



RALPH LAUREN

GENDER PAY GAP

2018 Report



Introduction

At Ralph Lauren we believe that equal pay, as well as equal opportunity in career development and growth, are an integral part of our identity. When he founded the Company in 1967, Mr. Lauren made sure that his organization was built around his deeply held belief that any person should be empowered to achieve their dreams. In his words, you should "Be anything you want to be, and be many things". Inspired by his vision, we have spent the last 50 years building our culture around the idea that the diversity, authenticity and unique heritage of our people are the most important contributors to our business success.

This deep commitment towards talent diversity and equal opportunity was substantiated when we published our first gender pay gap report last year, in accordance with new UK legislation.

It showed that our mean gender pay and bonus gaps were significantly lower than the national average. Most of all, our median pay gaps were negative, meaning that women were paid more than men overall.

This year, we are happy to report that we keep progressing towards our goal of greater gender balance as our mean and median pay and bonus gaps have reduced even further. Ensuring that we keep improving in this regard will stay a priority for us, as it was for Mr. Lauren when he built this Company.



Howard Smith
Chief Commercial Officer, Global

UNDERSTANDING THE GENDER PAY GAP

What is the gender pay gap?

A gender pay gap is a measure of the difference in the average pay of women and men across the entire organisation, regardless of the nature of their work. It does not measure equal pay, which relates to what women and men carrying out the same jobs, similar jobs or work of equal value, earn.



It is based on the **hourly pay & bonus rates** for men and women **regardless** of their level or the job they do.



Nationally, one of the main reasons for the gender pay gap is **men** are more likely to be in **senior roles**.



Gender pay gap is **different from equal pay** which states that men and women doing similar jobs or work of equal value must receive equal pay.



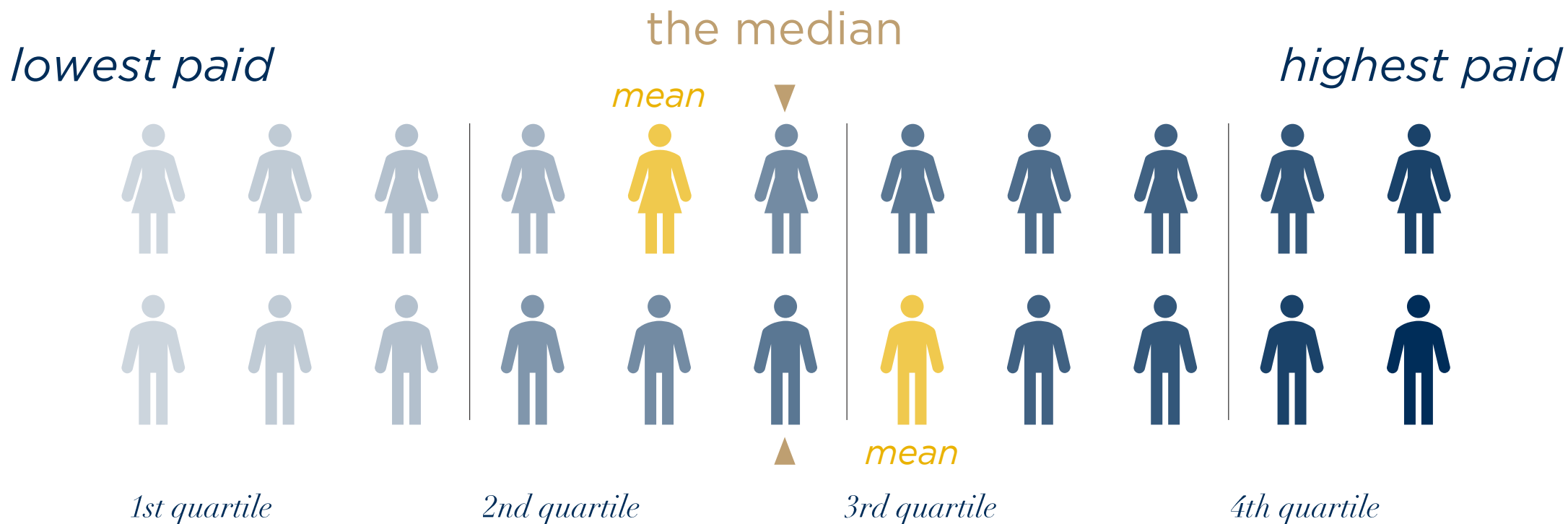
METHODOLOGY

THE MEAN, MEDIAN & QUARTILES

“

The median is the middle value in the range of all values, aligned from smallest to largest.

”



POPULATION

FACTS & FIGURES

50% *our of global Senior Leadership is female*

1750 *employees across the UK*

38% *of both female and male employees received bonus pay in 2018*

50% *of our UK Directors and above are female*



RESULTS

Pay elements such as basic pay, bonus pay, allowances, paid leave, shift premiums **are included**.

Pay elements such as overtime, expenses, benefits in kind, redundancy **are excluded**.

PAY GAP

+4.2%

MEAN

2017: +4.6%

-10.1%

MEDIAN

2017: -16.7%

*Our **mean** pay gap is improving compared to 2017*

*Our **median** pay gap is negative, meaning that women are paid more than men*

BONUS GAP

-5%

MEAN

2017: +48.8%

-48.7%

MEDIAN

2017: - 39%

*Our **mean** bonus pay gap has improved significantly compared to last year due to the introduction of a new bonus plan in a population with a high % of women*

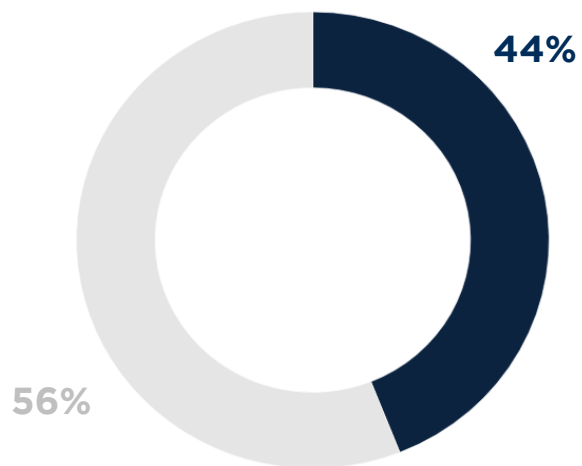
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RESULTS

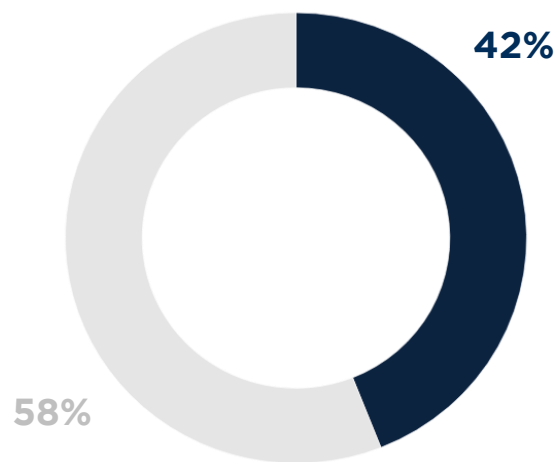
PAY QUARTILES

Pay quartiles show the distribution of earnings when looking at pay. They are calculated by ranking employees from the lowest to the highest paid individual and subsequently by dividing the workforce into four equal groups (quartiles).

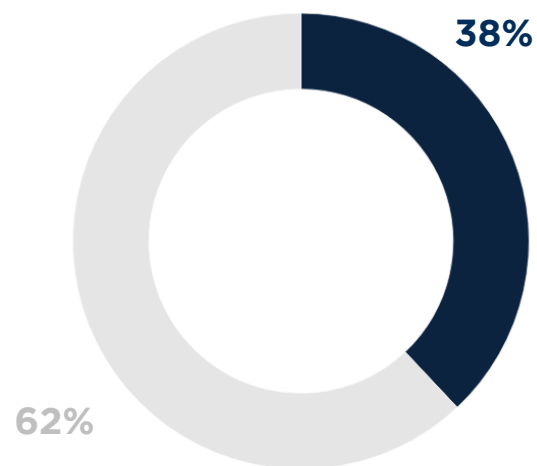
1st QUARTILE



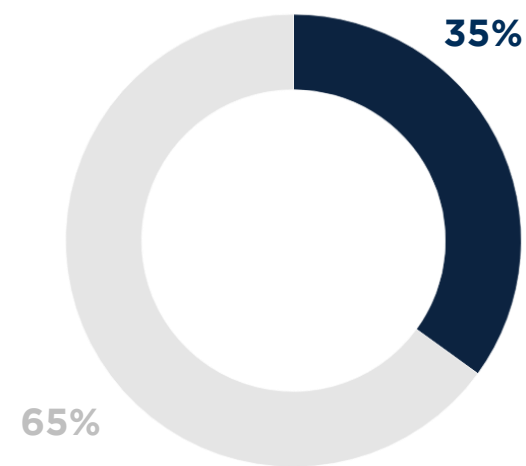
2nd QUARTILE



3rd QUARTILE



4th QUARTILE



● Female ● Male

data: April 2018

CLOSING THE GAP

OUR COMPANY INITIATIVES

Our Company demographics are richly diverse, and our focus is on closing the gap. We are proud to announce that since the launch of our 2017 report, we have been able to reduce our mean gender pay gap figure from **4.6%** to **4.2%**. We have launched a number of initiatives and enhanced some of our Learning opportunities which we believe have supported in this improvement. Details of some of these schemes and enhancements can be seen below.



Recruitment

This year saw the launch of a new Talent Platform which revolutionised the way we provide visibility to career opportunities for our internal employees and recruit external talent. This platform supports internal mobility allowing for more transitions from our stores to our generally higher paid corporate office roles.



Bonus Schemes

Last year we were delighted to launch a bonus plan for our associates in the Polo Factory Stores. With a higher percentage of females working in our stores, the introduction of this scheme has had a significant positive impact on our mean bonus pay gap.



Flexible Working

Since our last report we have launched several initiatives with the aim of supporting our employees achieve a positive work life balance. These include Flextime (flex the start and end time of your working day), Flexplace (remote working), Flexdown (supporting reduced hours/days), Sabbatical leave and Paid Family leave.



CLOSING THE GAP

LEARNING & DEVELOPMENT

All employees across Retail and Corporate offices were trained on understanding their personal development and given the opportunity to explore their top five strengths. Subsequently, they were encouraged to build upon them to achieve their professional goals. Training was also given to employees to help them understand the Company's strategy for the future.

Regarding our stores, a number of apprenticeship programmes have been added to our already extensive L&D offering with a specific focus on our retail teams. Furthermore, we refreshed our store on-boarding plan to provide each new employee with a detailed and clear learning journey during their first 90 days.

In addition, we are rolling out a Retail Talent Exchange to supplement our existing job shadowing programs across our corporate offices and retail stores, encouraging collaboration and internal mobility. Finally, we educate all employees on Respect and Inclusion through workshops and online learning, along with several Diversity and Inclusion initiatives.





Diversity & inclusion

Ralph Lauren holds Diversity and inclusion as a top priority and it is at the heart of our values. We create and promote a culture that advocates for the equality and conscious inclusion of everyone, and it is our call to action to continually maintain an environment where all our people belong, are respected, thrive while being their best selves and deliver company results.

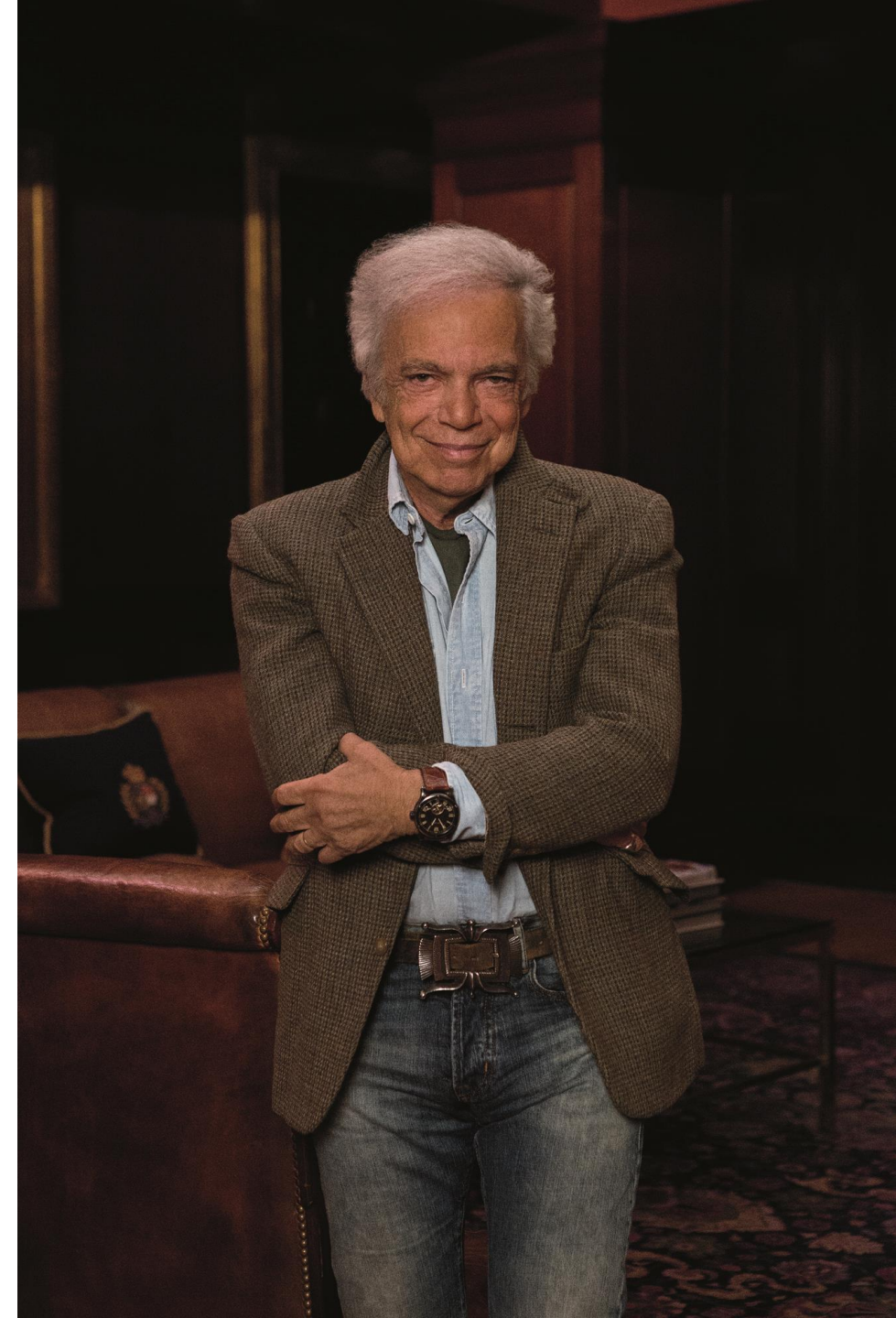
In 2017 our President and CEO, Patrice Louvet signed the CEO Action for Diversity and Inclusion pledge, joining 270 other Companies representing 70 industries focused on making an impact in this area. As part of our commitment we pledged to implement and expand our unconscious bias education. This roll out has started and as part of our mandatory training all employees across the globe are now invited to attend a 3 hour Respect and Inclusion workshop.

ABOUT US

RALPH LAUREN RETAIL SERVICES LTD

RL Retail Services Ltd employs approximately 1,750 people in Great Britain and operates as a subsidiary of Ralph Lauren Corporation.

Ralph Lauren Corporation (NYSE:RL) Ralph Lauren Corporation (NYSE:RL) is a global leader in the design, marketing and distribution of premium lifestyle products in five categories: apparel, accessories, home, fragrances, and hospitality. For more than 50 years, Ralph Lauren's reputation and distinctive image have been consistently developed across an expanding number of products, brands and international markets. The Company's brand names, which include Ralph Lauren, Ralph Lauren Collection, Ralph Lauren Purple Label, Polo Ralph Lauren, Double RL, Lauren Ralph Lauren, Polo Ralph Lauren Children, Chaps, and Club Monaco, among others, constitute one of the world's most widely recognized families of consumer brands.





Declaration

I confirm the information and data reported is accurate as of the snapshot date 5 April 2018

Carmel Pedatella

CFO International

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