are investments in subsidiaries.

In accordance with IAS 36, the Parent Company's investments balance should be carried at no more than its recoverable amount, being the higher of fair value less costs to sell and its value in use. IAS 36 requires an entity to determine whether there are indications that an impairment loss may have occurred and if so, make a formal estimate of the recoverable amount.

The fall in share price during the year and the macroeconomic challenges experienced across a number of the economies where the Group operates were considered by management to be an impairment indicator to the carrying value of the investment and, as a result, an impairment assessment was performed. This included preparing a Value in Use (VIU) model reflecting the Board reviewed budget for FY25 and FY26, the five year plan to 31 March 2029 and the cash flows into perpetuity using an estimated terminal growth rate.

Through this assessment management identified that the VIU exceeded the carrying value of the investment, and therefore concluded that no impairment was required.

Procedures performed:

- We verified the mathematical accuracy of the calculations used, to estimate the VIU.
- Supported by our PwC valuations experts we independently assessed management's discount rate for appropriateness and compared the revenue and EBITDA multiple of management's VIU model to similar companies.
- We requested management provide internal and external market evidence to support the key assumptions in the VIU model. These were assessed against historical results and management's forecasting accuracy, industry reports and cost inflation measures.
- We sensitised management's assumptions in the VIU model, in particular around the forecast growth rate.
- The Group's estimate of recoverable amount, although sensitive to changes in assumptions, supports the carrying value of the investment.
- We also evaluated the disclosures in Note 2 – Accounting policies and Note 6 – Investments of the Parent Company financial statements, which included sensitivities.

Observations

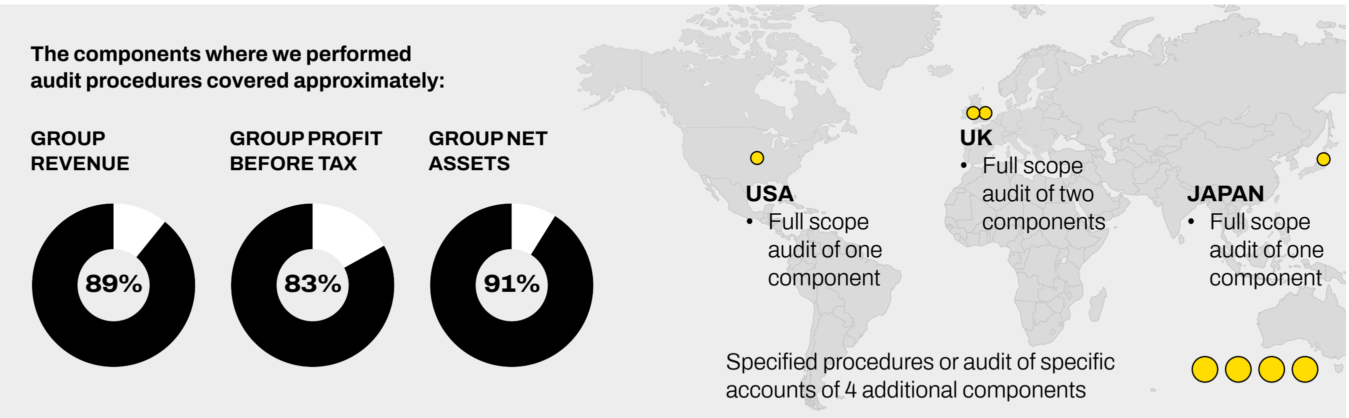
We consider management's conclusion that, whilst indicators of impairment existed, no impairment was required to be appropriate. We also consider the inclusion of sensitivity disclosures to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

We identified three financially significant components, being Airwair International Limited, Dr. Martens Airwair USA LLC and Dr Martens Airwair Wholesale Limited, where a full scope audit has been performed. In addition, at the request of management and the Audit and Risk Committee, we performed a full scope audit on Dr. Martens Airwair Japan K.K. To achieve the coverage desired, we identified a further four components where we performed audit procedures on specific accounts within each component based on either the size or risk profile of those accounts.

Where work was performed by component auditors, detailed instructions were issued by the Group audit team and we conducted conference calls with component teams. For our financially significant and material components, oversight procedures included regular communication with the component team, reviewing their working papers, and attending the clearance meetings virtually. For the four components where procedures were performed on specific accounts, the Group audit team either performed audit work directly on the component, or we reviewed deliverables received and attended clearance meetings of the other components. Specific audit procedures over central functions and areas of significant judgement, including the consolidation, leases, share based payments, taxation, pensions and the carrying value of both goodwill and assets attributable to stores, were performed by the Group team centrally.



Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group		Parent Company	
Overall materiality	**£7.2M**	FY23 £8.0m	**£14.1M**	FY23 £14.0m
How we determined it	**5%**	of the three-year average of Group profit before tax with a further haircut applied in the current year and for the prior year 5% of the FY23 Group profit before tax	**1%**	of total assets
Rationale for benchmark applied	We consider the most appropriate benchmark on which to calculate materiality was the Group's profit before tax as it is one of the key indicators of financial performance of the Group. We use a three year average from FY22 to FY24 due to the volatility of earnings in FY24. We then apply a further haircut to reflect the decrease in performance seen in the current year.		As the Parent Company, Dr. Martens plc, is a holding company for the Group the materiality benchmark has been determined based on total assets, which is a generally accepted auditing benchmark.	
Performance materiality	**£5.4M**	FY23 £6.0m	**£10.6M**	FY23 £10.6m
How we determined it	**75%**	of overall materiality	**75%**	of overall materiality
Level above which we report to the Audit and Risk Committee	**£360,000**	FY23 £400,000	**£700,000**	FY23 £700,000
	We agreed we would also report misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.			
Component materiality	**£1.0M** – **£6.8M**			

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

The impact of climate risk on our audit

In considering the impact of climate risk on our audit, we:

- Made enquiries of management to understand the extent of the potential impact of climate risk on the Group's financial statements and we remained alert when performing our audit procedures for any indicators of the impact of climate risk;
- Reviewed management's assessment of climate risk to the Group and the impact, if any, on the financial statements and impairment testing. Management has sought advice from external sustainability experts to help them understand the environmental challenges they face and to source science-based inputs for their assessment of climate risk;
- Read the disclosures in relation to climate risk made in the other information within the Annual Report to ascertain whether the disclosures are materially consistent with the Group financial statements and our knowledge from our audit. Our responsibility over other information is further described in the Reporting on other information section of our report; and
- Inquired of management to understand and evaluate the Group's risk assessment process in relation to climate change.

Our procedures did not identify any material impact as a result of climate risk on the consolidated and Parent Company financial statements.

Our ability to detect irregularities, including fraud, and our response

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment and the UK Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of journals that did not result in an expected combination with revenue postings and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

There are inherent limitations in these audit procedures. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with the Directors, the Audit and Risk Committee and Group General Counsel;
- Review of legal correspondence, internal audit reports, whistleblowing reports and Board meeting minutes and consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Challenging management on its critical accounting estimates and judgements;
- Identifying and testing journal entries to address the risk of inappropriate journals as previously referred to;
- Audit of the tax charge and deferred tax balances including, supported by PwC experts, a review of the transfer pricing policy; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the risk around going concern at the planning and year end phases of the audit;
- Performing a walkthrough of the Group's financial statement close process, budgeting and forecasting process and confirming our understanding of management's going concern assessment process;
- Obtaining management's going concern model which included a base case, and a severe but plausible downside scenario covering the going concern assessment period. In addition to the severe but plausible downside scenario, management prepared reverse stress test scenarios;
- Critically assessing the assumptions within the models including; assessing the historical accuracy of management's forecasting and obtaining corroborating, and considering contradictory, evidence for the assumptions used;
- Considering the assumptions made regarding the further continuation of weaker consumer sentiment and lower demand for the Group's products and the impact of factory closures in one of the key production geographic areas in the severe but plausible downside case and assessing whether there were any other scenarios which should be considered;
- Assessing whether it was plausible that management could action the mitigations identified in the severe but plausible downside scenario;
- Performing independent sensitivity analysis to the severe but plausible case to assess the impact on liquidity and covenant headroom;
- Obtaining and reviewing the Group's financing agreement, confirming our understanding of the agreements including those relating to covenant test ratio requirements, and understanding the nature of recent interactions with the Group's financing partners. Checking the calculation of headroom in respect of the financial covenant test ratios and assessing the Group's forecast compliance with banking covenant requirements; and
- Confirming that consistent approaches to going concern, viability, impairment and other key areas of estimation have been used.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

STRATEGIC REPORT AND DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

DIRECTORS' REMUNERATION

In our opinion, the part of the Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Parent Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Parent Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC' s website at:
www.frc.org.uk/auditorsresponsibilities
This description forms part of our auditors' report.

USE OF THIS REPORT

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Parent Company financial statements and the part of the Remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other matter

The Parent Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Jonathan Sturges (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 May 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	**FY24 £m**	FY23 £m
Revenue	3	**877.1**	1,000.3
Cost of sales		**(301.9)**	(382.2)
Gross profit		**575.2**	618.1
Selling and administrative expenses	4	**(453.0)**	(441.9)
Finance income		**3.0**	1.9
Finance expense	7	**(32.2)**	(18.7)
Profit before tax		**93.0**	159.4
EBITDA[1]	3	**197.5**	245.0
Depreciation and amortisation	4	**(72.3)**	(54.2)
Impairment	4	**–**	(3.9)
Foreign exchange losses		**(4.2)**	(10.7)
Other gains		**1.2**	–
Net finance expense		**(29.2)**	(16.8)
Profit before tax		**93.0**	159.4
Tax expense	8	**(23.8)**	(30.5)
Profit for the year		**69.2**	128.9

	Note	**FY24**	FY23
Earnings per share			
Basic	9	**7.0p**	12.9p
Diluted	9	**7.0p**	12.9p

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.

The results for the years presented above are derived from continuing operations and are entirely attributable to the owners of the Parent Company.

The notes on pages 165 to 206 form part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	**FY24 £m**	FY23 £m
Profit for the year		**69.2**	128.9
Other comprehensive (expense)/income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences		**(2.8)**	5.5
Cash flow hedges: Fair value movements in equity		**(1.8)**	1.8
Cash flow hedges: Reclassified and reported in profit or loss	19	**3.9**	(2.5)
Tax in relation to share schemes	8	**0.5**	–
Tax in relation to cash flow hedges	8	**(0.7)**	0.2
		(0.9)	5.1
Total comprehensive income for the year		**68.3**	134.0

The notes on pages 165 to 206 form part of these Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

ASSETS	Note(s)	FY24 £m	FY23 £m
Non-current assets			
Intangible assets	11	**270.0**	265.6
Property, plant and equipment	12	**59.4**	61.3
Right-of-use assets	12	**173.5**	144.1
Investments	20	**1.0**	1.0
Derivative financial assets	19	**0.1**	–
Deferred tax assets	22	**11.2**	11.8
		515.2	483.8
Current assets			
Inventories	13	**254.6**	257.8
Trade and other receivables	14	**68.8**	93.0
Income tax assets		**1.2**	–
Derivative financial assets	19	**1.5**	0.5
Cash and cash equivalents	15	**111.1**	157.5
		437.2	508.8
Total assets		**952.4**	992.6
LIABILITIES			
Current liabilities			
Trade and other payables	16	**(92.2)**	(127.7)
Borrowings	17	**(8.4)**	(6.0)
Lease liabilities	17, 28	**(47.0)**	(28.1)
Derivative financial liabilities	19	**(0.1)**	(1.3)
Income tax payable		**(5.8)**	(1.4)
		(153.5)	(164.5)
Non-current liabilities			
Borrowings	17	**(286.3)**	(293.4)
Lease liabilities	17, 28	**(135.3)**	(124.3)
Provisions	18	**(6.3)**	(4.4)
Deferred tax liabilities	22	**(2.8)**	(1.8)
		(430.7)	(423.9)
Total liabilities		**(584.2)**	(588.4)
Net assets		**368.2**	404.2
EQUITY			
Equity attributable to the owners of the Parent			
Ordinary share capital	23	**9.6**	10.0
Treasury shares	24	**–**	–
Hedging reserve	25	**0.9**	(0.5)
Capital redemption reserve	25	**0.4**	–
Merger reserve	25	**(1,400.0)**	(1,400.0)
Foreign currency translation reserve	25	**9.7**	12.5
Retained earnings	25	**1,747.6**	1,782.2
Total equity		**368.2**	404.2

The notes on pages 165 to 206 form part of these Consolidated Financial Statements.

The Consolidated Financial Statements on pages 160 to 206 were approved and authorised by the Board of Directors on 29 May 2024 and signed on its behalf by:

KENNY WILSON
Chief Executive Officer

GILES WILSON
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	Ordinary share capital £m	Treasury shares £m	Hedging reserve £m	Capital redemption reserve £m	Merger reserve £m	Foreign translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2022		**10.0**	**–**	**(0.1)**	**–**	**(1,400.0)**	**7.0**	**1,711.3**	**328.2**
Profit for the year		–	–	–	–	–	–	128.9	128.9
Other comprehensive (expense)/income		–	–	(0.4)	–	–	5.5	–	5.1
Total comprehensive (expense)/income for the year		–	–	(0.4)	–	–	5.5	128.9	134.0
Dividends paid	10	–	–	–	–	–	–	(58.4)	(58.4)
Share-based payments	26	–	–	–	–	–	–	0.4	0.4
At 31 March 2023		**10.0**	**–**	**(0.5)**	**–**	**(1,400.0)**	**12.5**	**1,782.2**	**404.2**
Profit for the year		–	–	–	–	–	–	69.2	69.2
Other comprehensive income/(expense)		–	–	1.4	–	–	(2.8)	0.5	(0.9)
Total comprehensive income/(expense) for the year		–	–	1.4	–	–	(2.8)	69.7	68.3
Dividends paid	10	–	–	–	–	–	–	(57.8)	(57.8)
Shares issued	23	–	–	–	–	–	–	–	–
Share-based payments	26	–	–	–	–	–	–	4.0	4.0
Repurchase of ordinary share capital	23, 24	–	(50.0)	–	–	–	–	(0.5)	(50.5)
Cancellation of repurchased ordinary share capital	23, 24	(0.4)	50.0	–	0.4	–	–	(50.0)	–
At 31 March 2024		**9.6**	**–**	**0.9**	**0.4**	**(1,400.0)**	**9.7**	**1,747.6**	**368.2**

The notes on pages 165 to 206 form part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	FY24 £m	FY23 £m
Profit after taxation		**69.2**	128.9
Add back: income tax expense	8	**23.8**	30.5
finance income		**(3.0)**	(1.9)
finance expense	7	**32.2**	18.7
depreciation, amortisation and impairment		**72.3**	58.1
other gains		**(1.2)**	–
foreign exchange losses		**4.2**	10.7
share-based payments charge	26	**4.0**	0.5
Increase in inventories		**(1.6)**	(133.2)
Decrease/(increase) in trade and other receivables		**23.0**	(6.6)
Decrease in trade and other payables		**(37.7)**	(9.2)
Change in net working capital		**(16.3)**	(149.0)
Cash flows from operating activities			
Cash generated from operations		**185.2**	96.5
Taxation paid		**(18.8)**	(22.3)
Settlement of matured derivatives		**1.5**	(1.5)
Net cash inflow from operating activities		**167.9**	72.7
Cash flows from investing activities			
Additions to intangible assets	11	**(10.2)**	(11.8)
Additions to property, plant and equipment	12	**(18.2)**	(39.6)
Finance income received		**2.9**	1.6
Capital contributions received for right-of-use assets		**–**	0.2
Purchase of equity investment	20	**–**	(1.0)
Net cash outflow from investing activities		**(25.5)**	**(50.6)**
Cash flows from financing activities			
Finance expense paid		**(19.9)**	(7.2)
Payment of lease interest	28	**(8.6)**	(4.8)
Payment of lease liabilities	28	**(43.6)**	(29.1)
Repurchase of shares	23	**(50.5)**	–
Revolving credit facility drawdown	17	**30.0**	–
Revolving credit facility repayment	17	**(30.0)**	–
Settlement of matured derivatives		**(5.5)**	4.6
Dividends paid	10	**(57.8)**	(58.4)
Net cash outflow from financing activities		**(185.9)**	(94.9)
Net decrease in cash and cash equivalents		**(43.5)**	(72.8)
Cash and cash equivalents at beginning of year		**157.5**	228.0
Effect of foreign exchange on cash held		**(2.9)**	2.3
Cash and cash equivalents at end of year	15	**111.1**	157.5

The notes on pages 165 to 206 form part of these Consolidated Financial Statements.

1. General information

Dr. Martens plc (the 'Company') is a public company limited by shares incorporated in the United Kingdom, and registered and domiciled in England and Wales, whose shares are traded on the London Stock Exchange. The Company's registered office is: 28 Jamestown Road, Camden, London NW1 7BY. The principal activity of the Company and its subsidiaries (together referred to as the 'Group') is the design, development, procurement, marketing, selling and distribution of footwear, under the Dr. Martens brand.

2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated. Amounts are presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted. The reporting period is defined as the year ended 31 March 2024 and year ended 31 March 2023 for the comparative period.

2.1 BASIS OF PREPARATION

The Consolidated Financial Statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Group's Consolidated Financial Statements have been prepared on a going concern basis under the historical cost convention, except for equity investments, derivative financial instruments, money market funds, share-based payments and pension scheme assets that have been measured at fair value.

Certain amounts in the Statement of Profit or Loss and the Balance Sheet have been grouped together for clarity, with their breakdown being shown in the notes to the financial statements. The distinction presented in the Balance Sheet between current and non-current entries has been made on the basis of whether the assets and liabilities fall due within more than one year.

Consideration of climate risk matters

The Group continues to assess the impact of climate risk matters on many aspects of the business, including climate related scenario analysis as required by the Task Force on Climate-Related Disclosures. Building on this scenario analysis, consideration has been given to the impact of climate related risk on management judgements and estimates, and compliance with existing accounting requirements. The incurred costs and investments associated with our sustainability strategy are reflected in the Group's Financial Statements. The impact of climate related risk matters is not expected to be material to the 31 March 2024 Consolidated Financial Statements, the Group going concern assessments to 30 September 2025, or the viability of the Group over the next three years.

Financial calendar

During the year, the Group amended the basis of preparation of the Consolidated Financial Statements to align with the operational trading of the business; by moving from a calendar year to a retail calendar basis. The retail calendar will report a 52-week year, split into monthly 5-4-4 Monday to Sunday week formats. A 53-week year will be reported around every six years to avoid the retail calendar deviating by more than seven days to the calendar year and accounting reference date of 31 March. As 31 March 2024 falls on a Sunday, the FY25 period will begin on a Monday and conform to a retail calendar thereafter.

Going concern

The financial statements have been prepared on the going concern basis. The going concern assessment covers at least the 12-month period from the date of the signing of the financial statements, and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period. To support this assessment, detailed trading and cash flow forecasts, including forecast liquidity and covenant compliance, were prepared for the 16-month period to 30 September 2025. The Directors' assessment used the same assumptions and methods as the viability assessment on pages 44 and 45.

The key stages of the assessment process are summarised as follows:

- The Group planning process forms the basis of the Going Concern review, starting from the DOCS strategy and producing outputs for long, medium and short term financial plans, based on key assumptions which are agreed with the GLT and Board.
- The trading outlook over the long, medium and short term is evaluated, contextualising our assessments within the broader macroeconomic environment.
- Micro and macro central planning assumptions are identified and incorporated into the assessments.
- The Directors of the Group have considered the future position based on current trading and a number of potential downside scenarios which may occur, including the impact of appropriate principal risks crystallising.
- Further details on the potential downside scenarios relevant to the going concern assessment period have been included on the next page.

2. Accounting policies continued

Going concern continued
The Directors also considered the Group's funding arrangements at 31 March 2024 with cash of £111.1m, available undrawn facilities of £194.5m and bullet debt repayment of £288.6m not due until 2 February 2026.

Consistent with the Viability Statement on pages 44 and 45, management have modelled, and the Directors have reviewed 'top-down' sensitivity and stress testing, including a review of the cash flow projections and covenant compliance under a severe but plausible scenario in relation to two main risks and specific 'black swan' events assessed which are detailed below:

- the impact of a factory closure in one key production geographic area due to climate change (flooding).
- weaker consumer sentiment and lower demand.

'Top-down' sensitivity and stress testing included a review of the cash flow projections and covenant compliance under a severe but plausible scenario in relation to the downside scenarios described above. In the unlikely event of the above two scenarios occurring together, the Group can withstand material revenue decline and by applying available mitigations, headroom above covenant requirements remain in line with expectation and the Group continues to have satisfactory liquidity and covenant headroom throughout the period under review. Experience over three years of FY22, FY23 and FY24 have indicated minimal wholesale bad debt risk and minimal margin risk with the principal risk to meeting covenant compliance being lower revenue.

In modelling our severe but plausible downside we have incorporated the impact of a double digit decrease in revenue from the base plan in the short term, with the base plan already representing a single digit decline versus FY24. Under this scenario, certain mitigations are available or are intrinsically linked to the forecast, including some cost and cash savings that materialise immediately if the Group's performance is below budget and other planned and standard cost reductions.

A more extreme downside scenario is not considered plausible.

A reverse stress test has also been modelled to determine what could break covenant compliance estimates and liquidity before mitigating actions. To model these reverse stress tests the impact on revenue of zero covenant headroom and zero liquidity was calculated at the end of the going concern period. Under the covenant breach test it is concluded that the business could weather extreme growth reductions without mitigation versus the base plan, with the base plan already representing a single digit decline versus FY24. The business would have to experience -11%pts to revenue growth in the going concern period before covenants are breached. Similarly, the business would have to experience -51%pts revenue growth reduction in the going concern period before zero cash headroom is reached. The Directors have assessed the likelihood of occurrence to be remote.

We have also assessed the qualitative and quantitative impact of climate-related risks, as noted in our TCFD scenario analysis and above, on asset recoverable amounts and concluded that there would not be a material impact on the business and cash flows in the going concern period.

We will continue to monitor the impact of the macroeconomic backdrop and geopolitical events on the Group in the countries where we operate, and we plan to maintain flexibility to react as appropriate.

2.2 BASIS OF CONSOLIDATION

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024 and 31 March 2023. Control is achieved when the Group has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2. Accounting policies continued

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 ADOPTION OF NEW AND REVISED STANDARDS

A number of new or amended standards became applicable for the current reporting period. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods:

- Amendments to IAS 1 – Classification of liabilities as current, and disclosure of accounting policies
- Amendments to IAS 8 – Definition of accounting estimates
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 12 – Pillar Two model rules
- Implementation of IFRS 17 – Insurance contracts

New standards and interpretations not yet applied

The following new or amended IFRS accounting standards, amendments and interpretations are not yet adopted and it is expected that where applicable, these standards and amendments will be adopted on each respective effective date:

- Amendments to IAS 1 – Presentation of financial statements: non-current liabilities with covenants
- Amendments to IFRS 16 – Leases on sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

2.4 ALTERNATIVE PERFORMANCE MEASURES (APMS)

Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive suitable APMs. As set out on pages 220 and 221 of the Glossary, APMs are used as management believes these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for performance analysis. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

2.5 FOREIGN CURRENCY TRANSLATION

The Consolidated Financial Statements are presented in GBP, which is the Group's presentational currency. The Group includes foreign entities whose functional currencies are not GBP. On consolidation, the assets and liabilities of the Group entities that have a functional currency different from the presentation currency are translated into GBP at the closing rate at the date of that Balance Sheet. Income and expenses for each Statement of Profit or Loss are translated at average foreign exchange rates for the period. Foreign exchange differences are recognised in other comprehensive income. The functional currency of each company in the Group is that of the primary economic environment in which the entity operates.

2. Accounting policies continued

2.6 REVENUE

The Group's revenue arises from the sale of goods to customers. Contracts with customers generally have one performance obligation. The Group has concluded that the revenue from the sale of goods should be recognised at a point in time when control of the goods is transferred to the customer, which is dependent on the revenue channel. Revenue is recognised at the invoiced price less any associated discounts and sales taxes.

The Group assessed its revenue channels against the IFRS 15 five-step model, identifying the contracts, the performance obligations and the transaction price, and then allocating this to determine the timing of revenue recognition. The revenue channels that have been separately assessed are as follows:

- ecommerce revenue, including delivery charge income;
- retail revenue; and
- wholesale revenue.

Control is passed to the customer on the following basis under each of the revenue channels as follows:

- ecommerce channel: upon receipt of the goods by the customer;
- retail channel: upon completion of the transaction; and
- wholesale channel: upon delivery of the goods or upon dispatch to the customer if the customer takes responsibility for delivery.

The payment terms across each of these revenue channels varies. The payments for retail are received at the transfer of control. Ecommerce payments are mainly received in advance of transfer of control by less than one week as there is a timing difference between receipt of cash on order and receipt of goods by the customer. Wholesale customers pay on terms generally between 30 and 60 days.

Some contracts for the sale of goods provide customers with a right of return and rebates. Under IFRS 15, this gives rise to variable consideration, which is constrained such that it is highly probable that significant reversal will not occur.

Rights of return

When a contract provides a customer with a right of return, under IFRS 15, the consideration is variable because the contract allows the customer to return the product. The Group uses the expected value method to estimate the goods that will be returned and recognise a refund liability and an asset for the goods to be recovered. Provisions for returned goods are calculated based on future expected levels of returns for each channel, assessed across a variety of factors such as historical trends, economic factors and other measures.

Rebates

Under IFRS 15, rebates give rise to variable consideration. To estimate this the Group applies the most likely amount method.

2.7 FINANCE INCOME AND EXPENSES

Finance expenses consist of interest payable on various forms of debt and finance income consists of interest receivable amounts from cash held. Both are recognised in the Statement of Profit or Loss under the effective interest rate method.

2.8 EXCEPTIONAL ITEMS

Exceptional items consist of material non-recurring items and items arising outside the normal trading of the Group.

2.9 TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax movement recognised. The tax currently payable is based on taxable profit. Taxable profit differs from net profit as reported in the Statement of Profit or Loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Tax provisions are recognised when there is a potential exposure to an uncertain tax position and an outflow of resources is probable. The Group applies IFRIC 23 Uncertainty over Income Tax Treatments to measure uncertain tax positions. The Group calculates each provision using either the expected value method or the most likely outcome method in line with the guidance contained within IFRIC 23. The uncertain tax positions are reviewed regularly and there is ongoing monitoring of tax cases and rulings which could impact the provision.

2. Accounting policies continued

2.9 TAXATION CONTINUED

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method based on rates that are enacted or substantively enacted by the end of each reporting period. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled. Deferred tax is charged or credited in the Statement of Profit or Loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Both deferred tax assets and liabilities and current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

On 23 May 2023, the IASB issued an amendment to IAS 12 'Income Taxes' to clarify how the effects of the global minimum tax framework should be accounted for and disclosed effective 1 January 2023. This was endorsed by the UK Endorsement Board on 19 July 2023 and has been adopted by the Group for 2024 reporting. The Group has applied the exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

2.10 DIVIDENDS

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

2.11 INTANGIBLE ASSETS

Goodwill

Business combinations are accounted for by applying the acquisition method. Goodwill acquired represents the excess of the fair value of the consideration over the fair value of the identifiable net assets acquired.

After initial recognition, positive goodwill is measured at cost less any accumulated impairment losses. At the date of acquisition, the goodwill is allocated to cash generating units, usually at business segment level or statutory company level as the case may be, for the purpose of impairment testing and is tested at least annually for impairment, or if an indicator of impairment exists. On subsequent disposal or termination of a business acquired, the profit or loss on termination is calculated after charging the carrying value of any related goodwill. Negative goodwill is recognised directly in the Statement of Profit or Loss.

Separately acquired intangible assets

Separately acquired intangible assets comprise other intangibles. Other intangibles that have finite useful lives are carried at cost less accumulated amortisation and any provision for impairment. The finite life other intangibles are amortised on a straight line basis over the expected useful economic life of each of the assets, which is considered to be 5 to 15 years. Amortisation expense is charged to selling and administrative expenses. Other intangibles with an indefinite useful life are carried at cost less impairment. These are other intangibles for which the estimated useful life is indefinite. The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Software

Software comprises internally generated software development. Research expenditure is charged to income in the year in which it is incurred. Development expenditure is charged to income in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation begins when development is complete, and the asset is available for use. These assets are considered to have finite useful lives and are amortised on a straight line basis over the expected useful economic life of the assets, which is considered to be 5 to 15 years. Amortisation expense is charged to selling and administrative expenses. The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

2. Accounting policies continued

2.12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost less accumulated depreciation and provision for impairment. Depreciation is calculated to write down the cost of the assets less estimated residual value over its expected useful life on a straight line basis as follows:

Freehold property	50 years
Freehold improvements	10 years
Leasehold improvements	Over the life of the lease
Plant and machinery	15 years
Fixtures and fittings	5-15 years
Office and computer equipment	3 years for computer equipment and 5 years for all other office equipment
Motor vehicles	3 years

Depreciation expense is charged to selling and administrative expenses. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period that the asset is derecognised.

2.13 LEASE ACCOUNTING

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. As part of the measurement approach, the Group uses its incremental borrowing rate which is adjusted by both property type and geography. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right-of-use-assets	Shorter of lease term and estimated useful life (3 to 15 years)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in the Impairment of non-financial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (adjusted by both property type and geography) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the interest charge and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification that does not increase the scope of the lease, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. A lease modification is accounted for as a separate lease where the modification increases the scope of the lease, and the lease consideration increases by an amount reflecting the stand-alone price for the increase in scope.

The Group's lease liabilities are included in interest-bearing loans and borrowings (note 17).

2. Accounting policies continued

2.13 LEASE ACCOUNTING

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight line basis over the lease term.

2.14 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's relevant assets are reviewed at each year-end date to determine whether there is any indication of impairment, and if an indicator is present the asset is tested for impairment. For goodwill and intangible assets that have an indefinite useful life, an impairment test is also performed each year-end. If an impairment test is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset. Impairment losses are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset. Refer to notes 11 and 12 for further details.

2.15 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. The cost of inventories consists of all costs of purchase, costs of design and other costs incurred in bringing the inventory to its first point of sale location and condition. Inventories are valued at weighted average cost, including freight to warehouse and duty. Net realisable value is based on estimated selling price less any costs expected to be incurred to completion or disposal.

2.16 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets, and to settle the liabilities simultaneously.

Categorisation of inputs for fair value measurements

Assets and liabilities held at fair value are categorised into levels that have been defined according to IFRS 13 'Fair Value Measurement' measurement hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of derivatives are calculated using valuation models to determine the fair values based on observable market curves such as forward foreign exchange rates, discounted back to present value using risk free interest rates. The impacts of counterparty credit, volatility and currency basis are also considered as part of the fair valuation where appropriate.

All financial instruments that are held at fair value use Level 2 inputs except for equity investments which use Level 3 inputs. Furthermore, under IFRS 9, cost has been used as the best estimate for fair value for equity investments due to insufficient recent information available to measure fair value.

2.17 FINANCIAL ASSETS

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Investments

Equity investments that are not held for trading have been irrevocably designated as fair value through other comprehensive income. Subsequent to initial recognition at fair value plus transaction costs, these assets are recorded at fair value at each period end with the movements recognised in other comprehensive income until derecognition or impaired. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is never recycled to the income statement. Dividends on financial assets at fair value through other comprehensive income are recognised in the income statement when the entity's right to receive payment is established. Equity investments are recorded in non-current assets unless they are expected to be sold within one year.

2. Accounting policies continued

2.17 FINANCIAL ASSETS CONTINUED

Trade and other receivables

Trade receivables are assessed under IFRS 9 and measured at amortised cost using the effective interest rate method. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss (FVPL). The most significant financial assets of the Group are its cash and trade receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Cash and cash equivalents

Cash and cash equivalents primarily comprise cash held within bank accounts, Money Market Funds (MMFs) and bank term deposits maturing less than three months from inception. All cash is held short term in highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Included within cash and cash equivalents are debit and credit card payments made by customers which are receivable from card acquiring financial institutions, and cash in transit from various payment processing intermediaries that provide receipting services to the Group.

All cash and cash equivalents are measured at amortised cost with the exception of MMFs which are held at fair value through profit or loss.

Summary of the Group's financial assets:

Financial asset	IFRS 9 classification
Investments	Fair value through other comprehensive income.
Trade and other receivables excluding prepayments and accrued income	Amortised cost.
Derivative financial assets	Fair value through other comprehensive income.
Cash and cash equivalents	Amortised cost, except for cash amounts held within Money Market Funds which are held at fair value through profit or loss.

2.18 FINANCIAL LIABILITIES

The Group classifies and measures all of its non-derivative financial liabilities at amortised cost.

Initial recognition

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the course of ordinary business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently held at amortised cost using the effective interest rate method.

Summary of the Group's financial liabilities:

Financial liability	IFRS 9 classification
Bank debt	Amortised cost.
Bank interest	Amortised cost.
Lease liabilities	Amortised cost.
Derivative financial instruments	Fair value through other comprehensive income.
Trade and other payables excluding non-financial liabilities	Amortised cost.

2. Accounting policies continued

2.19 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Group uses foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Gains or losses arising from changes in fair value related to derivatives held in a cash flow hedge relationship are recognised in other comprehensive income/(expense) and deferred in the hedging reserve to the extent that the hedges are deemed effective. Amounts are transferred to the income statement in the same period in which the hedged risk affects the income statement and against the same line item.

The Group designates foreign exchange derivative hedges on a full forward or spot basis. Where only the spot element of a foreign exchange derivative is designated, the cost of hedging election is applied to the forward points with fair value movements recognised in other comprehensive income and released to profit or loss depending on the nature of the underlying hedged item.

The Group performs regular hedge effectiveness testing. For cash flow hedges where the forecast transaction is no longer expected to occur, hedge accounting is discontinued, and all accumulated gains or losses held in the hedging reserve are immediately recognised in profit or loss. Where hedge accounting is discontinued as a result of expiry, disposal or termination of the derivative instrument (and where the hedge relationship was deemed to be effective), accumulated gains or losses up to the point of discontinuation are held in the hedging reserve and released to profit or loss in line with the hedged item.

Derivative financial instruments consist of foreign currency exchange forward contracts, which are categorised within Level 2 under the IFRS 13 measurement hierarchy (refer to note 2.16 for further detail on fair value level categorisation).

The full fair value of derivatives are classified as a non-current asset or liability if the remaining maturity of the derivatives are more than 12 months and as a current asset or liability if the maturity of the derivatives are less than 12 months.

2.20 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost using the effective interest rate method so that any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss over the period of the borrowings. Details of the Group's borrowings are included in note 17.

Borrowing costs

The Group expenses borrowing costs in the period the costs are incurred. Where borrowing costs are attributable to the acquisition, construction or production of a qualifying asset, such costs are capitalised as part of the specific asset and amortised over the estimated useful life of the asset. Details of the Group's borrowings are included in note 17.

2.21 ORDINARY SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company purchases any of its own equity instruments, for example, pursuant to the share buyback programme, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners of the Company. The repurchased shares are recognised as treasury shares until the shares are cancelled. The programme concluded on 19 December 2023.

2.22 SEGMENTAL ANALYSIS

IFRS 8 'Operating Segments' requires operating segments to be determined by the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be both the CEO and CFO, who receive information on this basis of the Group's revenue in key geographical regions based on the Group's management and internal reporting structure. The CODM assesses the performance of geographical segments based on a measure of revenue and EBITDA[1]. To increase transparency the Group also includes additional voluntary disclosure analysis of global revenue within different operating channels.

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 220 and 221.

2. Accounting policies continued

2.23 PENSION ARRANGEMENTS

The Group provides pension benefits which include both defined benefit and defined contribution arrangements.

Defined contribution pension schemes

For defined contribution schemes the amount charged to the Statement of Profit or Loss represents the contributions payable to the plans in the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

Defined benefit pension scheme

The Group operates a defined benefit pension scheme, which requires contributions to be made to separately administered funds for administration expenses. The Group did not make any contributions to the scheme in the year (FY23: £nil). The UK defined benefit scheme was closed to new members on 6 April 2002, from which time membership of a defined contribution plan was available. It was then closed to all future accrual for all existing members on 31 January 2006. A valuation of the Plan is carried out at least once every three years to determine whether the Statutory Funding Objective is met. The last valuation was carried out at 30 June 2022, the next valuation is due at 30 June 2025. No asset is recognised in the Balance Sheet in respect of defined benefit pension plans due to the uncertainty over the Group's right to a refund of the surplus from the scheme as set out in note 2.26. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The net interest cost is limited by the asset ceiling. When occurring, this cost is included in employee benefit expense in the Statement of Profit or Loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2.24 SHARE INCENTIVE PLAN (SIP) TRUSTS

The Group operates two SIP Trusts for the benefit of its employees. Under accounting standard IFRS 10 Consolidated Financial Statements, control for accounting purposes has a different test threshold than under a legal basis and as a result the Group's SIP Trusts are deemed to be under the control of Dr. Martens plc. The Trust deed for the Dr. Martens plc UK Share Incentive Plan Trust was adopted by the Board on 10 September 2021.

2.25 SHARE-BASED PAYMENTS AND SHARE SCHEMES

The Group provides benefits to employees in the form of share-based payment transactions, whereby employees render services as consideration in exchange for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date the relevant employee becomes fully entitled to the award. The fair value is calculated using an appropriate option pricing model and takes into account the impact of any market performance conditions. The impact of non-market performance conditions is not considered in determining the fair value at the date of grant. Vesting conditions which relate to non-market conditions are allowed for in the assumptions used for the number of options expected to vest. The level of vesting is reviewed at each Balance Sheet date and the charge adjusted to reflect actual and estimated levels of vesting. The cost of share-based payment transactions is recognised as an expense over the vesting period of the awards, with a corresponding increase in equity. Further details of share-based awards granted in the year can be found in note 26.

A proportion of the annual Executive Bonus Scheme is settled in the form of purchased Parent Company shares. This is accounted for as a cash-settled scheme as although participants received equity, it is driven by a cash amount that is paid and converted into shares at a point in time. The proximity of the date of communication of the bonus to when the shares are received means that there would be minimal difference between cash- and equity-settled treatment.

2.26 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements in conforming with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. However, the nature of estimation means that actual outcomes could differ from those estimates. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

2. Accounting policies continued

2.26 SIGNIFICANT JUDGEMENTS AND ESTIMATES CONTINUED

Key judgements

The following judgement has had the most significant effect on amounts recognised in the financial statements:

Defined benefit scheme surplus

The Group acknowledges that the recognition of pension scheme surplus is an area of accounting judgement, which depends on the interpretation of the Scheme Rules and the relevant accounting standards including IAS 19 and IFRIC 14. The surplus under the scheme is not recognised as an asset benefitting the Group on the Balance Sheet, as the Group believes there is uncertainty in relation to the recoverability of any surplus, which is therefore unlikely to derive any economic benefits from that surplus. In the Group's view there is uncertainty over whether the Scheme Rules provide the Group with an unconditional right to a refund of the surplus from the scheme due to third-party discretionary investment powers which could use up any surplus prior to wind-up. Consistent with previous years, given this uncertainty, the Group has applied an asset ceiling to the pension scheme surplus of zero. As such, an asset ceiling has been applied to the Balance Sheet, and the net surplus of £9.1m (FY23: £11.1m) has not been recognised on the Balance Sheet.

The net surplus has been capped to £nil (FY23: £nil). The key sensitivities of the defined benefit obligation to the actuarial assumptions are shown in note 29.

Other areas of judgement and accounting estimates

The Consolidated Financial Statements include other areas of judgement and accounting estimates. While these areas do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer-term uncertainties. The other areas of judgement and accounting estimates are listed below:

Judgements

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable periods (i.e. three to five years). The Group typically exercises its option to renew these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of leasehold property with longer non-cancellable periods (i.e. 10 to 15 years) are not included as part of the lease term, unless there is an economic incentive to extend the lease, as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Sources of estimation uncertainty and assumptions

The following estimates are dependent upon assumptions which could change in the next financial year and have an effect on the carrying amount of assets and liabilities recognised at the Balance Sheet date:

Inventory net realisable value and provisions

The assessment of the valuation of inventory requires the determination of net realisable value. Sales prices, patterns and other assumptions are reviewed to estimate net realisable value. Inventory provisioning requires significant judgement on which inventory lines should be classed as obsolete. Inventory age, historic sales patterns and trading forecasts are used when classifying inventory lines to be provided against.

Uncertain tax positions

The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which the determination is made. Management is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies (see notes 8 and 22). In addition, the assessment of uncertain tax positions is based on management's interpretation of relevant tax rules and decided cases, external advice obtained, the statute of limitations, the status of the negotiations and past experience with tax authorities. In evaluating whether a provision is needed it is assumed that tax authorities have full knowledge of the facts and circumstances applicable to each issue.

2. Accounting policies continued

2.26 SIGNIFICANT JUDGEMENTS AND ESTIMATES CONTINUED

Carrying value of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group performs an impairment test and estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. If assessing value in use, estimates of future cash flows are discounted to present value using pre-tax discount rates derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. The future cash flows are then extended into perpetuity using long-term growth rates. If determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For details of relevant non-financial assets, see notes 11 and 12.

Defined benefit pension scheme assumption

Determining the fair value of the defined benefit pension scheme, which relates to the pension of the Group, requires assumptions to be made by management and the Group's independent qualified actuary around the actuarial valuations of the scheme's assets and liabilities. For details see note 29.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The IBR is reassessed when there is a reassessment of the lease liability or a lease modification.

3. Segmental analysis

	FY24 £m	FY23 £m
Revenue by geographical market[1]		
EMEA	**431.8**	443.0
Americas	**325.8**	428.2
APAC	**119.5**	129.1
Total revenue	**877.1**	1,000.3

1. Revenue by geographical market represents revenue from external customers; there is no inter-segment revenue.

	FY24 £m	FY23 £m
EBITDA[2] by geographical market		
EMEA	**140.8**	146.1
Americas	**64.4**	100.1
APAC	**31.7**	33.8
Support costs	**(39.4)**	(35.0)
EBITDA[2]	**197.5**	245.0
Depreciation, amortisation and impairment	**(21.0)**	(22.6)
Depreciation and impairment of right-of-use assets	**(51.3)**	(35.5)
Foreign exchange losses	**(4.2)**	(10.7)
Other gains	**1.2**	–
Depreciation, amortisation, impairment, foreign exchange losses and other gains	**(75.3)**	(68.8)
Finance income and expense	**(29.2)**	(16.8)
Profit before tax	**93.0**	159.4

2. Alternative Performance Measure 'APM' as defined in the Glossary on pages 220 and 221.

3. Segmental analysis continued

ADDITIONAL REVENUE ANALYSIS

The Group derives its revenue in geographical markets from the following sources:

	FY24 £m	FY23 £m
Revenue by channel		
Ecommerce	**276.3**	279.0
Retail	**256.8**	241.7
Total DTC revenue	**533.1**	520.7
Wholesale	**344.0**	479.6
Total revenue	**877.1**	1,000.3

	FY24 £m	FY23 £m
Non-current assets		
EMEA[1]	**153.4**	143.3
Americas	**92.2**	72.6
APAC	**17.7**	15.4
Goodwill	**240.7**	240.7
Deferred tax	**11.2**	11.8
Total non-current assets	**515.2**	483.8

1. Included in the EMEA non-current assets is £83.9m (FY23: £79.4m) in relation to the UK legal entities.

4. Expenses analysis

Profit before tax is stated after charging and crediting:

	Note	FY24 £m	FY23 £m
Selling and administrative expenses			
Staff costs	6	**155.8**	143.8
Operating costs		**221.9**	229.3
		377.7	373.1
Amortisation	11	**5.8**	8.4
Depreciation	12	**15.2**	13.6
Depreciation of right-of-use assets	12	**51.3**	32.2
Impairment	12	**–**	0.6
Impairment of right-of-use assets	12	**–**	3.3
Foreign exchange losses		**4.2**	10.7
Other gains		**(1.2)**	–
Depreciation, amortisation, impairment, foreign exchange losses and other gains		**75.3**	68.8
Total selling and administrative expenses		**453.0**	441.9

5. Auditors' remuneration

	FY24 £m	FY23 £m
Audit services in respect of the financial statements of the Parent Company and consolidation	**0.8**	0.6
Audit services in respect of the financial statements and of the financial statements of subsidiary companies	**1.5**	1.1
Other non-audit related services	**0.2**	0.1
	2.5	1.8[1]

1. FY23 auditor's remuneration of £2.1m disclosed in the Audit and Risk Committee Report on page 141 is different to this as it includes additional fees relating to the FY23 audit which were agreed and have been incurred as an accounting expense in FY24.

6. Staff costs

The aggregate payroll costs were as follows:

	FY24 £m	FY23 £m
Wages and salaries	**126.7**	117.5
Social security costs	**14.2**	13.4
Pension costs	**5.4**	4.7
Other benefits[1]	**9.5**	8.2
	155.8	143.8

1. Includes share-based payments of £4.0m (FY23: £0.5m).

For details of remuneration relating to Directors, please refer to the Directors' Remuneration Report on pages 119 to 133 of the Annual Report.

The monthly number of employees (including Directors) employed by the Group during the year was:

	FTE[1] As at 31 March		Average[2] For the year ended 31 March	
	2024 No.	2023 No.	**2024 No.**	2023 No.
EMEA	**1,044**	951	**1,853**	1,615
Americas	**599**	580	**819**	768
APAC	**385**	468	**553**	484
Global support functions	**602**	592	**600**	594
	2,630	2,591	**3,825**	3,461

1. FTE (Full Time Equivalent) is calculated by dividing the employee's contracted hours by the Group's standard full time contract hours.
2. Average is the average actual employees of the Group during the year calculated on a monthly basis.

7. Finance expense

	FY24 £m	FY23 £m
Bank debt and other charges	**22.3**	12.7
Interest on lease liabilities	**8.6**	4.8
Amortisation of bank loan issue costs	**1.2**	1.2
Other interest charges	**0.1**	–
Total financing expense	**32.2**	18.7

8. Tax expense

The Group calculates the tax expense for the year using the tax rate that would be applicable to the expected total annual earnings. The major components of tax expense in the Consolidated Statement of Profit or Loss are:

	FY24 £m	FY23 £m
Current tax		
Current tax on UK profit for the year	**17.2**	28.1
Adjustment in respect of prior years	**(0.6)**	(1.7)
Current tax on overseas profits for the year	**6.4**	4.3
	23.0	30.7
Deferred tax		
Origination and reversal of temporary differences	**(0.8)**	(1.0)
Adjustment in respect of prior years	**1.6**	0.8
	0.8	(0.2)
Total tax expense in the Consolidated Statement of Profit or Loss	**23.8**	30.5
Other Comprehensive Income		
Tax in relation to unexercised share options	**(0.5)**	–
Tax in relation to cash flow hedges	**0.7**	(0.2)
Total tax expense in the Consolidated Statement of Comprehensive Income	**24.0**	30.3

	FY24 £m	FY23 £m
Factors affecting the tax expense for the year:		
Profit before tax	**93.0**	159.4
Profit before tax multiplied by standard rate of UK corporation tax of 25% (FY23: 19%)	**23.3**	30.3
Effects of:		
Non-deductible expenses	**0.2**	0.2
Effect of change in UK tax rate	**–**	0.1
Share-based payments	**0.3**	0.1
Difference in foreign tax rates	**(0.8)**	0.8
Other adjustments	**(0.2)**	(0.1)
Adjustments in respect of prior years[1]	**1.0**	(0.9)
Total tax expense in the Consolidated Statement of Profit or Loss	**23.8**	30.5
Other Comprehensive Income		
Tax in relation to unexercised share options	**(0.5)**	–
Tax in relation to cash flow hedges	**0.7**	(0.2)
Total tax expense in the Consolidated Statement of Comprehensive Income	**24.0**	30.3
Effective tax rate	**25.6%**	19.1%

1. The adjustments in respect of the prior years are in relation to current and deferred tax on temporary differences.

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15% for large groups for financial years beginning on or after 31 December 2023.

Based on an initial analysis, all territories in which the Group operates are expected to qualify for one of the safe harbour exemptions such that top-up taxes should not apply. To the extent that this is not the case there is the potential for Pillar Two taxes to apply, but these are not expected to be material.

9. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Parent Company divided by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	FY24 £m	FY23 £m
Profit after tax	**69.2**	128.9

	FY24 No.	FY23 No.
Weighted average number of shares for calculating basic earnings per share (millions)	**983.5**	1,000.5
Potentially dilutive share awards (millions)	**2.1**	0.7
Weighted average number of shares for calculating diluted earnings per share (millions)	**985.6**	1,001.2

	FY24	FY23
Earnings per share		
Basic earnings per share	**7.0p**	12.9p
Diluted earnings per share	**7.0p**	12.9p

During the year to 31 March 2024 the Group repurchased 39.9 million shares. The cash outflow was £50.5m (including transaction costs of £0.5m) pursuant to the share buyback scheme that was announced on 14 July 2023 and concluded on 19 December 2023.

10. Dividends

	FY24 £m	FY23 £m
Equity dividends on ordinary shares declared and paid during the year		
Final dividend paid for FY23: 4.28p (FY22: 4.28p)	**42.8**	42.8
Interim dividend for FY24: 1.56p (FY23: 1.56p)	**15.0**	15.6
Total dividends declared and paid during the year	**57.8**	58.4
Proposed for approval by shareholders at the AGM		
(not recognised as a liability at 31 March 2024 or 31 March 2023)		
Final dividend for FY24: 0.99p (FY23: 4.28p)	**9.5**	42.8
Total interim dividend paid and final dividend proposed	**24.5**	58.4
Dividend as a % of earnings	**35%**	45%
Dividend per share		
Total dividend per share (pence)	**2.55p**	5.84p

The Board has proposed, subject to shareholder approval, a final dividend of 0.99p (FY23: 4.28p), taking the total dividend for FY24, including the interim dividend of 1.56p, to 2.55p, a 35% payout ratio. Whilst this is a year-on-year reduction given the higher payout in FY23 and lower earnings achieved this year, the 35% payout for FY24 is at the top of the policy range. The Board's intention is to hold the FY25 dividend flat in absolute terms, before returning to an earnings payout in line with our dividend policy (of 25% to 35% payout) in FY26 onwards.

Going forwards, the Board is also adopting a consistent approach to setting the interim dividend, with this dividend set at one-third of the previous year's total dividend. We are also adjusting the payment dates for the dividends, to better reflect the trading cash profile of the Group, and therefore the final dividend will be paid in early October. The final dividend for FY24 will be paid to shareholders on the register as at 30 August 2024 with payment on 1 October 2024.

11. Intangible assets

	Software intangibles[1] £m	Other intangibles £m	Goodwill £m	Total £m
Cost				
At 1 April 2022	**38.8**	**1.2**	**240.7**	**280.7**
Additions	11.8	–	–	11.8
Disposals	(2.5)	–	–	(2.5)
Reclassifications to right-of-use assets[2]	(0.2)	–	–	(0.2)
Reclassifications to property, plant and equipment	(0.1)	–	–	(0.1)
Foreign exchange	0.4	–	–	0.4
At 31 March 2023	**48.2**	**1.2**	**240.7**	**290.1**
Additions	10.2	–	–	10.2
Disposals	(1.0)	–	–	(1.0)
Foreign exchange	(0.1)	–	–	(0.1)
At 31 March 2024	**57.3**	**1.2**	**240.7**	**299.2**
Accumulated amortisation and impairment				
At 1 April 2022	**18.6**	**–**	**–**	**18.6**
Charge for the year	8.4	–	–	8.4
Disposals	(2.4)	–	–	(2.4)
Foreign exchange	(0.1)	–	–	(0.1)
At 31 March 2023	**24.5**	**–**	**–**	**24.5**
Charge for the year	5.7	0.1	–	5.8
Disposals	(1.0)	–	–	(1.0)
Foreign exchange	(0.2)	0.1	–	(0.1)
At 31 March 2024	**29.0**	**0.2**	**–**	**29.2**
Net book value				
At 31 March 2024	**28.3**	**1.0**	**240.7**	**270.0**
At 31 March 2023	23.7	1.2	240.7	265.6

1. Software intangible additions in the year of £10.2m (FY23: £11.8m) include permanent employee staff costs capitalised of £0.8m (FY23: £0.6m).
2. Relates to a reclassification of assets to right-of-use assets in relation to key money.

GOODWILL IMPAIRMENT ASSESSMENT

Goodwill is required to be tested for impairment on an annual basis by estimating the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset. The recoverable amount is estimated for goodwill with reference to the cash generating units (CGUs) to which goodwill was originally allocated and each of these CGUs has been separately assessed and tested. The CGUs were agreed by the Directors as the geographical regions in which the Group operates. These regions are the lowest level at which goodwill is monitored and represent identifiable operating segments. There have been no changes to the composition of the Group's CGUs during the period.

The aggregate carrying amount of goodwill allocated to each CGU was as follows:

	FY24 £m	FY23 £m
EMEA	**66.6**	66.6
Americas	**114.1**	114.1
APAC	**60.0**	60.0
	240.7	240.7

All CGUs were tested for impairment. No impairment charge was made in the current year (FY23: £nil).

11. Intangible assets continued

Judgements, assumptions and estimates

The results of the Company's impairment tests are dependent upon estimates and judgements made by management. All CGUs' recoverable amounts are measured using a value in use calculation. The value in use calculation uses cash flow forecasts based on financial projections reviewed by the Board covering a five-year period (pre-perpetuity). The forecasts are based on annual budgets and strategic projections representing the best estimate of future performance. Management considers forecasting over this period to appropriately reflect the business cycle of the CGUs. These cash flows are consistent with those used to review going concern and viability, however, are required by IAS 36 to be adjusted for use within an impairment review to exclude new retail development to which the Group is not yet committed.

In determining the value in use of CGUs it is necessary to make a series of assumptions to estimate the present value of future cash flows. The following key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Operating cash flows

The main assumptions within the forecast operating cash flows include the achievement of future growth in ecommerce, retail and wholesale channels, sales prices and volumes (including reference to specific customer relationships and product lines), raw material input costs, the cost structure of each CGU, the impact of foreign currency rates upon selling price and cost relationships and the levels of capital expenditure required to support each sales channel.

Pre-tax risk adjusted discount rates

Future cash flows are discounted to present value using pre-tax discount rates derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. Consistent with the 2019 IFRS IASB Staff Paper, post-tax discount rates and post-tax cash flows are used as observable inputs, and then the pre-tax discount rates are calculated from this to comply with the disclosure requirements under IAS 36.

The pre-tax risk adjusted discount rates have been calculated to be 12.7% for EMEA (FY23: 12.3%), 12.6% for Americas (FY23: 12.5%), and 12.4% for APAC (FY23: 11.6%).

Long-term growth rates

To forecast beyond the five-year detailed cash flows into perpetuity, a long-term average growth rate has been used. The long-term growth rates applied for the regions are 1.9% for EMEA (FY23: 1.9%), 2.2% for Americas (FY23: 2.2%), and 3.4% for APAC (FY23: 3.5%). The rates used are in line with geographical forecasts included within industry reports.

Sensitivity analysis

Sensitivity analysis to potential changes in these key assumptions has been reviewed and there are no reasonably possible changes to key assumptions that would cause the carrying amount for any CGU to exceed its recoverable amount.

12. Property, plant and equipment

	Freehold property and improvements £m	Leasehold improvements £m	Plant, machinery, fixtures and fittings £m	Office and computer equipment £m	Motor vehicles £m	Total £m
Cost						
At 1 April 2022	**6.5**	**60.0**	**4.6**	**8.3**	**0.1**	**79.5**
Additions	1.0	19.9	12.7	2.8	–	36.4
Disposals	–	(5.0)	(0.9)	(2.4)	(0.1)	(8.4)
Reclassifications from intangible fixed assets	–	0.1	–	–	–	0.1
Foreign exchange	0.5	1.3	(0.2)	–	–	1.6
At 31 March 2023	**8.0**	**76.3**	**16.2**	**8.7**	**–**	**109.2**
Additions	0.1	14.7	0.1	1.3	–	16.2
Disposals	(0.1)	(3.9)	–	(1.3)	–	(5.3)
Reclassifications to right-of-use assets	–	(3.3)	–	–	–	(3.3)
Foreign exchange	(0.2)	(1.8)	(0.3)	(0.2)	–	(2.5)
At 31 March 2024	**7.8**	**82.0**	**16.0**	**8.5**	–	**114.3**
Accumulated depreciation and impairment						
At 1 April 2022	**0.4**	**31.9**	**3.2**	**5.6**	**0.1**	**41.2**
Charge for the year	0.3	10.3	1.0	2.0	–	13.6
Impairment	–	0.5	–	0.1	–	0.6
Eliminated on disposal	–	(5.0)	(0.9)	(2.4)	(0.1)	(8.4)
Foreign exchange	(0.1)	1.0	0.1	(0.1)	–	0.9
At 31 March 2023	**0.6**	**38.7**	**3.4**	**5.2**	**–**	**47.9**
Charge for the year	0.3	11.9	0.8	2.2	–	15.2
Impairment	–	–	–	–	–	–
Eliminated on disposal	(0.1)	(3.9)	–	(1.3)	–	(5.3)
Reclassifications to right-of-use assets	–	(1.6)	–	–	–	(1.6)
Foreign exchange	–	(1.2)	–	(0.1)	–	(1.3)
At 31 March 2024	**0.8**	**43.9**	**4.2**	**6.0**	–	**54.9**
Net book value						
At 31 March 2024	**7.0**	**38.1**	**11.8**	**2.5**	–	**59.4**
At 31 March 2023	7.4	37.6	12.8	3.5	–	61.3

12. Property, plant and equipment continued

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Right-of-use assets £m
Cost or valuation	
At 1 April 2022	**159.5**
Additions[1]	**66.3**
Reassessments of leases[2]	**5.5**
Reclassifications from intangible fixed assets	**0.2**
Disposals	**(0.8)**
Foreign exchange	**4.7**
At 31 March 2023	**235.4**
Additions[1]	**77.0**
Reassessments of leases[2]	**(4.0)**
Reclassifications from property, plant and equipment	**3.3**
Modifications of leases	**10.1**
Disposals	**(10.1)**
Foreign exchange	**(8.8)**
At 31 March 2024	**302.9**
Accumulated depreciation and impairment	
At 1 April 2022	**54.0**
Charge for the year	**32.2**
Impairment[3]	**3.3**
Foreign exchange	**1.8**
At 31 March 2023	**91.3**
Charge for the year	**51.3**
Reclassifications from property, plant and equipment	**1.6**
Disposals	**(10.0)**
Foreign exchange	**(4.8)**
At 31 March 2024	**129.4**
Net book value	
At 31 March 2024	**173.5**
At 31 March 2023	**144.1**

1. Additions include £2.0m of direct costs (FY23: £3.2m) and £2.5m (FY23: £2.7m) in relation to costs of removal and restoring.
2. Lease reassessments relate to measurement adjustments for rent reviews and stores that have exercised lease breaks.
3. During FY23, impairment charged was mainly in relation to three stores in the USA where footfall recovery, in their locality, was weak, and they were written down to £nil.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The Group has determined that each retail store is a separate CGU. Each CGU is assessed for indicators of impairment at the Balance Sheet date and tested for impairment if any indicators exist. The Group has some leases that meet the IAS 36 definition of corporate assets, such as offices, as they do not generate independent cash flows. These are assessed for impairment indicators and if required to be tested for impairment, are done so using the two-step impairment process under IAS 36 in which they are allocated to the Regional-level CGUs as determined for goodwill impairment (note 11). There has been no change to the way in which CGUs are determined in the period.

Judgements, assumptions and estimates – retail stores

The results of the Company's impairment tests are dependent upon estimates and judgements made by management. If an indicator of impairment has been identified, a CGU's recoverable amount is measured using the value in use method. The value in use calculation uses cash flow forecasts based on financial projections reviewed by the Board covering a five-year period. The forecasts are based on annual budgets and strategic projections representing the best estimate of future performance. Management considers forecasting over this period to appropriately reflect the business cycle of the CGUs. These cash flows are consistent with those used to review going concern and viability, however, are adjusted for relevance to the nature and tenure of the retail store lease.

If determining the value in use of CGUs it is necessary to make a series of assumptions to estimate the present value of future cash flows which reflect past experience and are consistent with relevant external sources of information.

12. Property, plant and equipment continued

Operating cash flows – retail stores

If an indicator of impairment has been identified and a CGU's recoverable amount is required to be estimated, the main assumptions within the forecast operating cash flows include the achievement of future growth in retail sales, sales prices and volumes, raw material input costs, the cost structure of each CGU, the impact of foreign currency rates upon selling price and cost relationships and the levels of capital expenditure required to support the associated sales.

Pre-tax risk adjusted discount rates – retail stores

If an indicator of impairment has been identified and a CGU's recoverable amount is required to be estimated future cash flows are discounted to present value using a pre-tax discount rate derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. Consistent with the 2019 IFRS IASB Staff Paper, a post-tax discount rate and post-tax cash flows are used as observable inputs, and then the pre-tax discount rate is calculated from this to comply with the disclosure requirements under IAS 36. The pre-tax discount rate for the Group has been calculated to be 12.7% (FY23: 12.3%).

Sensitivity analysis – retail stores

If an indicator of impairment has been identified and a CGU's recoverable amount is required to be estimated, the results of the Group's impairment tests are dependent upon estimates and judgements made by management. No indicators of impairment were identified in FY24 and therefore no recoverable amount was estimated (FY23: sensitivity analysis to potential changes in key assumptions were reviewed and there were no reasonably possible changes to key assumptions that would have caused the carrying amount of any CGU to exceed its recoverable amount).

13. Inventories

	FY24 £m	FY23 £m
Raw materials	**2.2**	2.3
Finished goods	**252.4**	255.5
Inventories net of provisions	**254.6**	257.8

	FY24 £m	FY23 £m
Inventory provision	**2.6**	2.7
Inventory written off to Consolidated Statement of Profit or Loss	**0.9**	0.8

The cost of inventories recognised as an expense and included in cost of sales amounted to £284.3m (FY23: £348.8m). The remainder of total cost of sales of £301.9m (FY23: £382.2m) relates to freight including shipping out costs.

14. Trade and other receivables

	FY24 £m	FY23 £m
Trade receivables	**55.1**	80.6
Less: allowance for expected credit losses	**(0.8)**	(1.8)
Trade receivables – net	**54.3**	78.8
Other receivables	**7.7**	7.5
	62.0	86.3
Prepayments	**6.8**	6.7
	68.8	93.0

All trade and other receivables are expected to be recovered within 12 months of the year-end date. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. The carrying value of trade receivables represents the maximum exposure to credit risk. For some trade receivables the Group may obtain security in the form of guarantees, insurances or letters of credit which can be called upon if the counterparty is in default under the terms. As at 31 March 2024 the amount of collateral held was £0.3m (FY23: £0.3m).

As at 31 March 2024 trade receivables of £1.9m (FY23: £4.5m) were due over 90 days, trade receivables of £0.7m (FY23: £1.4m) were due between 60-90 days and trade receivables of £52.5m (FY23: £75.0m) were due in less than 60 days. The Group establishes a loss allowance that represents its estimate of potential losses in respect of trade receivables, where it is deemed that a receivable may not be recovered, and considers factors which may impact risk of default.

Where appropriate, we have grouped these receivables with the same overall risk characteristics. When the receivable is deemed irrecoverable, the provision is written off against the underlying receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (bad debt provision) which uses a lifetime expected loss allowance for all trade receivables.

14. Trade and other receivables continued

To measure expected credit losses (bad debt provision), trade receivables have been grouped based on customer segment, geographical location, and the days past due. The expected loss rates are based on the historical credit losses experienced in previous periods. The rates are adjusted to reflect current and forward-looking information, including macroeconomic factors, by obtaining and reviewing relevant market data affecting the ability of customers to settle the receivables based on their customer segment and geographical location. Where objective evidence exists that a trade receivable balance may be impaired, provision is made for the difference between its carrying amount and the present value of the estimated cash that will be recovered. Evidence of impairment may include such factors as a customer entering insolvent administration proceedings.

As at 31 March 2024 trade receivables were carried net of expected credit losses (bad debt provision) of £0.8m (FY23: £1.8m). The individually impaired receivables relate mainly to accounts which are outside the normal credit terms. The ageing analysis of these provisions against trade receivables is as follows:

	FY24 £m	FY23 £m
Up to 60 days	**0.1**	0.4
60 to 90 days	**–**	0.1
Over 90 days	**0.7**	1.3
	0.8	1.8

	FY24 £m	FY23 £m
At 1 April	**1.8**	0.7
Change in provision for expected credit losses	**(1.0)**	1.1
At 31 March	**0.8**	1.8
Debtors days	**52**	52

The carrying amount of the Group's trade and other receivables is denominated in the following currencies:

	FY24 £m	FY23 £m
UK Sterling	**4.9**	4.1
Euro	**13.1**	28.0
US Dollar	**27.4**	43.7
Japanese Yen	**2.5**	1.5
Other currencies	**6.4**	1.5
	54.3	78.8

15. Cash and cash equivalents

	FY24 £m	FY23 £m
Cash and cash equivalents	**111.1**	157.5

16. Trade and other payables

	FY24 £m	FY23 £m
Trade payables	**33.0**	64.2
Taxes and social security costs	**12.2**	10.2
Other payables	**7.6**	5.6
	52.8	80.0
Accruals[1]	**39.4**	47.7
	92.2	127.7

1. Included within accruals is the refund liability of £3.9m (FY23: £4.5m) and deferred income of £2.5m (FY23: £1.8m). The balance of £33.0m (FY23: £41.4m) consists of accruals for royalties, goods received not invoiced and other accruals.

All trade and other payables are expected to be settled within 12 months of the year-end date. Due to the short-term nature of the current payables, their carrying amount is considered to be the same as their fair value. At 31 March 2024, other payables included £6.3m (FY23: £5.6m) in relation to employment related payables, mainly the holiday pay accrual.

17. Borrowings

	Note	FY24 £m	FY23 £m
Current			
Bank interest		**8.4**	6.0
Lease liabilities	28	**47.0**	28.1
Total current		**55.4**	34.1
Non-current			
Bank loans (net of unamortised bank fees)		**286.3**	293.4
Lease liabilities	28	**135.3**	124.3
Total non-current		**421.6**	417.7
Total borrowings[1]		**477.0**	451.8
Analysis of bank loan:			
Non-current bank loans (net of unamortised bank fees)		**286.3**	293.4
Add back unamortised fees		**2.3**	3.4
Total gross bank loan		**288.6**	296.8

1. From total borrowings, only bank loans (excluding unamortised bank fees) and lease liabilities are included in debt for bank loan covenant calculation purposes.

On 29 January 2021, the Group entered into a New Facilities Agreement, comprising a new Term Loan B facility of €337.5m (equivalent to £300.0m at that date) and a new multi-currency revolving credit facility of £200.0m. These facilities have a maturity date of 2 February 2026. Included within this agreement is a committed ancillary facility of which £3.4m (FY23: £3.7m) has been utilised primarily related to landlord bank guarantees.

During the year the Group drew down £30.0m (FY23: £nil) of debt under the revolving credit facility to support short-term working capital requirements, and this was fully repaid during the year on 30 November 2023.

The Group value of the bank loan as at 31 March 2024 (excluding unamortised bank fees and accrued interest) of £288.6m (FY23: £296.8m) is £11.4m lower (FY23: £3.2m lower) than the amount borrowed on 29 January 2021 due to an appreciation of the GBP/Euro foreign exchange rate movement. The Group's total gross bank loan is denominated in Euros and loan repayments will occur in February 2026.

The Group's total gross bank loan is denominated in the following currencies:

	FY24 £m	FY23 £m
Euro Term Loan B[1]	**288.6**	296.8
Total bank loan	**288.6**	296.8

1. Euro denominated amount €337.5m (FY23: €337.5m).

17. Borrowings continued

Loan repayments will occur as follows:

	Term Loan B (Euro) £m
Year to 31 March	
2026 (2 February 2026) (€337.5m)	288.6
Total	288.6

Interest of the Euro Term Loan B is charged with a variable margin depending on the Group leverage over floating EURIBOR. The weighted total interest rate for this instrument in the year was 6.6% (FY23: 3.57%).

IMPLEMENTATION OF ALTERNATIVE BENCHMARK INTEREST RATES

Following the cessation of several 'Inter Bank Offer Rates' (IBORs) the Group has continued to transition to using alternative benchmark interest rates where appropriate, with the overall impact assessed as being immaterial.

The Group's existing £200m multi-currency revolving credit facility was transitioned to allow the continued drawing of GBP and JPY as currencies fixing against Risk Free Rates (SONIA and TONIA respectively) from LIBOR.

The Group's €337.5m Euro Term Loan B currently fixes against floating EURIBOR where, following a methodology reform of this benchmark by the European Money Markets Institute (EMMI) in 2019, no indication has been given that it is likely to cease in the near future. The Group assesses there to be no other material impact as part of the reform and has no interest rate hedge accounting relationships as at 31 March 2024.

BANK LOANS

	FY24 £m	FY23 £m
Revolving credit facility utilisation		
Guarantees	**3.4**	3.7
Total utilised facility	**3.4**	3.7
Available facility (unutilised)	**196.6**	196.3
Total revolving facility	**200.0**	200.0
	%	%
Interest rate charged on unutilised facility	**0.90**	0.83

The bank loans are secured by a fixed and floating charge over all assets of the Group.

On 29 January 2021, the Group entered into a £200.0m multi-currency revolving credit facility available until 2 February 2026.

FAIR VALUE MEASUREMENT

The fair value of the items classified as loans and borrowings is shown above. The book and fair values of borrowings are deemed to be materially equal.

Movements in bank loans (excluding the accrual and payment of interest) were as follows:

		Cash flows			
	1 April 2023 £m	New loans £m	Repayment of capital £m	Foreign exchange movement £m	**31 March 2024 £m**
Euro Term Loan B	296.8	–	–	(8.2)	**288.6**
Total borrowings	296.8	–	–	(8.2)	**288.6**

		Cash flows			
	1 April 2022 £m	New loans £m	Repayment of capital £m	Foreign exchange movement £m	31 March 2023 £m
Euro Term Loan B	285.6	–	–	11.2	296.8
Total borrowings	285.6	–	–	11.2	296.8

17. Borrowings continued

NET DEBT[1] RECONCILIATION

The breakdown of net debt[1] was as follows:

	FY24 £m	FY23 £m
Cash and cash equivalents	**111.1**	157.5
Bank loans (net of unamortised bank fees)	**(286.3)**	(293.4)
Lease liabilities	**(182.3)**	(152.4)
Net debt[1]	**(357.5)**	(288.3)

1. Alternative Performance Measure 'APM' as defined in the Glossary on pages 220 and 221.

18. Provisions

	Property provisions £m	Total £m
At 1 April 2022	**1.9**	**1.9**
Arising during the year	2.7	2.7
Amounts utilised	(0.2)	(0.2)
At 31 March 2023	**4.4**	**4.4**
Arising during the year	2.5	2.5
Amounts utilised	(0.4)	(0.4)
Foreign exchange	(0.2)	(0.2)
At 31 March 2024	**6.3**	**6.3**

Property provisions relate to the estimated repair and restoration costs for retail stores at the end of the lease. The provisions are not discounted for the time value of money as this is not considered materially different from the current cost.

19. Derivative assets and liabilities

	FY24 £m	FY23 £m
Assets		
Foreign exchange forward contracts – Current	**1.5**	0.5
Foreign exchange forward contracts – Non-current	**0.1**	–
Liabilities		
Foreign exchange forward contracts – Current	**(0.1)**	(1.3)
Foreign exchange forward contracts – Non-current	**–**	–

Derivative financial instruments consist of foreign exchange forward contracts, which are categorised within Level 2 (refer to note 2.16 for details on fair value hierarchy categorisation). The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity is more than 12 months and as a current asset or liability if the maturity of the derivative is less than 12 months.

Foreign exchange forward derivatives

The Group takes a holistic approach to foreign exchange risk, viewing exposures on Group wide net cash flow basis, seeking to maximise natural offsets wherever possible. Where considered material the Group manages its exposure to variability in GBP from foreign exchange by hedging highly probable future cash flows arising in other currencies. The Group's principal net currency exposures are to EUR, CAD, JPY and USD.

19. Derivative assets and liabilities continued

The Group adopts a rolling, layered approach to hedging its operating cash flows using forward foreign exchange contracts on an 18-month horizon. Other derivative contracts and longer tenors may be used provided these are approved by the Board and Audit and Risk Committee. The Group also utilises foreign exchange derivatives in a hedging relationship to partially hedge the foreign exchange translation risk (into functional GBP) on its term loan.

The following table represents the nominal amounts and types of derivatives held as at each Balance Sheet date:

	FY24	FY23
Average foreign exchange rate		
Cash flow hedges: sell GBP buy EUR	**1.1539**	1.1225
Cash flow hedges: sell EUR buy GBP	**1.1366**	1.1381
Derivatives measured at fair value through profit or loss: sell EUR buy GBP	**1.1448**	–
Nominal amounts		
Cash flow hedges: sell GBP buy EUR	**€m**	€m
Less than a year	**130.0**	136.3
More than a year but less than two years	**–**	–
Cash flow hedges: sell EUR buy GBP	**£m**	£m
Less than a year	**66.5**	76.0
More than a year but less than two years	**2.1**	5.8
Derivatives measured at fair value through profit or loss: sell EUR buy GBP	**£m**	£m
Less than a year	**1.9**	–
More than a year but less than two years	**–**	–

For hedges of forecast receipts and payments in foreign currencies, the critical terms of the hedging instruments match exactly with the terms of the hedged items and, therefore, the Group performs a qualitative assessment of effectiveness. The fair value of forecast hedge items are assessed to move materially equally and opposite to continuing cash flow hedge instruments. Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated or if there are changes in the credit risk of the Group or the derivative counterparty. The hedge ratio is 1:1.

If a hedged item is no longer expected to occur, the hedge instruments are immediately de-designated from a cashflow hedge relationship. Amounts recognised in relation to de-designated derivatives are released from the hedging reserve and thereafter movements are classified as fair value through profit or loss. Amounts de-designated during the year ended 31 March 2024 were not material.

(Losses)/gains reclassified from the Consolidated Statement of Comprehensive Income to the Consolidated Statement of Profit or Loss during the period are as follows:

	FY24 £m	FY23 £m
Revenue	**1.5**	(1.5)
Foreign exchange (losses)/gains	**(5.4)**	4.0
	(3.9)	2.5

Derivative financial assets and liabilities are subject to offsetting, enforceable master netting arrangements with counterparties. However, these amounts are presented gross on the face of the Balance Sheet as the conditions for netting specified in IAS 32 ‘Financial Instruments Presentation’ are not met.

	FY24		
	Gross carrying amounts £m	Amounts not offset £m	Net amounts £m
Derivative financial assets	**1.6**	**(0.1)**	**1.5**
Derivative financial liabilities	**(0.1)**	**0.1**	**–**

19. Derivative assets and liabilities continued

	FY23		
	Gross carrying amounts £m	Amounts not offset £m	Net amounts £m
Derivative financial assets	0.5	(0.4)	0.1
Derivative financial liabilities	(1.3)	0.4	(0.9)

20. Investments

	FY24 £m	FY23 £m
Investments	**1.0**	1.0

On 16 January 2023 the Group made an investment of £1.0m in the share capital of Generation Phoenix Ltd (GP), a company that specialises in producing a sustainable alternative to leather and produces a recycled leather product using part processed offcuts.

21. Financial instruments

IFRS 13 requires the classification of financial instruments measured at fair value to be determined by reference to the source of inputs used to derive fair value. The fair values of all financial instruments, except for leases, in both years are materially equal to their carrying values. All financial instruments are measured at amortised cost with the exception of derivatives, cash amounts held within Money Market Funds, and investments in equity instruments which are measured at fair value. Derivatives and Money Market Funds are classified as Level 2 under the fair value hierarchy, and investments in equity instruments as Level 3, which is consistent with that defined in note 2.16 of the Consolidated Financial Statements for the year ended 31 March 2024.

	31 March 2024			
	Assets at amortised cost £m	**Fair value through other comprehensive income £m**	**Fair value through profit or loss £m**	**Total £m**
Assets as per Balance Sheet				
Investments	**–**	**1.0**	**–**	**1.0**
Trade and other receivables excluding prepayments and accrued income	**62.0**	**–**	**–**	**62.0**
Derivative financial assets – Current	**–**	**1.5**	**–**	**1.5**
Derivative financial assets – Non-current	**–**	**0.1**	**–**	**0.1**
Cash and cash equivalents	**52.2**	**–**	**58.9**[1]	**111.1**
	114.2	**2.6**	**58.9**	**175.7**

1. A proportion of our cash is invested in high-quality overnight money market funds to mitigate concentration and counterparty risk.

	Liabilities at amortised cost £m	**Fair value through other comprehensive income £m**	**Fair value through profit or loss £m**	**Total £m**
Liabilities as per Balance Sheet				
Bank debt	**288.6**	**–**	**–**	**288.6**
Bank interest – Current	**8.4**	**–**	**–**	**8.4**
Lease liabilities – Current	**47.0**	**–**	**–**	**47.0**
Lease liabilities – Non-current	**135.3**	**–**	**–**	**135.3**
Derivative financial instruments – Current	**–**	**0.1**	**–**	**0.1**
Trade and other payables excluding non-financial liabilities (mainly tax and social security costs)	**77.5**	**–**	**–**	**77.5**
	556.8	**0.1**	**–**	**556.9**

21. Financial instruments continued

	31 March 2023			
	Assets at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	Total £m
Assets as per Balance Sheet				
Investments	–	1.0	–	**1.0**
Trade and other receivables excluding prepayments and accrued income	86.3	–	–	**86.3**
Derivative financial assets – Current	–	0.5	–	**0.5**
Cash and cash equivalents	86.3	–	71.2[1]	**157.5**
	172.6	1.5	71.2	**245.3**

1. A proportion of our cash is invested in high-quality overnight money market funds to mitigate concentration and counterparty risk.

	Liabilities at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	Total £m
Liabilities as per Balance Sheet				
Bank debt	293.4	–	–	**293.4**
Bank interest – Current	6.0	–	–	**6.0**
Lease liabilities – Current	28.1	–	–	**28.1**
Lease liabilities – Non-current	124.3	–	–	**124.3**
Derivative financial instruments – Current	–	1.3	–	**1.3**
Trade and other payables excluding non-financial liabilities (mainly tax and social security costs)	115.7	–	–	**115.7**
	567.5	1.3	–	**568.8**

GROUP FINANCIAL RISK FACTORS

The Group's activities expose it to a wide variety of financial risks including liquidity, credit and market risk (including foreign exchange and interest rate risks). The Group's Treasury policies seek to manage residual financial risk to within the Board agreed tolerance in a cost-effective manner and taking advantage of natural offsets that exist or can be created through its operating activities. Where appropriate the Group uses derivative financial instruments to hedge certain risk exposures (for example to reduce the impacts of foreign exchange volatility).

Risk management is carried out by a central Treasury Department under policies approved by the Board of Directors and the Audit and Risk Committee. Group Finance and Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's Regional operating units. The Board agrees written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. These policies cover the allowable use of selective derivative financial instruments and investment management processes for excess liquidity.

LIQUIDITY RISK

Cash flow forecasting is regularly performed in the operating entities of the Group and aggregated by Group Treasury. Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom in its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants. Surplus cash held by operating entities over and above balances required for working capital are transferred to Group Treasury to be managed centrally. Treasury policy is to invest surplus cash in high quality, short-term, interest bearing instruments including current accounts, term deposit and low volatility money market funds.

The Group continually reviews any medium to long-term financing requirements to ensure cost effective access to funding is available if and when it is needed (including any debt refinancing).

21. Financial instruments continued

The table below sets out the contractual maturities (representing undiscounted contractual cash flows) of loans, borrowings and other financial liabilities:

	At 31 March 2024				
	Up to 3 months £m	Between 3 & 12 months £m	Between 1 & 5 years £m	More than 5 years £m	Total £m
Bank loans – Principal	–	–	288.6	–	288.6
Bank loans – Interest	10.7	11.6	22.3	–	44.6
Total bank loans	10.7	11.6	310.9	–	333.2
Lease liabilities	14.0	39.5	118.5	30.7	202.7
Derivative financial instruments	–	0.1	–	–	0.1
Trade and other payables excluding non-financial liabilities	77.5	–	–	–	77.5
	102.2	51.2	429.4	30.7	613.5

	At 31 March 2023				
	Up to 3 months £m	Between 3 & 12 months £m	Between 1 & 5 years £m	More than 5 years £m	**Total £m**
Bank loans – Principal	–	–	296.8	–	**296.8**
Bank loans – Interest	7.8	8.6	37.7	–	**54.1**
Total bank loans	7.8	8.6	334.5	–	**350.9**
Lease liabilities	8.4	25.9	99.3	39.9	**173.5**
Derivative financial instruments	0.2	1.1	–	–	**1.3**
Trade and other payables excluding non-financial liabilities	115.7	–	–	–	**115.7**
	132.1	35.6	433.8	39.9	**641.4**

CREDIT RISK

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk of their new customers before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. Cash investments and derivative transactions are only executed with financial institutions who hold an investment grade rating with at least one of Moody's, Standard & Poor's or Fitch's rating agencies. The Group's Treasury policy defines strict limits that do not allow concentration of risk with individual counterparties.

For wholesale customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are regularly monitored. Sales to wholesale customers are settled primarily by bank transfer and retail customers are settled in cash or by major debit/credit cards. The Group has no significant concentration of credit risk as exposure is spread over a large number of customers.

MARKET RISK

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from the various currency exposures, primarily with respect to the US Dollar, Euro, Canadian Dollar and Japanese Yen. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in overseas operations. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group purchases the vast majority of its inventory from factories in Asia which are paid in US Dollars. On a net basis, the majority of Group EBITDA is earned in currencies other than Pounds Sterling. In addition, the Group has other currency denominated debt and investments in overseas operations whose net assets are exposed to foreign currency translation risk upon consolidation.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from its floating rate bank debt and cash amounts held. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's bank debt borrowings are denominated in Euros, and incur interest at variable rates subject to floating EURIBOR with a zero rate floor.

At 31 March 2024, if interest rates on bank borrowings had been 50 basis points higher or lower with all other variables held constant, the calculated pre-tax profit for the year would change by £1.5m (FY23: £1.5m).

21. Financial instruments continued

CAPITAL RISK

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy remains consistent with that from the past few years.

The capital structure of the Group consists of net debt disclosed in note 17 and equity attributable to equity holders of the parent, comprising issued ordinary share capital, reserves and retained earnings as disclosed in notes 23 and 24 and the Consolidated Statement of Changes in Equity. The Group's Board of Directors reviews the capital structure on an annual basis. The Group is not subject to any externally imposed capital requirement.

FOREIGN CURRENCY RISK

The Group has analysed the impact of a movement in foreign exchange rate of the major non-GBP currencies on its EBITDA[1] (all other foreign exchange rates remaining unchanged) as follows:

10% appreciation of currency	FY24 £m	FY23 £m
US Dollar	**6.1**	2.8
Euro	**18.5**	19.9
Yen	**4.3**	4.1

1. Alternative Performance Measure 'APM' as defined in the Glossary on pages 220 and 221.

Note the US Dollar movement is lower as the Group earns US Dollars from its US business and purchases substantially all inventory in US Dollar, which provides a degree of natural offsetting. In addition to the above, a 10% appreciation in Euro against GBP would increase annualised bank loan interest by £2.2m (FY23: £0.9m) under the terms of the new loan agreement.

22. Deferred taxation

The analysis of deferred tax assets and liabilities is as follows:

	FY24 £m	FY23 £m
Non-current		
Assets	**11.2**	11.8
Liabilities	**(2.8)**	(1.8)
	8.4	10.0

The gross movement on the deferred income tax is as follows:

	FY24 £m	FY23 £m
Credit for the year in the Statement of Comprehensive Income	**1.6**	0.4

The deferred tax asset provided in the financial statements is supported by budgets and trading forecasts and relates to the following temporary differences:

- accelerated capital allowances are the differences between the net book value of fixed assets and their tax base;
- other temporary differences are the other differences between the carrying amount of an asset/liability and its tax base that eventually will reverse;
- unrealised profits in intra-group transactions and expenses;
- trade losses expected to be utilised in future years; and
- deferred tax on share-based payments in relation to the expected future tax deduction on the exercise of granted share options spread over the vesting period.

22. Deferred taxation continued

The movement in deferred income tax assets and liabilities during the year is as follows:

	Accelerated capital allowances £m	Unrealised intra-group profits £m	Other temporary differences £m	Tax losses £m	Share-based payments £m	Total £m
At 1 April 2022	**(2.0)**	**3.2**	**7.1**	**0.6**	**0.7**	**9.6**
Statement of Profit or Loss (charge)/credit	(0.4)	0.8	0.1	0.1	(0.4)	0.2
Credited directly to equity	–	–	0.2	–	–	0.2
Foreign exchange	–	–	–	–	–	–
At 31 March 2023	**(2.4)**	**4.0**	**7.4**	**0.7**	**0.3**	**10.0**
Statement of Profit or Loss (charge)/credit	(0.8)	(0.4)	0.5	(0.1)	–	(0.8)
(Charged)/credited directly to equity	–	–	(0.7)	–	0.5	(0.2)
Foreign exchange	–	(0.3)	(0.3)	–	–	(0.6)
At 31 March 2024	**(3.2)**	**3.3**	**6.9**	**0.6**	**0.8**	**8.4**

Deferred taxation not provided in the financial statements:

	FY24 £m	FY23 £m
Tax losses[1]	**9.1**	9.1

1. This is the tax effected amount of losses that have not been provided for in the financial statements, calculated using the rate at which the losses would be expected to be used. There is £36.3m (FY23: £36.6m) of gross tax losses that have not been provided for because they are either capital losses (which can only be used against future capital gains which we are not forecasting) or they are non-trade loan relationship losses which can only be used in the same company (and are in companies we don't expect to have any loan relationship profits).

The deferred tax assets and liabilities have been measured at the corporation tax rate expected to apply to the reversal of the timing difference, based on rates that are enacted or substantively enacted by the end of each reporting period. There are no material temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, for which deferred tax liabilities have not been recognised.

23. Ordinary share capital

	FY24 No.	**FY24 £m**	FY23 No.	FY23 £m
Authorised, called up and fully paid				
Ordinary shares of £0.01 each	**961,878,608**	**9.6**	1,000,793,898	10.0

The movements in the ordinary share capital during the year ended 31 March 2024 and 31 March 2023 were as follows:

	FY24 No.	**FY24 £m**	FY23 No.	FY23 £m
At 1 April	**1,000,793,898**	**10.0**	1,000,222,700	10.0
Shares issued	**953,845**	**–**	571,198	–
Repurchase and cancellation of ordinary share capital	**(39,869,135)**	**(0.4)**	–	–
At 31 March	**961,878,608**	**9.6**	1,000,793,898	10.0

The cost of shares purchased by the SIP Trusts is offset against the profit and loss account, as the amounts paid reduce the profits available for distribution by the Company.

During the year ended 31 March 2024 Dr. Martens plc repurchased 39.9 million ordinary shares for a total consideration of £50.5m, including transaction costs of £0.5m, as part of a share repurchase programme announced on 1 July 2023. All shares purchased were for cancellation. The repurchased shares represented 4.1% of ordinary share capital. The number of shares in issue is reduced where shares are repurchased.

24. Treasury shares

The movements in treasury shares held by the Company during the year ended 31 March 2024 were as follows:

	FY24 No.	FY24 £m	FY23 No.	FY23 £m
At 1 April	**110,153**	**–**	16,925	–
Repurchase of shares for cancellation	**39,869,135**	**50.0**	–	–
Cancellation of shares	**(39,869,135)**	**(50.0)**	–	–
Shares issued for share schemes held in trust	**284,770**	**–**	93,228	–
At 31 March	**394,923**	**–**	110,153	–

On 14 July 2023 Dr. Martens plc announced a share buyback programme. Treasury shares existed during the year as a result of the timing delay between the repurchase of shares under this programme and the subsequent cancellation of these shares. The programme concluded on 19 December 2023.

25. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Ordinary share capital	Nominal value of subscribed shares.
Hedging reserve	Represents the movements in fair value on designated hedging instruments.
Treasury shares	This reserve relates to shares held by SIP Trusts as 'treasury shares'. The shares held by the SIP Trusts were issued directly to the Trusts in order to satisfy outstanding employee share options and potential awards under the employee share incentive schemes. The Company issued 284,770 shares directly to the Trusts during the year and held 394,923 as at 31 March 2024 (31 March 2023: 110,153). This reserve was previously referred to as 'capital reserve – own shares'. This reserve also included treasury shares repurchased but not yet cancelled, pursuant to the share buyback programme, which concluded during FY24.
Capital redemption reserve	A non-distributable reserve into which amounts are transferred following the redemption or purchase of own shares. The reserve was created in order to ensure sufficient distributable reserves were available for the purpose of redeeming preference shares in the prior years.
Merger reserve	The difference between the nominal value of shares acquired by Dr. Martens plc (the Parent Company) in the share for share exchange with Doc Topco Limited and the nominal value of shares issued to acquire them on 11 December 2020.
Foreign currency translation reserve	Includes translation gains or losses on translation of foreign subsidiaries' financial statements from the functional currencies to the presentational currency.
Retained earnings	Retained earnings represent the profits of the Group made in current and preceding years, net of distributions and equity-settled share-based awards. Included in retained earnings are distributable reserves.

26. Share-based payments and share schemes

EXECUTIVE SHARE PLAN – THE DR. MARTENS LONG TERM INCENTIVE PLAN (LTIP)

Awards of shares to Executive Directors and other senior executives are made under the Long Term Incentive Plan (LTIP): the Performance Share Plan (PSP) for the Executive Directors and Global Leadership Team (GLT) and the Restricted Share Unit Plan (RSU) for GLT direct reports and other employees. The LTIP is a discretionary share plan under which awards are approved and granted at the discretion of the Remuneration Committee.

Long Term Incentive Plan – Performance Share Plan (PSP)

Awards of conditional shares are granted to the Executive Directors and GLT. These awards are currently capable of vesting subject to the achievement of set performance conditions over a three-year performance period and continued service. There are two performance conditions attached to the awards which are Total Shareholder Return (TSR), which is a market-based performance condition, and EPS growth, which is a non-market-based performance condition. The fair value of the TSR element of the performance conditions is calculated and fixed at the date of grant using a Stochastic options pricing model. The fair value of the EPS element of the performance conditions is reviewed at each Balance Sheet date and adjusted through the number of awards expected to vest. The fair value of the PSP is the face value of the awards at the date of grant (calculated using the closing share price on the day preceding grant). The awards will vest to participants at the end of the vesting period subject to the performance conditions of the award being met. The entitlement of any of the awards for leavers are subject to good and bad leaver provisions as set out in the Plan Rules. There are no cash settlement alternatives and the Group accounts for the PSP as an equity-settled plan. Full details on the performance conditions for all the LTIP awards can be found in the Remuneration Report on pages 119 to 133 of the Annual Report.

26. Share-based payments and share schemes continued

Long Term Incentive Plan – Restricted Share Unit Plan (RSU)

Conditional awards of shares under the RSU are granted to GLT direct reports and other employees of the Group. There are no performance conditions attached to the awards, the awards will only vest should the participants remain employed on the vesting date. If participants leave the Group their awards would usually lapse in full however there are good and bad leaver provisions set out in the Plan Rules. The fair value of Restricted Share Unit awards is the face value of the awards at the date of grant (calculated using the closing share price on the day preceding grant). The Group accounts for the Restricted Share Unit awards as an equity-settled plan.

MOVEMENTS DURING THE YEAR

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, shares subject to LTIP schemes during the year:

	FY24		FY23	
	LTIP		LTIP	
	No.	**WAEP**	No.	WAEP
Outstanding at the beginning of the year	**6,788,582**	**–**	3,187,899	–
Granted	**10,597,184**	**£0.00**	4,593,183	£0.00
Vested	**(653,105)**	**–**	(402,860)	–
Forfeited	**(1,408,092)**	**–**	(589,640)	–
Outstanding at the end of the year	**15,324,569**	**£0.00**	6,788,582	£0.00
Weighted average contractual life remaining (years)	**1.6**	**£0.00**	1.8	£0.00

FAIR VALUE MEASUREMENT

The following table lists the inputs to the models used for the plans granted during the year ended 31 March 2024:

	FY24		
	LTIP		
	PSP	**RSU**	**RSU**
Date of grant	**30/06/2023**	**30/06/2023**	**14/12/2023**
Share price (pence)	**119.3**	**119.3**	**88.5**
Fair value at grant date (pence)	**96.7**	**119.3**	**88.5**
Exercise price (pence)	**0**	**0**	**0**
Dividend yield (%)	**Nil**	**Nil**	**Nil**
Expected volatility (%)	**55.05%**	**Nil**	**Nil**
Risk-free interest rate (%)	**5.13%**	**Nil**	**Nil**
Expected life (years)	**3 years**	**3 years**	**3 years**
Model used	**Monte Carlo**	**n/a**	**n/a**

	FY23		
	LTIP		
	PSP	RSU	RSU
Date of grant	15/06/2022	15/06/2022	08/12/2022
Share price (pence)	238	238	193
Fair value at grant date (pence)	205	238	193
Exercise price (pence)	0	0	0
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	50.71%	Nil	Nil
Risk-free interest rate (%)	2.23%	Nil	Nil
Expected life (years)	3 years	3 years	2.7 years
Model used	Monte Carlo	N/A	N/A

26. Share-based payments and share schemes continued

The following schemes granted in FY22 were also still in existence during FY23 and FY24:

	FY22		
	LTIP		
	PSP	RSU	RSU
Date of grant	15/12/2021	06/07/2021	15/12/2021
Share price (pence)	388	453	388
Fair value at grant date (pence)	301	453	388
Exercise price (pence)	0	0	0
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	54.57%	Nil	Nil
Risk-free interest rate (%)	0.42%	Nil	Nil
Expected life (years)	2.3 years	2.7 years	2.3 years
Model used	Monte Carlo	N/A	N/A

VOLATILITY

For determining expected volatility, IFRS 2 requires the fair value to take into account historical volatility over the expected term. Where Dr. Martens plc has been listed for less than the expected life of the plans it does not have sufficient information on historical volatility, and it computes volatility for the longest period for which trading activity is available. It also considered the historical volatility of similar entities in the same industry for the equivalent period of their listed share price history.

ALL EMPLOYEE PLAN – SHARE INCENTIVE PLAN (SIP) AND INTERNATIONAL SHARE INCENTIVE PLAN

The Group has two SIP Trusts, Dr. Martens plc UK Share Incentive Plan Trust (‘SIP-UK’) and Dr. Martens plc International Share Incentive Plan Trust (‘SIP-International’), for the purpose of facilitating the holding of shares in Dr. Martens plc for the benefit of employees of the Group. The assets of the employee share trusts are held by the separate trusts, of which the Directors consider that Dr. Martens plc has control for accounting purposes.

Share Incentive Plan (SIP): Buy As You Earn

In October 2021 employees were granted Free Shares under the Share Incentive Plan (SIP), these shares remain under restriction and will become available to employees from October 2024 when the forfeiture period lifts. In September 2022 the Company launched the purchase and matching element of the SIP known as Buy As You Earn (BAYE). Employees can elect to make a monthly contribution from their gross pay to purchase shares in Dr. Martens plc (‘partnership shares’). For each partnership share acquired, the Company will award a ‘matching’ share. Matching shares are subject to a three-year forfeiture period, and employees will receive the matching shares if they remain employed at the end of this period of service.

The matching shares fall within the scope of IFRS 2 and are classed as equity-settled share-based payments with a three-year forfeiture period, due to the condition of continued service for three years from the allocation date. A new invitation to join the plan will be rolled out each year effective 1 September. On 11 November 2022, the first matching shares were allocated to employees who had opted into the plan and purchased partnership shares. These awards are subject to a three-year forfeiture period after the date of purchase of the corresponding partnership shares. There are no cash settlement alternatives and the Group accounts for the SIP as an equity-settled plan.

Global Share Incentive Plan (SIP): International Buy As You Earn

In October 2021 employees were granted Free Shares under the International Share Incentive Plan (SIP); these shares vested in April 2022 where sufficient shares were sold to cover their tax/social security liabilities where applicable and are now beneficially owned by the employees. In March 2023 the Company launched the purchase and matching element of the International SIP known as International Buy As You Earn (BAYE). Employees can elect to make a monthly contribution from their net pay to purchase shares in Dr. Martens plc (‘partnership shares’). Partnership shares are purchased quarterly with the first purchase in July 2023. For each partnership share acquired, the Company will award a ‘matching’ share annually. Matching shares are subject to a three-year forfeiture period. The matching shares fall within the scope of IFRS 2 and are classed as equity-settled share-based payments with a three year forfeiture period, and employees will receive the matching shares if they remain employed at the end of this period of service. A new invitation to join the plan will be rolled out each year effective 1 September.

26. Share-based payments and share schemes continued

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, SIP shares during the year:

	FY24 SIP No.	FY23 SIP No.
Outstanding at the beginning of the year	**92,318**	–
Granted	**335,940**	93,591
Vested	**–**	–
Forfeited	**(42,735)**	(1,273)
Outstanding at the end of the year	**385,523**	92,318
Weighted average contractual life remaining (years)	**2 years**	3 years

FAIR VALUE MEASUREMENT

The following table lists the inputs to the model used for the SIP plans for the years ended 31 March 2024 and 2023:

	FY24 SIP	FY23 SIP
Date of grant	**22/09/2023**	15/09/2022
Share price (pence)	**82-165**	128-290
Fair value at grant date (pence)	**82-165**	128-290
Exercise price (pence)	**0**	0
Dividend yield (%)	**Nil**	Nil
Expected volatility (%)	**0**	0
Risk-free interest rate	**0**	0
Expected life (years)	**3 years**	3 years
Model used	**N/A**	N/A

Share schemes – additional information

Employer payroll taxes are being accrued, where applicable, at local rate, which management expects to be the prevailing rate when the awards are exercised, based on the share price at the reporting date. The total employer payroll taxes for the year relating to all the awards was £0.2m (FY23: £nil).

Included in staff costs and accruals is £0.1m (FY23: £0.4m) in relation to expenses arising from cash-settled share-based payments.

Included in staff costs is £3.9m (FY23: £0.5m) in relation to expenses arising from equity-settled share-based payments. Within this amount is £0.1m (FY23: £nil) in relation to the SIP.

Global Bonus Scheme Share Plan

The Remuneration Committee of the Group has determined that a proportion of the annual Executive Bonus Scheme will be utilised (on a net basis) to purchase Parent Company shares. There were no cancellations or modifications during the year.

27. Financial commitments

The Group is party to a number of warehousing agreements whereby it is committed to certain costs which are not required to be reflected on the Balance Sheet. These costs pertain to storage costs for some warehouses that do not meet the recognition requirements of IFRS 16, and the fixed-cost elements of the additional services that the Group's warehouse operators provide.

The below table discloses the contractual cash flows that the Group is committed to under these arrangements, excluding the effects of future rate increases allowable within the agreements.

	FY24 £m	FY23 £m
Within 1 year	**7.4**	8.2
1 to 5 years	**9.0**	16.7
Over 5 years	**–**	–
	16.4	24.9

Short-term leases for retail stores are not required to be included above as the portfolio of short-term leases to which the Group is committed to at the end of the reporting period is not dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 28 relates.

Guarantees exist in the form of a rent guarantees to various landlords of £3.2m (FY23: £3.5m) and other guarantees of £0.2m (FY23: £0.2m). These guarantees which aggregate to £3.4m (FY23: £3.7m) are guaranteed under the revolving credit facility.

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	FY24 £m	FY23 £m
Property, plant and equipment	**–**	1.7

The Group has additional commitments relating to leases where the Group has entered into an obligation but does not yet have control of the underlying asset. The future lease payments to which the Group is committed, over the expected lease term, but are not recorded on the Group's Balance Sheet are as follows:

	FY24 £m	FY23 £m
Within 1 year	**0.3**	1.1
1 to 5 years	**0.9**	6.6
Over 5 years	**0.1**	8.5
	1.3	16.2

28. Leases

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

	Note	**FY24 £m**	FY23 £m
At 1 April		**152.4**	112.9
Additions[1]		**72.5**	60.6
Reassessments		**(4.7)**	5.5
Modifications		**10.1**	(0.8)
Interest expense	7	**8.6**	4.8
Lease capital and interest repayments		**(52.2)**	(33.9)
Foreign exchange		**(4.4)**	3.3
At 31 March		**182.3**	152.4
Current	17	**47.0**	28.1
Non-current	17	**135.3**	124.3

1. Additions comprises RoU additions less working capital of £4.5m (FY23: £5.9m).

28. Leases continued

The following amounts were recognised in the Statement of Profit or Loss:

	Note	FY24 £m	FY23 £m
Depreciation expense of right-of-use assets		**51.3**	32.2
Gain on remeasurement of leases		**(1.1)**	–
Interest expense on lease liabilities	7	**8.6**	4.8
Expenses relating to short-term leases		**0.3**	1.3
Variable lease payments		**3.5**	2.8
Total operating expenses recognised in profit		**3.8**	4.1
Total amount recognised in profit		**62.6**	41.1

VARIABLE LEASE PAYMENTS ON SALES

Some leases of retail stores contain variable lease payments that are based on sales that the Group makes at the store. These payment terms are common in retail stores in some countries where the Group operates. Fixed and variable payments for the year ended 31 March 2024 were as follows:

	Fixed payments £m	Variable payments £m	Total payments £m	Estimated annual impact on rent of a 1% increase in sales £m
FY24: Leases with lease payments based on sales	**13.5**	**3.5**	**17.0**	**0.1**
FY23: Leases with lease payments based on sales	10.2	2.8	13.0	0.1

Turnover related rent is where the contract states the lease rent is the higher of the fixed base rent or percentage of turnover of the store. Unless specified otherwise in the lease, turnover rent is defined as net turnover (i.e. excluding returns), not including click and collect. To verify the correct rent, the landlord often requests ‘turnover certificates’ on a regular basis, e.g. monthly/quarterly/annually. The rent is invoiced in arrears based on this calculation and accrued monthly. It is paid as invoiced depending on the lease terms. The fixed base element is capitalised as above and the variable element (based on turnover) is expensed to the Consolidated Statement of Profit or Loss.

EXTENSION OPTIONS

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group will reassess and remeasure when there is a significant event or change in circumstances. For example, lease renewals or business decisions to exercise lease breaks. These are reviewed and embedded to the model by the Property Accountant as they occur.

	Lease liabilities recognised (discounted) £m	Potential future lease payments not included in lease liabilities (undiscounted) £m
FY24: Leases with lease extension options	**43.3**	**84.0**
FY23: Leases with lease extension options	35.3	56.6

29. Pensions

DEFINED CONTRIBUTION SCHEME

The Group operates a defined contribution pension scheme for its employees. The Group's expenses in relation to this scheme were £5.4m for the year ended 31 March 2024 (FY23: £4.7m) and at 31 March 2024 £1.0m (FY23: £0.8m) remained payable to the pension fund.

DEFINED BENEFIT SCHEME

Dr Martens Airwair Group Limited and Airwair International Limited (subsidiaries of the Group) operate a pension arrangement called the Dr. Martens Airwair Group Pension Plan (the Plan). The Plan has a defined benefit section that provides benefits based on final salary and length of service on retirement, leaving service or death. The defined benefit section closed to new members on 6 April 2002 and closed to future accrual with effect from 31 January 2006. The Plan also has a defined contribution section that provides money purchase benefits to some current and former employees.

The Plan is managed by a board of Trustees appointed in part by Airwair International Limited and in part from elections by members of the Plan. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Plan's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The defined benefit section of the Plan is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Plan is carried out at least once every three years to determine whether the Statutory Funding Objective is met. The last valuation was carried out at 30 June 2022 which confirmed that the Plan had sufficient assets to meet the Statutory Funding Objective. The next valuation is due at 30 June 2025. The Statutory Funding Objective does not currently impact on the recognition of the Plan in these financial statements.

During the year, no discretionary benefits were awarded. There were no Plan amendments, settlements or curtailments during the year.

The weighted average duration of the defined benefit obligation is approximately 12 years (FY23: 13 years). Around 50% of the undiscounted benefits are due to be paid beyond 17 years' time, with the projected actuarial cash flows declining to zero in about 70 years.

KEY RISKS

The defined benefit section of the Plan exposes Airwair International Limited to a number of risks:

- Investment risk. The Plan holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The value of the Plan's liabilities is assessed using market yields on high quality corporate bonds to discount the liabilities. As the Plan holds assets such as equities, the value of the assets and liabilities may not move in the same way. The Plan holds derivatives to manage a proportion of the interest rate risk.
- Inflation risk. A significant proportion of the benefits under the Plan are linked to inflation. Although the Plan's assets are expected to provide a good hedge against inflation over the long term, movements in inflation expectations over the short term could lead to a deficit emerging. The Plan holds some derivatives to hedge a proportion of the potential changes in the value of the liabilities due to changes in market inflation expectations.
- Mortality risk. In the event that members live longer than assumed, a deficit could emerge in the Plan.

Although the Lloyds Banking Group Pensions Trustees Limited v. Lloyds Bank PLC (and others) court judgment on 26 October 2018 (and the subsequent court judgment on 20 November 2020) provided some clarity in respect of GMP equalisation and the obligations that this places on schemes, the actual impact of equalising the Plan's GMPs remains uncertain. An approximate allowance equivalent to 1.1% (FY23: 0.8%) of the value of the liabilities has been made in the disclosures for the impact of GMP equalisation. There were no other plan amendments, curtailments or settlements during the year.

A judgment in the High Court case of Virgin Media vs NTL Trustees was handed down on 16 June 2023. The judge ruled that, where benefit changes were made without a valid 'section 37' certificate from the Scheme Actuary, those changes could be considered void. The judgment could have material consequences for some defined benefit schemes, such as the Plan, which previously contracted-out of the state pension system. The Group understands that the judgment is due to be appealed and, as such, there is considerable uncertainty as to whether the judgment will stand and, if it does, the impact on the Plan, if any. As a result of this uncertainty, these disclosures have been calculated assuming that this ruling will not affect the Plan's benefits.

EFFECT OF THE PLAN ON THE COMPANY'S FUTURE CASH FLOWS

Airwair International Limited is required to agree a Schedule of Contributions with the Trustees of the Plan following a valuation, which must be carried out at least once every three years. Following the valuation of the Plan at 30 June 2022, a Schedule of Contributions was agreed under which Airwair International Limited was not required to make any contributions to the defined benefit section of the Plan (other than payments in respect of administrative expenses). Accordingly, Airwair International Limited does not expect to contribute to the defined benefit section of the Plan, although it will continue to contribute to the defined contribution section in line with the Schedule of Contributions. The next valuation of the Plan is due at 30 June 2025. If this reveals a deficit then Airwair International Limited may be required to pay contributions to the Plan to repair the deficit over time.

29. Pensions continued

The amounts recognised in the Balance Sheet (under IAS 19 Employee Benefits) are determined as follows:

	FY24 £m	FY23 £m
Fair value of plan assets – defined benefit section	**46.7**	49.5
Present value of funded obligations – defined benefit section	**(37.6)**	(38.4)
Surplus of funded plans	**9.1**	11.1
Impact of asset ceiling	**(9.1)**	(11.1)
Net pension asset	**–**	–

Although the Plan has a surplus, this is not recognised on the grounds that Airwair International Limited is unlikely to derive any future economic benefits from the surplus. As such, an asset ceiling has been applied to the Balance Sheet, and the net surplus of £9.1m (FY23: £11.1m) has not been recognised on the Balance Sheet. The net surplus has been capped to £nil (FY23: £nil).

A reconciliation of the net defined benefit asset over the year is given below:

	FY24 £m	FY23 £m
Net defined benefit asset at beginning of year	**–**	–
Total defined benefit charge in the Statement of Profit or Loss	**–**	–
Remeasurement losses in the Statement of Comprehensive Income	**–**	–
Employer's contributions	**–**	–
Net defined benefit asset at end of the year	**–**	–

The amount charged to the Statement of Profit or Loss and Statement of Comprehensive Income in respect of the defined benefit section of the Plan was £nil (FY23: £nil). Costs in respect of the defined contribution section of the Plan, and other defined contribution arrangements operated by Airwair International Limited, are allowed for separately.

The remeasurements in respect of the defined benefit section of the Plan, to be shown in the Statement of Comprehensive Income, are shown below:

	FY24 £m	FY23 £m
Losses on defined benefit assets in excess of interest	**3.0**	18.3
Experience loss on defined benefit obligation	**0.3**	–
Gains from changes to demographic assumptions	**(0.4)**	(0.4)
Gains from changes to financial assumptions	**(0.4)**	(15.4)
Change in effect of asset ceiling	**(2.5)**	(2.5)
Total remeasurements to be shown in other comprehensive income	**–**	–

The change in defined benefit scheme assets over the year was:

	FY24 £m	FY23 £m
At 1 April	**49.5**	68.6
Interest on defined benefit assets	**2.3**	1.7
Movement on defined benefit section assets less interest	**(3.0)**	(18.3)
Benefits paid from the defined benefit section	**(2.1)**	(2.5)
At 31 March	**46.7**	49.5

29. Pensions continued

The change in the defined benefit scheme funded obligations over the year was:

	FY24 £m	FY23 £m
At 1 April	**38.4**	55.3
Past service cost	**–**	–
Interest cost on defined benefit obligation	**1.8**	1.4
Experience loss on defined benefit obligation	**0.3**	–
Changes to demographic assumptions	**(0.4)**	(0.4)
Changes to financial assumptions	**(0.4)**	(15.4)
Benefits paid from the defined benefit section	**(2.1)**	(2.5)
At 31 March	**37.6**	38.4

The change in the effect of the asset ceiling over the year was as follows:

	FY24 £m	FY23 £m
At 1 April	**11.1**	13.3
Net interest charge on asset ceiling	**0.5**	0.3
Changes in the effect of the asset ceiling excluding interest	**(2.5)**	(2.5)
At 31 March	**9.1**	11.1

A breakdown of the assets is set out below, split between those assets that have a quoted market value in an active market and those that do not. The assets do not include any investment in shares of Airwair International Limited, nor any property owned or occupied by the Group.

	FY24 £m	FY23 £m
Assets with a quoted market value in an active market:		
Cash and other		
Domestic	**0.1**	0.2
	0.1	0.2
Assets without a quoted market value in an active market:		
Equities and property		
Domestic	**3.0**	0.2
Foreign	**4.3**	4.5
	7.3	4.7
Fixed interest bonds		
Unspecified	**6.3**	9.4
	6.3	9.4
Index linked gilts		
Domestic	**30.0**	30.1
	30.0	30.1
Alternatives		
Unspecified	**1.8**	3.9
	1.8	3.9
Property		
Unspecified	**0.4**	1.0
	0.4	1.0
Insured annuities		
Domestic	**0.9**	0.9
	0.9	0.9
Cash and other		
Domestic	**1.5**	1.0
Foreign	**–**	–
Unspecified	**(1.6)**	(1.7)
	(0.1)	(0.7)
Fair value of plan assets	**46.7**	49.5

29. Pensions continued

A full actuarial valuation was carried out at 30 June 2022. The results of that valuation were updated to 31 March 2024 by a qualified independent actuary. The principal assumptions selected by Airwair International Limited and used by the actuary to calculate the Plan's defined benefit obligation were:

		FY24 £m	FY23 £m
Discount rate		**4.9%**	4.8%
Inflation assumption (RPI)		**3.2%**	3.3%
Inflation assumption (CPI)		**2.5%**	2.6%
LPI pension increases subject to 5% cap		**3.1%**	3.2%
LPI pension increases subject to 3% cap		**2.5%**	2.5%
Revaluation in deferment		**2.5%**	2.6%
Post retirement mortality assumption		**105% (males) and 111% (females) of S3PA tables, with allowance for future improvements in line with the CMI_2022 core projection model using 0% 2020 and 2021 weight parameters, a 25% 2022 weight parameter, a long-term rate of improvement of 1.0% p.a. and an initial addition of 0.2%**	105% (males) and 111% (females) of S3PA tables, with allowance for future improvements in line with the CMI_2021 core projection model using 7.5% 2020 and 2021 weight parameters, a long-term rate of improvement of 1.0% p.a. and an initial addition of 0.2%
Tax free cash		**Members are assumed to take 50% of the maximum tax free cash possible**	Members are assumed to take 50% of the maximum tax free cash possible
Proportion married at retirement or earlier death		**80% of male members and 65% of female members are assumed to be married at retirement or earlier death**	80% of male members and 65% of female members are assumed to be married at retirement or earlier death
Age difference		**Males three years older than dependant, females one year younger than dependant**	Males three years older than dependant, females one year younger than dependant
Assumed life expectancies on retirement at age 65 are:			
Retiring today:	Male	**21.1**	21.3
	Female	**23.2**	23.4
Retiring in 20 years' time:	Male	**22.1**	22.3
	Female	**24.3**	24.5

The key sensitivities of the defined benefit obligation to the actuarial assumptions are shown below:

	FY24 £m	FY23 £m
Discount rate		
Plus 0.5%	**(2.7)**	(2.2)
Minus 0.5%	**3.0**	2.4
Plus 1.0%	**(4.6)**	(4.4)
Minus 1.0%	**5.7**	5.5
Rate of inflation		
Plus 0.5%	**2.0**	0.9
Minus 0.5%	**(1.8)**	(0.7)
Life expectancy		
Plus 1.0 year	**1.6**	1.4
Minus 1.0 year	**(1.6)**	(1.4)

29. Pensions continued

The sensitivity illustrations set out above are approximate. They show the likely effect of an assumption being adjusted while all other assumptions remain the same. Only the impact on the liability value (i.e. the defined benefit obligation) is considered – in particular:

- No allowance is made for any changes to the value of the Plan's invested assets in scenarios where interest rates or market inflation expectations change; and
- No allowance is made for changes in the value of the annuity policies held by the Plan, which is calculated using the same actuarial assumptions as for the Plan's defined benefit obligation.

Such changes to the asset values would be likely to partially offset the changes in the defined benefit obligation.

The net Balance Sheet and Statement of Profit or Loss are not sensitive to the actuarial assumptions used at the current time, due to the effect of the asset ceiling.

30. Related party transactions

TRANSACTIONS WITH RELATED PARTIES

Transactions between the Company and its wholly owned subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. A list of investments in subsidiary undertakings can be found in note 13 to the Parent Company financial statements.

	FY24 £'000	FY23 £'000
GFM GmbH Trademarks[1]		
Amounts incurred	**64.7**	262.3
Amounts payable by/(owed) at year end	**(4.6)**	(6.3)
TeamViewer[2]		
Amounts incurred	**16.2**	17.1
Amounts payable by/(owed) at year end	**–**	–
Truepoint[3]		
Amounts incurred	**212.0**	–
Amounts payable by/(owed) at year end	**–**	–

1. GFM GmbH Trademarks is related to the Group as it provides services or has a transactional relationship with the Group and is an equity-accounted joint venture under joint control of the Group.
2. TeamViewer is related to the Group as they provide services or have a transactional relationship with the Group and represents an investment within funds advised by Permira Advisers LLP. The Group's largest investor, IngreLux S.àr.l., is also owned by funds advised by Permira Advisers LLP.
3. Truepoint is related to the Group as they provide services or have a transactional relationship with the Group and one of the Group's Independent Directors is also a Director at the related entity.

KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of key management (including Executive and Non-Executive Directors) for the year was as follows:

	FY24 £m	FY23 £m
Salaries and benefits	**5.1**	5.5
Pensions	**0.3**	0.2
LTIPs – Share-based payments	**0.6**	0.9

PARENT COMPANY STATEMENTS

In this section:

PARENT COMPANY BALANCE SHEET

AS AT 31 MARCH 2024

Company registration number 12960219

	Note	**Total FY24 £m**	Total FY23 £m
Fixed assets			
Investments	6	**1,413.4**	1,413.4
		1,413.4	1,413.4
Current assets			
Debtors	7	**3.1**	1.7
Cash and cash equivalents	8	**0.1**	0.2
		3.2	1.9
Total assets		**1,416.6**	1,415.3
Current liabilities			
Trade and other payables	9	**(1.2)**	(10.5)
Total liabilities		**(1.2)**	(10.5)
Net assets		**1,415.4**	1,404.8
Equity			
Ordinary share capital	10	**9.6**	10.0
Treasury shares	11	**–**	–
Capital redemption reserve	12	**0.4**	–
Retained earnings	12	**1,405.4**	1,394.8
Total equity		**1,415.4**	1,404.8

As permitted by section 408 of the Companies Act 2006, the Company's Statement of Profit or Loss has not been included in these financial statements.

The Company generated a profit for the year to 31 March 2024 of £114.9m (FY23: £46.2m).

The notes on pages 210 to 215 are an integral part of these financial statements.

The financial statements on pages 208 to 215 were approved and authorised by the Board of Directors on 29 May 2024 and signed on its behalf by:

KENNY WILSON
Chief Executive Officer

GILES WILSON
Chief Financial Officer

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Ordinary share capital £m	Treasury shares £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
At 1 April 2022		10.0	–	–	1,406.5	**1,416.5**
Profit for the year		–	–	–	46.2	**46.2**
Total comprehensive income for the year		–	–	–	46.2	**46.2**
Dividends paid	5	–	–	–	(58.4)	**(58.4)**
Shares issued	10	–	–	–	–	**–**
Share-based payments		–	–	–	0.5	**0.5**
At 31 March 2023		10.0	–	–	1,394.8	**1,404.8**
Profit for the year		–	–	–	114.9	**114.9**
Total comprehensive income for the year		–	–	–	114.9	**114.9**
Dividends paid	5	–	–	–	(57.8)	**(57.8)**
Shares issued	10	–	–	–	–	**–**
Share-based payments		–	–	–	4.0	**4.0**
Repurchase of ordinary share capital	11	–	(50.0)	–	(0.5)	**(50.5)**
Cancellation of repurchased ordinary share capital	11	(0.4)	50.0	0.4	(50.0)	**–**
At 31 March 2024		**9.6**	**–**	**0.4**	**1,405.4**	**1,415.4**

1. General information

Dr. Martens plc (the 'Company') is a public company limited by shares incorporated in the United Kingdom, and registered and domiciled in England and Wales, whose shares are traded on the London Stock Exchange. The Company's registered office is: 28 Jamestown Road, Camden, London NW1 7BY. The principal activity of the Company and its subsidiaries (together referred to as the 'Group') is the design, development, procurement, marketing, selling and distribution of footwear, under the Dr. Martens brand.

2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated. Amounts are presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted.

BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Companies Act 2006, and Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared on a going concern basis under the historical cost convention. FRS 101 enables the financial statements of the Company to be prepared in accordance with IFRS but with certain disclosure exemptions. The main areas of reduced disclosure are in respect of equity-settled share-based payments, financial instruments, the Statement of Cash Flows, and related party transactions with Group companies. The accounting policies adopted for the Company are otherwise consistent with those used for the Group which are set out on pages 165 to 176. As permitted by Section 408 of the Companies Act 2006, the Statement of Profit or Loss of the Company is not presented as part of the financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the significant judgements and estimates section.

Financial Reporting Standard 101 – reduced disclosure exemptions

This basis of preparation has enabled the Company to take advantage of the applicable disclosure exemptions permitted by FRS 101 in the financial statements. The following disclosures have not been provided as permitted by FRS 101:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS;
- disclosures in respect of the compensation of key management personnel as required; and
- statement of compliance with all IFRS.

The Company has also taken the exemption under FRS 101 available in respect of the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 (Share-based Payment) in respect of Group settled share-based payments as the Consolidated Financial Statements of the Group include the equivalent disclosures.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern is contingent on the ongoing viability of the Group. The Directors have considered the business activities, as well as the principal risks, the other matters discussed in connection with the viability statement, and uncertainties faced by the business. Based on this information, and the Group's trading and cash flow forecasts, the Directors are satisfied that the Group will maintain an adequate level of resources to be able to operate during the period under review. Refer to note 2.1 of the Consolidated Financial Statements for further information.

DISTRIBUTABLE RESERVES

When making a distribution to shareholders, the Directors determine the profits available for distribution by reference to guidance on realised and distributable profits under Companies Act 2006 issued by the Institute of Chartered Accountants in England and Wales.

INVESTMENTS

Investments are stated at cost less any provision for impairment.

SHARE-BASED PAYMENTS

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services as consideration in exchange for equity instruments ('equity-settled transactions'). Refer to note 2.25 of the Consolidated Financial Statements for further information.

DIVIDENDS

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

2. Accounting policies continued

SHARE BUYBACK

Where the Company purchases any of its own equity instruments, for example, pursuant to the share buyback programme, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners of the Company. The repurchased shares are recognised as treasury shares until the shares are cancelled. The programme concluded on 19 December 2023.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The following judgement has had the most significant effect on amounts recognised in the financial statements:

Carrying value of investments

The Company assesses at each reporting date whether there is an indication that its investment may be impaired. If any indication exists, the Company estimates the investment's recoverable amount. The investment's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset. In assessing an investment's recoverable amount using a value in use calculation, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and future cash flows are then extended into perpetuity using long-term growth rates.

UK REGISTERED SUBSIDIARIES EXEMPT FROM AUDIT

Airwair Property Limited, a wholly owned subsidiary, is exempt from the Companies Act 2006 requirements relating to the audit of their individual financial statements by virtue of Section 479A of the Companies Act, as this Company has provided a guarantee for Airwair Property Limited under Section 479C of the Companies Act.

3. Staff costs

Other than the Directors, the Company had no employees during the year (FY23: none). Details of Directors' remuneration can be found in the Remuneration Report on pages 119 to 133 of the Annual Report.

4. Auditors' remuneration

The Company has incurred audit fees of £21,600 (FY23: £20,000) for the year.

5. Dividends

Details in respect of dividends proposed and paid during the year by the Company are included in note 10 to the Consolidated Financial Statements.

6. Investments

	FY24 £m	FY23 £m
At 1 April 2023	**1,413.4**	1,413.4
Acquisitions	**–**	–
At 31 March 2024	**1,413.4**	1,413.4

INVESTMENT IMPAIRMENT ASSESSMENT

The Company's investment is a non-financial asset and required to be reviewed for impairment indicators each year-end date. If an indicator of impairment exists, the asset is required to be tested for impairment by estimating its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset.

An appropriate check to begin with per IAS 36 is assessing whether the carrying amount of the Company's net assets is higher than the market capitalisation. Management has reviewed the share price as at 31 March 2024 and the average share price over a variety of preceding time periods to examine the average market capitalisation for comparison to Dr. Martens plc's net assets. It is relevant to consider the volatility of the share price over recent years when interpreting a company's market capitalisation. Where there is volatility, taking a point in time measure may be misleading, as market sentiment fluctuations can result in significant point in time changes that are not necessarily reflective of the true value of a business. It is also noted that stock market movements recently are not unique to Dr. Martens only, and significant macroeconomic and geopolitical events have impacted many companies, again potentially inaccurately reflecting the true value of the business. Over some of the periods reviewed, Dr. Martens plc's net assets exceed the market capitalisation and others they did not, therefore showing a potential indicator of impairment but not necessarily concluding that the investment was impaired. As this review showed a potential impairment indicator, management decided to run a test for impairment.

The investment's recoverable amount was deemed to be more than it's carrying amount and hence no charge was made in the current year (FY23: £nil).

6. Investments continued

Judgements, assumptions and estimates

The results of the Company's impairment tests are dependent upon estimates and judgements made by management. The recoverable amount of the Company's investment is estimated using a value in use calculation. The value in use calculation uses cash flow forecasts based on financial projections reviewed by the Board covering a five-year period (pre-perpetuity). The forecasts are based on annual budgets and strategic projections representing the best estimate of future performance. Management considers forecasting over this period to appropriately reflect the business cycle of the Group. These cash flows are consistent with those used to review going concern and viability, however, are required by IAS 36 to be adjusted for use within an impairment review to exclude new retail development to which the Group is not yet committed.

Operating cash flows

The main assumptions within the forecast operating cash flows include the achievement of future growth in ecommerce, retail and wholesale channels, sales prices and volumes (including reference to specific customer relationships and product lines), raw material input costs, the cost structure of the Group, the impact of foreign currency rates upon selling price and cost relationships and the levels of capital expenditure required to support each sales channel.

Future sales are estimated to increase on a compound annual growth rate (CAGR) basis over the 5 years pre-perpetuity from FY24 reported sales by 10.7%. The CAGR is forecasted to be achieved through growth as set out in our central planning assumptions underlying our medium term forecasts, the first three years of which form the basis of the assumptions in the Viability Statement.

The value in use calculation also includes repayment of the Term Loan B in February 2026 per IAS 36 requirements, but in practical terms, the loan is expected to be refinanced in 2026.

The adjustments required to estimate value in use result in lower cash flows than the method used for assessing the Group's viability and hence are not considered likely to occur.

Pre-tax adjusted discount rates

Future cash flows are discounted to present value using a pre-tax discount rate derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. Consistent with the 2019 IFRS IASB Staff Paper, a post-tax discount rate and post-tax cash flows are used as observable inputs, and then the pre-tax discount rate is calculated from this to comply with the disclosure requirements under IAS 36. The pre-tax discount rate for the Group has been calculated to be 12.7% (FY23: 12.3%).

Long-term growth rate

To forecast beyond the five-year detailed cash flows into perpetuity, a long-term average growth rate has been used. The long-term growth rate applied for Group is 2.2% (FY23: 2.2%). The rate used includes aggregation of geographical forecasts included within industry reports.

Sensitivity analysis

The Company has assessed that the two significant assumptions used within the value in use calculation are pre-perpetuity sales growth and the pre-tax discount rate and potential changes in these have been sensitised as follows:

	FY24 £m
Original headroom	**262.8**
Headroom using a 10% decrease in forecasted sales[1]	**(150.7)**
Headroom using a 10% increase in forecasted sales[1]	**1,032.0**
Headroom using a 1%pt decrease in pre-tax discount rate	**483.0**
Headroom using a 1%pt increase in pre-tax discount rate	**83.4**
Headroom combining a 10% decrease in forecasted sales and a 1%pt increase in pre-tax discount rate	**(359.2)**

1. These sensitivities are based on a +/-10% movement in sales each year and into perpetuity. A decrease in forecast sales of -10% results in a revised CAGR over the 5 years pre-perpetuity from FY24 sales of 8.4%, and an increase of 10% results in a revised CAGR of 12.9%.

6. Investments continued

A decrease in forecasted sales of -10% has been calculated for illustrative purposes applied each year and into perpetuity. This would result in the carrying amount being above the recoverable amount. The required differences in the forecasted cash flows used for the impairment assessment versus those used for the purpose of the Group's going concern and viability assessments result in different outputs, and this -10% sales sensitivity outputs lower total forecasted sales in FY25 versus the severe but plausible scenario and is considered unlikely. Furthermore, the exclusion of new retail development as required by IAS 36 is not in line with actual expected trading growth. The reduction in forecast sales that would result in the carrying amount and the recoverable amount being equal would be -7.5%.

An increase of 1 percentage point (1%pt) in the pre-tax discount rate of 12.7% to 13.7% has been calculated for illustrative purposes and would not result in the carrying amount being above the recoverable amount and is also not considered likely given that the pre-tax discount rate in FY23 was 12.3% and hence has moved less than 0.5%pts since FY23. The pre-tax discount rate that would result in the carrying amount and the recoverable amount being equal would be 14.2%. This sensitivity has been included to provide an illustration should the forecasted sales decline by -10% and the pre-tax discount rate also increases by 1%pt. This would result in the carrying amount being above the recoverable amount.

A list of the Company's investments in subsidiary undertakings can be found in note 13.

7. Debtors

	FY24 £m	FY23 £m
Income tax receivable	**0.1**	–
Social security and other taxes	**–**	–
Prepayments and accrued income	**0.3**	0.8
Amounts owed by subsidiary undertakings[1]	**2.7**	0.9
	3.1	1.7

1. Amounts owed by subsidiary undertakings are non-interest bearing trading balances and are repayable on demand.

IFRS 9 expected credit losses have been assessed as immaterial in relation to all balances.

8. Cash and cash equivalents

	FY24 £m	FY23 £m
Cash and cash equivalents	**0.1**	0.2

9. Trade and other payables

	FY24 £m	FY23 £m
Trade creditors	**0.1**	0.1
Amounts due to subsidiary undertakings[1]	**0.2**	10.3
Accruals and deferred income	**0.9**	0.1
	1.2	10.5

1. Amounts owed to subsidiary undertakings are non-interest bearing trading balances and are repayable on demand.

10. Ordinary share capital

	FY24 No.	FY24 £m	FY23 No.	FY23 £m
Authorised, called up and fully paid				
Ordinary shares of £0.01 each	**961,878,608**	**9.6**	1,000,793,898	10.0

The movements in the ordinary share capital during the years ended 31 March 2024 and 31 March 2023 were as follows:

	FY24 Shares no.	FY24 Ordinary share capital £m	FY23 Shares no.	FY23 Ordinary share capital £m
At 1 April	**1,000,793,898**	**10.0**	1,000,222,700	10.0
Shares issued	**953,845**	**–**	571,198	–
Repurchase and cancellation of ordinary share capital	**(39,869,135)**	**(0.4)**	–	–
At 31 March	**961,878,608**	**9.6**	1,000,793,898	10.0

The cost of shares purchased by the SIP Trusts is offset against the profit and loss account, as the amounts paid reduce the profits available for distribution by the Company.

11. Treasury shares

The movements in treasury shares held by the Company during the year ended 31 March 2024 were as follows:

	FY24 No.	FY24 £m	FY23 No.	FY23 £m
At 1 April	**110,153**	**–**	16,925	–
Repurchase of shares for cancellation	**39,869,135**	**50.0**	–	–
Cancellation of shares	**(39,869,135)**	**(50.0)**	–	–
Shares issued for share schemes	**284,770**	**–**	93,228	–
At 31 March	**394,923**	**–**	110,153	–

On 14 July 2023 Dr. Martens plc announced a share buyback programme. Treasury shares existed during the year as a result of the timing delay between the repurchase of shares under this programme and the subsequent cancellation of these shares. The programme concluded on 19 December 2023.

12. Reserves

Reserve	Description and purpose
Ordinary share capital	Nominal value of subscribed shares.
Treasury shares	This reserve relates to shares held by SIP Trusts as 'treasury shares'. The shares held by the SIP Trusts were issued directly to the Trusts in order to satisfy outstanding employee share options and potential awards under the employee share incentive schemes. The Company issued 284,770 shares directly to the Trusts during the year and held 394,923 as at 31 March 2024 (31 March 2023: 110,153). This reserve was previously referred to as 'capital reserve – own shares'. This reserve also included treasury shares repurchased but not yet cancelled, pursuant to the share buyback programme, which concluded during FY24.
Capital redemption reserve	A non-distributable reserve into which amounts are transferred following the redemption or purchase of own shares. The reserve was created in order to ensure sufficient distributable reserves were available for the purpose of redeeming preference shares in the prior years.
Retained earnings	To recognise the profit or loss, all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere, and the value of equity-settled share-based awards provided to Executive Directors and other senior executives as part of their remuneration (refer to the Directors' Remuneration Report on pages 119 to 133 of the Annual Report for further details).

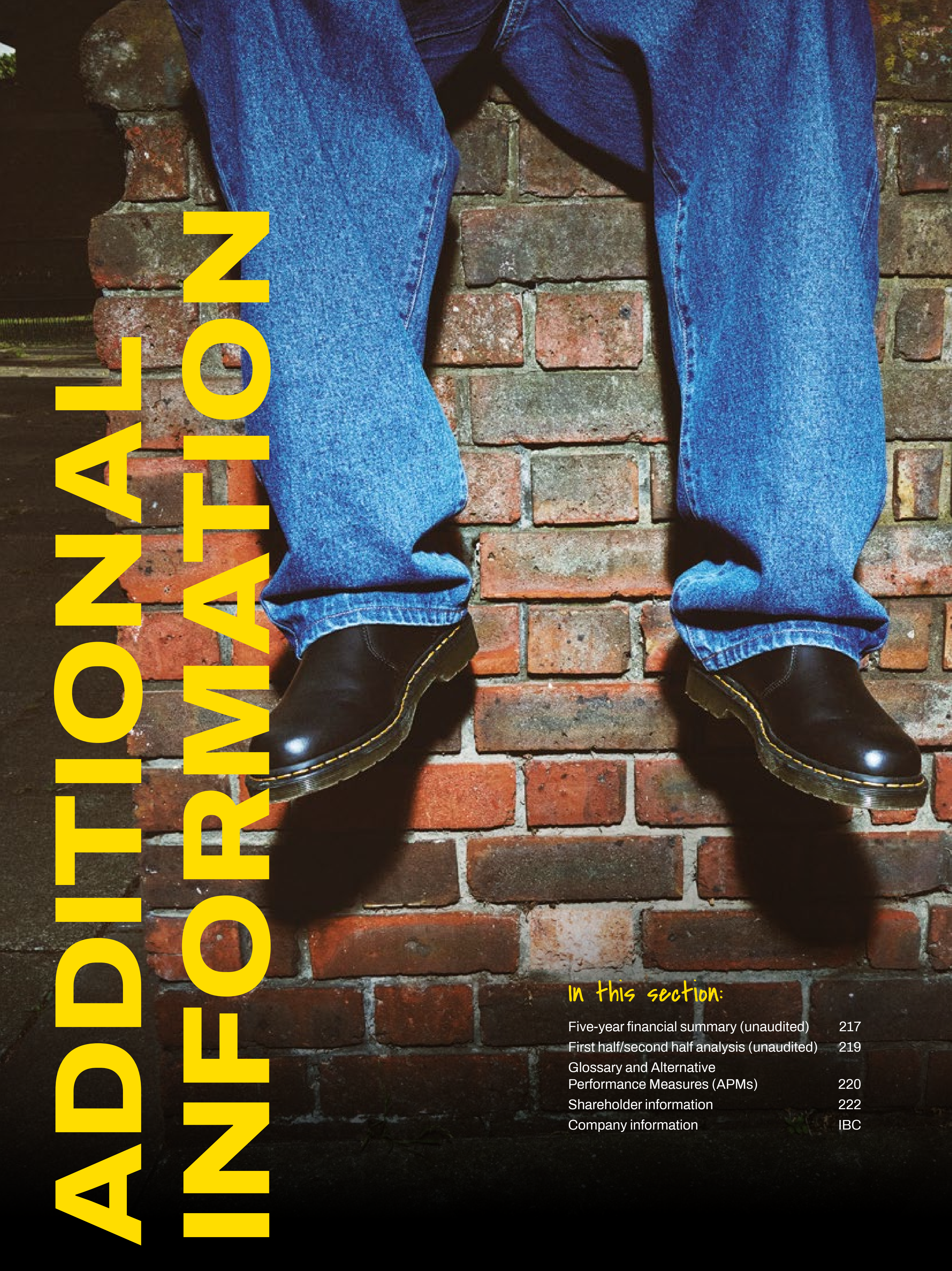
13. Subsidiary undertakings

The registered address and principal place of business of each subsidiary undertaking are shown in the footnotes below the table. The financial performance and financial position of these undertakings have been consolidated in the Consolidated Financial Statements.

Name	Country of registration	Class of share capital held	Nature of investment Direct	Nature of investment Indirect	Nature of business
Airwair (1994) Limited[1]	England and Wales	Ordinary	–	100%	Management company
Airwair (1996) Limited[1]	England and Wales	Ordinary	–	100%	Management company
Airwair International Limited[1]	England and Wales	Ordinary	–	100%	Footwear retail and distribution
Airwair Limited[1]	England and Wales	Ordinary	–	100%	Management company
Airwair Property Limited[1]	England and Wales	Ordinary	–	100%	Property investment
Ampdebtco Limited[2]	England and Wales	Ordinary	100%	–	Management company
DM Airwair Germany GmbH[13]	Germany	Ordinary	–	100%	Footwear retail and distribution
DM Airwair Sweden AB[14]	Sweden	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair (Ireland) Limited[12]	Republic of Ireland	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Trading (Zhuhai) Company Limited*[4]	China	Ordinary	–	100%	Manufacturing support
Dr. Martens Airwair Austria GmbH[22]	Austria	Ordinary	–	100%	Footwear retail and distribution
Dr Martens Airwair Belgium SA[8]	Belgium	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Canada Inc.[19]	Canada	Capital of no par value	–	100%	Footwear retail and distribution
Dr Martens Airwair France SAS[9]	France	Ordinary	–	100%	Footwear retail and distribution
Dr Martens Airwair Group Limited[1]	England and Wales	Ordinary	–	100%	Management company
Dr. Martens Airwair Hong Kong Limited[5]	Hong Kong SAR	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Japan K.K.[7]	Japan	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Korea Limited[6]	Korea	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Spain S.L.U.[17]	Spain	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair USA LLC[3]	USA	Capital of no par value	–	100%	Footwear retail and distribution
Dr Martens Airwair Wholesale Limited[1]	England and Wales	Ordinary	–	100%	Footwear retail and distribution
Dr Martens Airwair Italy S.R.L.[15]	Italy	Ordinary	–	100%	Footwear retail and distribution
Dr Martens Airwair Netherlands B.V.[10]	Netherlands	Ordinary	–	100%	Footwear retail and distribution
GFM GmbH Trademarks[11]	Germany	Ordinary	–	50%	Trademark registration
Shanghai Airwair Trading Limited*[16]	China	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Poland Z.o.o.[20]	Poland	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Denmark ApS[21]	Denmark	Ordinary	–	100%	Footwear retail and distribution
Dr. Martens Airwair Vietnam Company Limited[23]	Vietnam	Ordinary	–	100%	Footwear retail and distribution
Dr Martens Airwair Limited[1]	England and Wales	Ordinary	–	100%	Dormant
Dr. Martens Sports & Leisure Limited[1]	England and Wales	Ordinary	–	100%	Dormant
Dr. Martens Airwair Singapore PTE Ltd[18]	Singapore	Ordinary	–	100%	Non-trading
Dr Martens Airwair & Co. Limited[1]	England and Wales	Ordinary	–	100%	Dormant
Dr. Martens Dept. Store Limited[1]	England and Wales	Ordinary	–	100%	Dormant

* The financial year of this entity ends on 31 December in line with local requirements.

1. Cobb's Lane, Wollaston, Northamptonshire, England, NN29 7SW.
2. 28 Jamestown Road, Camden, London, England, NW1 7BY.
3. 16192 Coastal Hwy, Lewes, Delaware 19958, United States.
4. No. 04B, F16. Seat B, No 2021, Jiuzhou Avenue West, Zhuhai 519000, Guangdong Province, China.
5. Unit 2306-11, 23F, Sun Life Tower, The Gateway Tower 5, Harbour City, 15 Canton Road, Tsim Sha Tsui, Hong Kong.
6. 14/F, Room 1, 2, SB Tower, 318 Dosan-daero, Gangnam-gu, Seoul, Republic of Korea.
7. 5-2-28 Jingumae, Shibuya, Tokyo, Japan 150-0001.
8. Avenue du Port 86C, Box 204, 1000 Brussels, Belgium.
9. 5, Cité Trévise 75009 Paris, France.
10. Herikerbergweg 238, Luna Arena, 1101 CM Amsterdam, Netherlands.
11. Seeshaupt, Landkreis Weilheim-Schongau, Germany. Note: this entity is equity accounted not consolidated.
12. TMF Group Ground Floor, Two Dockland Central, Guild St, North Dock, Dublin, Republic of Ireland, D01 K2C5.
13. Wagnerstr. 1A, 40212 Düsseldorf, Germany.
14. Blekingegatan 48, 11662 Stockholm, Sweden.
15. Via Morimondo 26–20143 Milano, Italy.
16. Room 1610-11, 1612, Level 16, Tower A, THREE ITC, No. 183 Hongqiao Road, Xuhui, Shanghai, China.
17. C/Principe de Vergara, 112 4A Planta 28002, Madrid, Spain.
18. 77 Robinson Road, 13-00 Robinson 77, Singapore 068896.
19. 221-451 Dundas Street West, Toronto, Ontario, M5T 1G8, Canada.
20. Rondo, Daszyńskiego 2B, 00-843 Warsaw, Poland.
21. H.C. Andersens Boulevard 38, 3. Th, 1553, København, 1553 Langebro, Denmark.
22. Teinfaltstraße 8/4, 1010 Vienna, Austria.
23. Level 6 & 7, Friendship Tower, No. 31 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.



ADDITIONAL INFORMATION

In this section:

FIVE-YEAR FINANCIAL SUMMARY (UNAUDITED)
FOR THE YEAR ENDED 31 MARCH 2024

	FY24 £m	FY23 £m	FY22 £m	FY21[1] £m	FY20 £m
Revenue:					
Ecommerce	**276.3**	279.0	262.4	235.4	136.4
Retail	**256.8**	241.7	185.6	99.7	165.2
DTC	**533.1**	520.7	448.0	335.1	301.6
Wholesale[5]	**344.0**	479.6	460.3	437.9	370.6
	877.1	1,000.3	908.3	773.0	672.2
Gross profit	**575.2**	618.1	578.8	470.5	401.5
Operating expenses	**(377.7)**	(373.1)	(315.8)	(247.6)	(217.0)
EBITDA[2]	**197.5**	245.0	263.0	222.9	184.5
Profit before tax and exceptional items	**93.0**	159.4	214.3	150.2	113.0
Profit before tax[3]	**93.0**	159.4	214.3	69.7	101.0
Tax expense	**(23.8)**	(30.5)	(33.1)	(35.0)	(26.2)
Profit after tax	**69.2**	128.9	181.2	34.7	74.8
Earnings per share					
Basic	**7.0p**	12.9p	18.1p	3.5p	
Diluted	**7.0p**	12.9p	18.1p	3.5p	
Key statistics:					
Pairs sold (m)	**11.5**	13.8	14.1	12.7	11.1
No. of stores[4]	**239**	204	158	135	122
DTC mix %	**61%**	52%	49%	43%	45%
Gross margin %[2]	**65.6%**	61.8%	63.7%	60.9%	59.7%
EBITDA %[2]	**22.5%**	24.5%	29.0%	28.8%	27.4%

1. Results for the year ended 31 March 2021 have been retrospectively restated in relation to a change in accounting policy for the treatment of cloud-based software. This resulted in £nil impact on cash.
2. Alternative Performance Measure 'APM' as defined in the Glossary on pages 220 and 221.
3. Post exceptional items.
4. Own stores on streets and malls operated under arm's length leasehold arrangements.
5. Wholesale revenue including distributor customers.

FIVE-YEAR FINANCIAL SUMMARY (UNAUDITED)
FOR THE YEAR ENDED 31 MARCH 2024 CONTINUED

	FY24 £m	FY23 £m	FY22 £m	FY21[1] £m	FY20 £m
Revenue by region:					
EMEA	**431.8**	443.0	398.5	335.6	287.9
Americas	**325.8**	428.2	382.7	295.8	252.2
APAC	**119.5**	129.1	127.1	141.6	132.1
	877.1	1,000.3	908.3	773.0	672.2
Revenue mix:					
EMEA %	**49%**	44%	44%	44%	43%
Americas %	**37%**	43%	42%	38%	37%
APAC %	**14%**	13%	14%	18%	20%
EBITDA[2] by region:					
EMEA	**140.8**	146.1	143.8	115.3	92.4
Americas	**64.4**	100.1	120.0	91.9	75.4
APAC	**31.7**	33.8	32.6	39.7	35.5
Group support costs	**(39.4)**	(35.0)	(33.4)	(24.0)	(18.8)
	197.5	245.0	263.0	222.9	184.5
EBITDA %[2] by region:					
EMEA	**32.6%**	33.0%	36.1%	34.4%	32.1%
Americas	**19.8%**	23.4%	31.4%	31.1%	29.9%
APAC	**26.5%**	26.2%	25.6%	28.0%	26.9%
	22.5%	24.5%	29.0%	28.8%	27.4%

1. Results for the year ended 31 March 2021 have been retrospectively restated in relation to a change in accounting policy for the treatment of cloud-based software. This resulted in £nil impact on cash.
2. Alternative Performance Measure 'APM' as defined in the Glossary on pages 220 and 221.

FIRST HALF/SECOND HALF ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED 31 MARCH 2024

	H1			H2			FY		
	Unaudited FY24 £m	Unaudited FY23 £m	Variance %	**Unaudited FY24 £m**	Unaudited FY23 £m	Variance %	**Audited FY24 £m**	Audited FY23 £m	Variance %
Revenue by channel:									
Ecommerce	**91.7**	88.8	3%	**184.6**	190.2	-3%	**276.3**	279.0	-1%
Retail	**104.7**	91.0	15%	**152.1**	150.7	1%	**256.8**	241.7	6%
DTC	**196.4**	179.8	9%	**336.7**	340.9	-1%	**533.1**	520.7	2%
Wholesale[4]	**199.4**	238.8	-16%	**144.6**	240.8	-40%	**344.0**	479.6	-28%
	395.8	418.6	-5%	**481.3**	581.7	-17%	**877.1**	1,000.3	-12%
Gross profit	**254.9**	257.8	-1%	**320.3**	360.3	-11%	**575.2**	618.1	-7%
EBITDA[1]	**77.6**	88.8	-13%	**119.9**	156.2	-23%	**197.5**	245.0	-19%
Profit before tax[2]	**25.8**	57.9	-55%	**67.2**	101.5	-34%	**93.0**	159.4	-42%
Tax expense	**(6.8)**	(13.2)	-48%	**(17.0)**	(17.3)	-2%	**(23.8)**	(30.5)	-22%
Profit after tax	**19.0**	44.7	-57%	**50.2**	84.2	-40%	**69.2**	128.9	-46%
Earnings per share									
Basic	**1.9p**	4.5p	-58%	**5.1p**	8.4p	-39%	**7.0p**	12.9p	-46%
Diluted	**1.9p**	4.5p	-58%	**5.1p**	8.4p	-39%	**7.0p**	12.9p	-46%
Key statistics:									
Pairs sold (m)	**5.7**	6.3	-10%	**5.8**	7.5	-23%	**11.5**	13.8	-17%
No. of stores[3]	**225**	174	29%	**239**	204	17%	**239**	204	17%
DTC mix %	**50%**	43%	+7pts	**70%**	59%	+11pts	**61%**	52%	+9pts
Gross margin %[1]	**64.4%**	61.6%	+2.8pts	**66.5%**	61.9%	+4.6pts	**65.6%**	61.8%	+3.8pts
EBITDA %[1]	**19.6%**	21.2%	-1.6pts	**24.9%**	26.9%	-2.0pts	**22.5%**	24.5%	-2.0pts
Revenue by region:									
EMEA	**194.2**	179.0	8%	**237.6**	264.0	-10%	**431.8**	443.0	-3%
Americas	**147.7**	179.7	-18%	**178.1**	248.5	-28%	**325.8**	428.2	-24%
APAC	**53.9**	59.9	-10%	**65.6**	69.2	-5%	**119.5**	129.1	-7%
	395.8	418.6	-5%	**481.3**	581.7	-17%	**877.1**	1,000.3	-12%
Revenue mix:									
EMEA %	**49%**	43%	+6pts	**49%**	45%	+4pts	**49%**	44%	+5pts
Americas %	**37%**	43%	-6pts	**37%**	43%	-6pts	**37%**	43%	-6pts
APAC %	**14%**	14%	–	**14%**	12%	+2pts	**14%**	13%	+1pts
EBITDA[1] by region:									
EMEA	**55.8**	52.8	6%	**85.0**	93.3	-9%	**140.8**	146.1	-4%
Americas	**28.6**	41.4	-31%	**35.8**	58.7	-39%	**64.4**	100.1	-36%
APAC	**12.2**	13.1	-7%	**19.5**	20.7	-6%	**31.7**	33.8	-6%
Support costs	**(19.0)**	(18.5)	3%	**(20.4)**	(16.5)	24%	**(39.4)**	(35.0)	13%
	77.6	88.8	-13%	**119.9**	156.2	-23%	**197.5**	245.0	-19%
EBITDA %[1]:									
EMEA	**28.7%**	29.5%	-0.8pts	**35.8%**	35.3%	+0.5pts	**32.6%**	33.0%	-0.4pts
Americas	**19.4%**	23.0%	-3.6pts	**20.1%**	23.6%	-3.5pts	**19.8%**	23.4%	-3.6pts
APAC	**22.6%**	21.9%	+0.7pts	**29.7%**	29.9%	-0.2pts	**26.5%**	26.2%	+0.3pts
Total	**19.6%**	21.2%	-1.6pts	**24.9%**	26.9%	-2.0pts	**22.5%**	24.5%	-2.0pts

1. Alternative Performance Measure 'APM' as defined in the Glossary on pages 220 and 221.
2. Post exceptional items.
3. Own stores on streets and malls operated under arm's length leasehold arrangements.
4. Wholesale revenue including distributor customers.

The Group tracks a number of key performance indicators (KPIs) including Alternative Performance Measures (APMs) in managing its business, which are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measures calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board.

The Group is no longer presenting underlying earnings per share. In previous years this metric was introduced to present earnings per share exclusive of prior year tax adjustments in relation to exceptional costs. The Group recognised £nil prior year tax adjustments in relation to exceptional costs in FY24 and FY23; as such this adjusted measure is no longer relevant.

These APMs should be viewed as supplemental to, but not as a substitute for, measures presented in the Consolidated Financial Statements relating to the Group, which are prepared in accordance with IFRS. The Group believes that these APMs are useful indicators of its performance. However, they may not be comparable with similarly titled measures reported by other companies due to differences in the way they are calculated.

Metric	Definition	Rationale	APM	KPI
Revenue	Revenue per financial statements.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	Yes
Revenue by geographical market	Revenue per the Group's geographical segments.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	Yes
Revenue: EMEA				
Revenue: Americas				
Revenue: APAC				
Revenue by channel		Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	Yes
Revenue: ecommerce	Revenue from the Group's ecommerce platforms.			
Revenue: retail	Revenue from the Group's own stores (including concessions).			
Revenue: DTC	Revenue from the Group's direct-to-consumer (DTC) channel (= ecommerce plus retail revenue).			
Revenue: wholesale	Revenue from the Group's business-to-business channel, revenue to wholesale customers, distributors and franchisees.			
Constant currency basis	Non-GBP results with the same foreign exchange rate applied to the current and prior periods, based on the current budgeted rates.	Presenting results of the Group excluding foreign exchange volatility.	No	No
Gross margin	Revenue less cost of sales (raw materials and consumables). Cost of sales is disclosed in the Consolidated Statement of Profit or Loss.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	No
Gross margin %	Gross margin divided by revenue.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	No
Opex	Selling and administrative expenses and finance expenses less depreciation, amortisation, foreign exchange gains/(losses) and finance expense.	Opex is used to reconcile between gross margin and EBITDA.	Yes	No

Metric	Definition	Rationale	APM	KPI
EBITDA	Profit/(loss) for the year before income tax expense, financing expense, foreign exchange gains/(losses), depreciation of right-of-use assets, depreciation, amortisation and exceptional items. Exceptional items are material items that are considered exceptional in nature by virtue of their size and/or incidence.	EBITDA is used as a key profit measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance.	Yes	Yes
EBITDA %	EBITDA divided by revenue.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	Yes
EBIT	Profit/(loss) for the year before income tax expense, financing expense, foreign exchange gains/(losses) and exceptional items. Exceptional items are material items that are considered exceptional in nature by virtue of their size and/or incidence.	EBIT is used as a key profit measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance.	Yes	No
Operating cash flow	EBITDA less change in net working capital, share-based payment expense and capital expenditure.	Operating cash flow is used as a trading cash generation measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance.	Yes	Yes
Operating cash flow conversion	Operating cash flow divided by EBITDA.	Used to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditure and working capital requirements.	Yes	Yes
Free cash flow	Operating cash flow less cash outflows for exceptional items, net interest paid, taxation and lease liabilities.	Free cash flow is used as a net cash flow measure for the Group before changes in the debt/capital structure.	Yes	No
Net debt	Net debt is calculated by subtracting cash and cash equivalents from bank loans and lease liabilities.	To aid the understanding of the reader of the financial statements in respect of liabilities owed.	Yes	No
Profit before tax (before FX charge)	Profit before tax and before foreign exchange gains/losses.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	No
Earnings per share	IFRS measure.	This indicates how much money a company makes for each share of its stock, and is a widely used metric to estimate company value.	No	Yes
Basic earnings per share	The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the period/year.	A higher EPS indicates greater value because investors will pay more for a company's shares if they think the company has higher profits relative to its share price.	No	Yes
Diluted earnings per share	Calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period/year plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.	Used to gauge the quality of EPS if all convertible securities were exercised.	No	No
Ecommerce mix %	Ecommerce revenue as a percentage of total revenue.	Helps evaluate progress towards strategic objectives.	No	Yes
DTC mix %	DTC revenue as a percentage of total revenue.	Helps evaluate progress towards strategic objectives.	No	Yes
No. of stores	Number of 'own' stores open in the Group.	Helps evaluate progress towards strategic objectives.	No	Yes
Pairs	Pairs of footwear sold during a period.	Used to show volumes and growths in the Group.	No	Yes

Analysis of share register

ORDINARY SHARES

As at 31 March 2024, the Company had 493 registered holders of ordinary shares. Their shareholdings are analysed below:

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1-500	63	12.78%	10,315	<0.01%
501-1000	25	5.07%	19,413	<0.01%
1001-2000	22	4.46%	33,447	<0.01%
2001-5000	35	7.10%	114,688	0.01%
5001-10000	25	5.07%	181,742	0.02%
10001-100000	132	26.77%	5,417,257	0.56%
100001-1000000	112	22.72%	36,380,565	3.78%
1000001-9999999999	79	16.02%	919,721,181	95.62%
Totals	**493**	**100.00%**	**961,878,608**	**100.00%**

Shareholders' enquiries

Any shareholder with enquiries relating to their shareholding should, in the first instance, contact our registrar, Equiniti, using the telephone number or address on this page.

Electronic shareholder communications

Shareholders can elect to receive communications by email each time the Company distributes documents, instead of receiving paper copies. This can be done by registering via Shareview at no extra cost, at **www.shareview.co.uk**. In the event that you change your mind or require a paper version of any document in the future, please contact the registrar.

Access to Shareview allows shareholders to view details about their holdings, submit a proxy vote for shareholder meetings and notify a change of address. In addition to this, shareholders have the opportunity to complete dividend mandates online which facilitates the payment of dividends directly into a nominated account.

Financial calendar

Announcement of full year results	30 May 2024
Ex-dividend date for final dividend	29 August 2024
Record date for final dividend	30 August 2024
Annual General Meeting	11 July 2024
Payment date for final dividend	1 October 2024
Announcement of half year results	28 November 2024

Shareholder security

Shareholders should be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free company reports. These are typically from purported 'brokers' who target UK shareholders with offers to sell them what often turn out to be worthless or high-risk shares in USA or UK investments. These operations are commonly known as boiler rooms. If you receive any unsolicited investment advice, get the correct name of the person and organisation, and check that they are properly authorised by the FCA before getting involved. This can be done by visiting **www.fca.org.uk/register**.

If you think you have been approached by an unauthorised firm, you should contact the FCA consumer helpline on 0800 111 6768.

More detailed information and guidance for shareholders on how to avoid scams can be found on the FCA's website at **www.fca.org.uk/consumers/protect-yourself/unauthorised-firms**.

AGM

The AGM will be held at Holiday Inn London-Camden Lock, 30 Jamestown Road, Camden, NW1 7BY at 9:30am on Thursday 11 July 2024. Shareholders are strongly encouraged not to attend the meeting in person and to send any questions they may have for the Board, that relate to the business of the meeting, in advance by email to **company.secretariat@drmartens.com**. Questions relating to the business of the meeting can be emailed to and will be responded to in full. We will also publish all answers to any questions submitted that relate to the business of the meeting, together with the full voting results for the 2024 AGM, on **www.drmartensplc.com** shortly after the meeting.

Website

The investor section of Dr. Martens' corporate website, **www.drmartensplc.com**, contains a wide range of information including regulatory news, results announcements, share price information and information about our Board and Committees.

It is also possible to sign up to receive regulatory news relating to Dr. Martens plc alerts by email at **www.drmartensplc.com/investors/regulatory-news/rns-alerts/**.

Our privacy policy

Our privacy policy, which sets out how Dr. Martens collects and uses personal information, can be found at **www.drmartensplc.com/privacy-policy**.

Registered office

28 Jamestown Road
Camden
London
NW1 7BY

Investor relations

investor.relations@drmartens.com

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel: 0371 384 2030 (from the UK)
Tel: +44 121 4157047 (from overseas)

Independent auditor

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Tel: +44 (0) 20 7583 5000

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DR. MARTENS PLC
28 Jamestown Rd
Camden
London NW1 7BY

drmartensplc.com

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