

Gender Pay Gap Report

UK | 2019

RALPH LAUREN



A Message

From Our Leadership

DEAR STAKEHOLDERS,

At Ralph Lauren we create an environment where everyone has a sense of belonging and can thrive and be their best selves. Our focus on Diversity and Inclusion is at the heart of our values. We celebrate diverse cultures and backgrounds and aim to make everyone feel included and respected in our extended family. The diversity of our people and our culture of inclusivity is a business advantage for Ralph Lauren from our Retail employees to our executives. We become more innovative, creative and successful with each unique individual who joins our Company.

Our commitment to diversity and inclusion was reflected on our gender pay gap reports for 2017 and 2018 which showed that our mean gender pay, and bonus gaps were significantly lower than the national average and industry average.

In addition, our median pay gaps were negative, meaning that women were paid more than men overall.

This year, we are pleased to report that our focus on achieving greater gender balance is even more evident as our mean pay gap has significantly decreased compared to 2018.

Reducing our mean and median pay and bonus gender gaps will continue to be our top priority as well as creating a culture that champions respect, individuality and possibility.

Declaration:

I confirm the information and data reported is accurate as of the snapshot date 5 April 2019. We sought advice from professional advisers who performed a methodology review of our approach to gender pay gap reporting for our 2021 reporting year and sample tested rates of pay included in the gender pay gap calculations to test the robustness and correctness of our approach.

Gender Parity at RL

At Ralph Lauren, and as part of our Diversity & Inclusion strategy, we strive to increase opportunities for women in our workforce globally. We are on track to reach a milestone in our diversity and inclusion (D&I) journey. We aim to achieve our 2023 global gender parity goal for equal representation in leadership positions at the VP level and above three years ahead of schedule.

To accomplish that, we are leveraging 10 main pillars :

DIVERSE RECRUITMENT
ATTRACTING & RETAINING TALENT
FOSTERING AN INCLUSIVE CULTURE
EMBEDDING DIVERSITY
EDUCATION & COMMUNICATION
WELLNESS, BENEFITS & PAY EQUITY
GLOBAL PEOPLE PRACTICES
INVESTING IN ALL EMPLOYEES
LEARNING & DEVELOPMENT
ACTING ON FEEDBACK



Methodology

Basic Information About The Gender Pay Gap

The aim of the gender pay gap is to calculate the difference between the average earnings of all men and all women in an organisation, irrespective of their jobs or responsibilities. It uses the mean and median earnings figures and is expressed as a percentage of men's earnings.

BASED ON HOURLY PAY

It is based on the hourly pay and it is calculated by adding all male or female hourly rates and dividing them by the total number of employees in the organisation.

DIFFERENCE WITH EQUAL PAY

The gender pay gap calculates the difference in hourly pay between men and women across the entire organisation, whilst equal pay measures that men and women are paid the same for doing similar work or work of equal value.

THE IMPACT OF SENIORITY

In general, fewer women are likely to hold senior positions in organisations. This results in a gender pay gap, even if women are being paid equally or more than men for doing the same job.

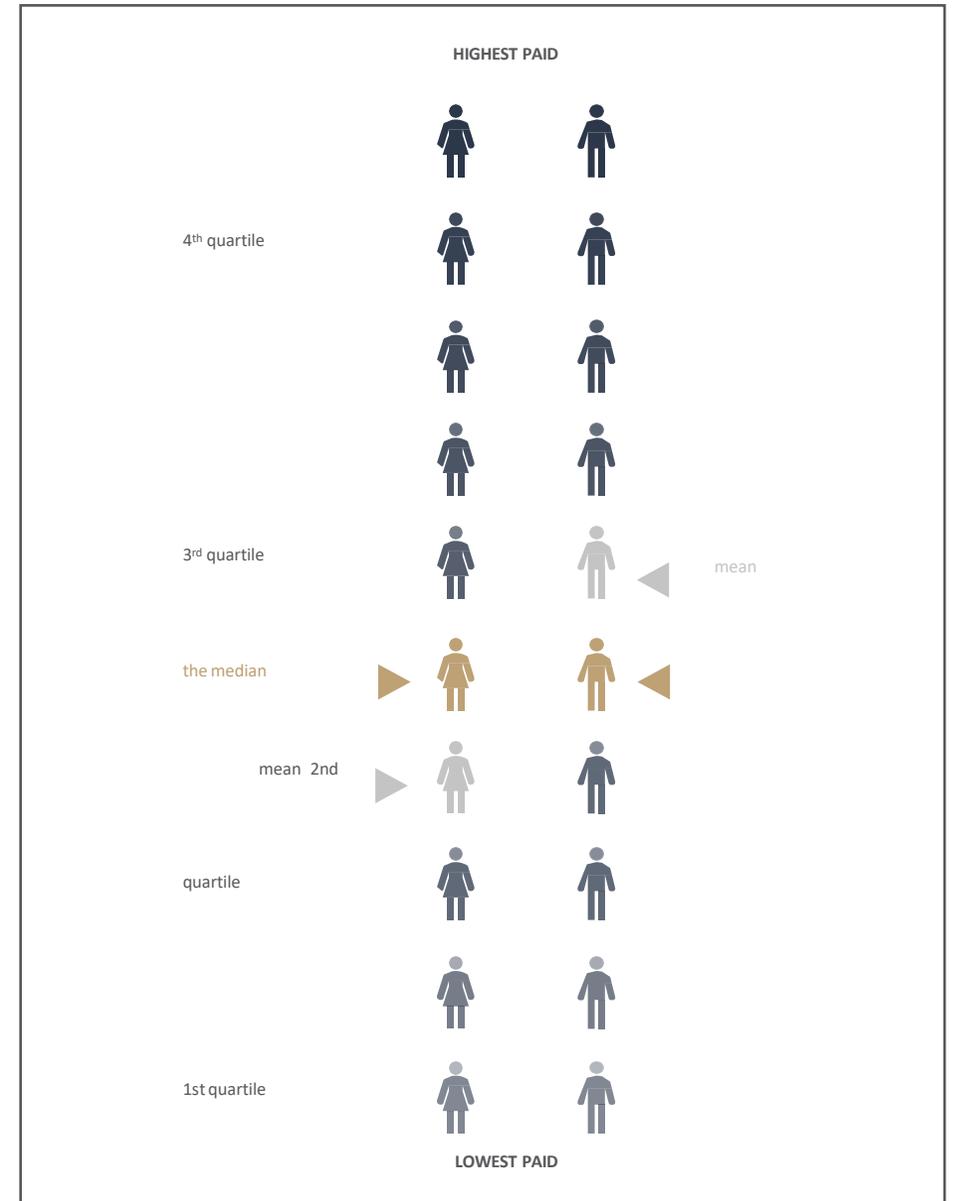


Methodology

Means, Medians & Quartiles

The median is calculated by placing male and female employees in order of earnings from smallest to largest and selecting the middle value in the range (odd number) or the average of the 2 middle numbers (even number).

The mean is calculated by adding up all the rates of pay and dividing the result by how many people are on the list. Quartiles are calculated by listing the rates of pay of each employee across the business (from lowest to highest) and subsequently by dividing this list into four sections (quartiles) with an equal number of employees in each section.



Our Population

Facts & Figures

70% OF MALE AND 64% OF FEMALE
EMPLOYEES RECEIVED BONUS PAY IN 2019

1,800

employees across
the UK

50%

of our global senior
leadership are women

51% OF OUR UK DIRECTORS AND ABOVE ARE WOMEN

Results

Means & Medians

PAY GAP

mean

-1.6%

2018: +4.2%

Our mean pay gap is negative, meaning that women are paid more than men overall at Ralph Lauren

median

-0.1%

2018: -10.1%

Our median pay gap is aligned to the mean and the 2018 figures, with women being paid slightly more than men

BONUS GAP

mean

+32%

2018: -5%

Our mean bonus pay gap is the only statistic showing men being paid more than women and this is primarily driven by a small group of men holding senior roles within the company.

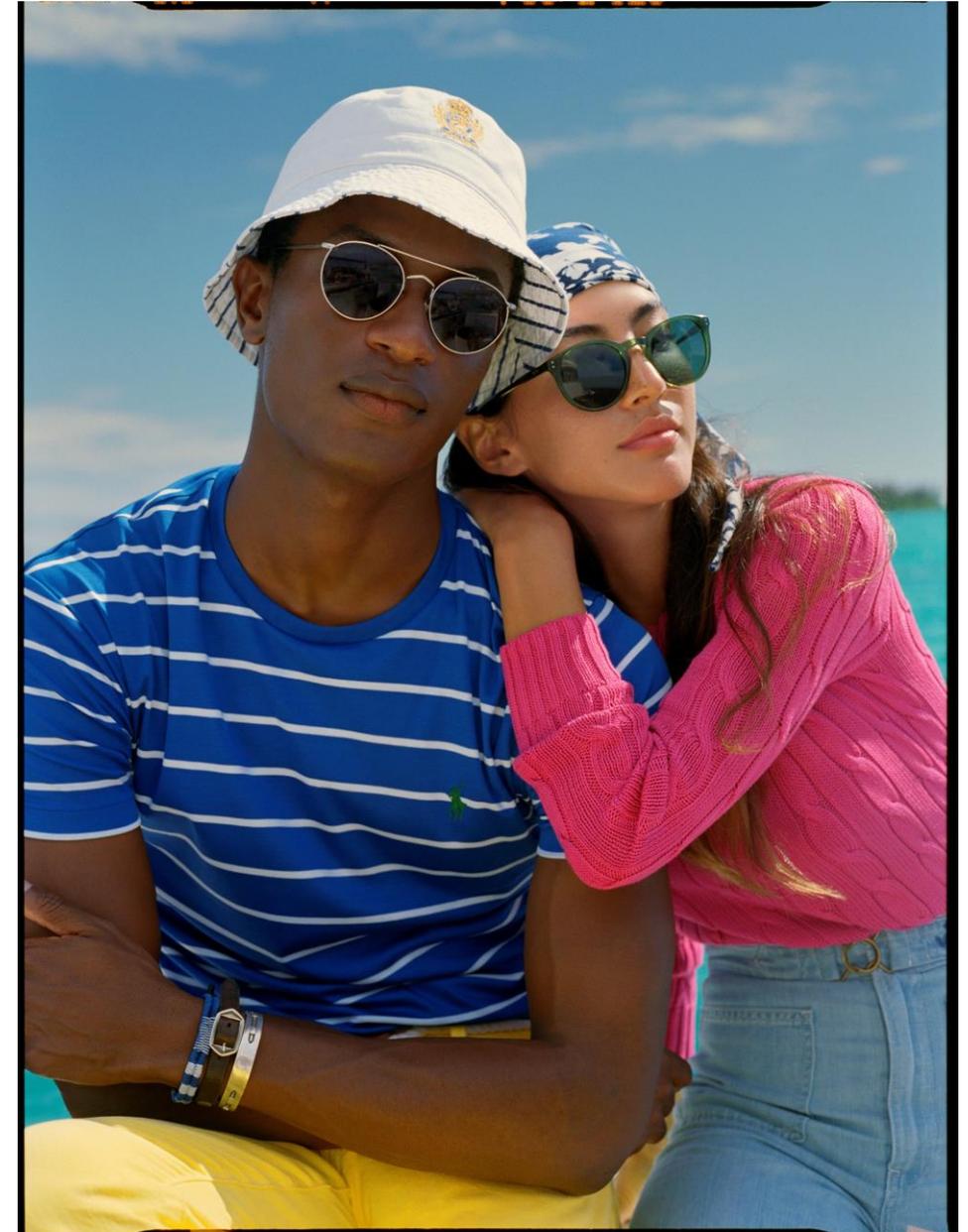
Bonus and stock values increase with grade and in 2019 bonus payouts were greater than in 2018, explaining the increase in the mean bonus pay gap.

median

-7.3%

2018: -48.7%

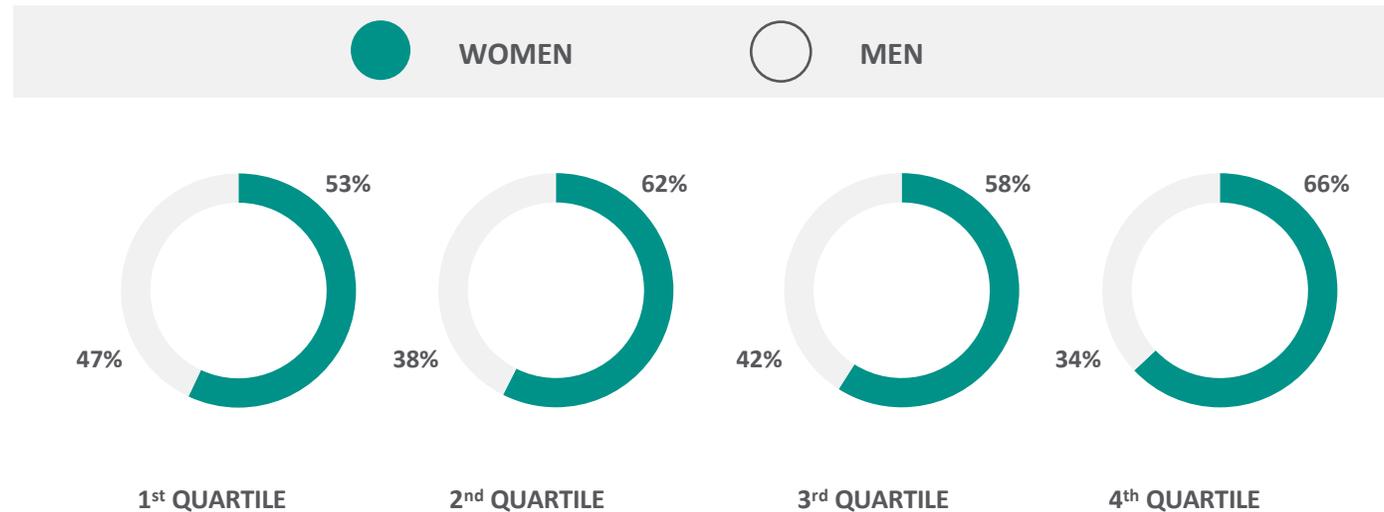
Our median bonus gap is still negative, demonstrating that overall women still earn higher bonus pay than men at Ralph Lauren



Results

Pay Quartiles

Pay quartiles are calculated by dividing all employees into four equal groups based on their level of pay. Looking at the proportion of men and women in each group provides an indication of the gender representation across different levels of pay, highlighting whether female employees are stuck in the lower quartiles of the organisation. In Ralph Lauren women outnumber men in each pay quartile, and particularly in the upper quartile, showing that there are no barriers for women in fulfilling their career aspirations.



Our Initiatives

What We Have Been Doing To Close The Gap

At Ralph Lauren we create and promote a culture that advocates for the equality and conscious inclusion of everyone. This is reflected on our mean gender pay gap figure, which had significantly decreased, from 4.2% in 2018 to -1.6% in 2019.

We believe the below initiatives we launched helped us with these improvements.

RECRUITMENTS

We continue to implement strategic recruitment practices to increase the diversity of our leadership. In line with our Parity.org pledge, we are committed to interviewing at least one qualified female candidate for every VP and above open role including the C-Suite and the Board.

PAID FAMILY LEAVE

Ralph Lauren is committed to helping employees worldwide face the challenges of managing work, family, and life-related issues. To this extent, the Company provides eligible employees, male and female, with generous paid time off in case of birth/adoption of a child or to care for a sick family member.

WELLNESS

We recently launched our global wellness initiative designed to support employees' social, physical, emotional and financial well-being, inspired not only to help employees achieve their goals but to allow them to THRIVE.



Our Initiatives

LEARNING & DEVELOPMENT

We Focus On Empowering Everyone!

Training at all levels ensures that our employees know how to contribute to a healthy and inclusive workplace culture where they feel safe and respected at work. In 2019, all global employees, including our Board members, completed unconscious bias training and more programs will be launched in 2020 on allyship and advocacy, focusing on inclusive behaviors.

We've expanded our learning and development program to build skills and prepare us for the future. In 2019, we opened our mentorship program to all employees and launched a tuition assistance fund to support external academic education.

We continue to ensure every corporate and retail employee has had opportunities for self-development and career progress by offering at least 10 hours of learning each year. We support them to build their development and career plans through identifying their strengths, values and goals.

We launched new associate level and director development programmes, adding to our existing manager development programme to offer structured and value-led learning experiences that are critical for success in their role.

A key focus has been developing our store employees who have access to all the core learning, and cohort programmes available to corporate employees. In addition, we have been upskilling all our store management this year on creating emotional connections with our people that allow them to lead and drive customer loyalty.

Our Initiatives

DIVERSITY & INCLUSION

At Ralph Lauren we recognize that diversity and inclusion are multi-faceted issues and we believe we need to address the concerns and needs of our diverse employees honestly and head-on, increasing equality for all. Diversity and Inclusion is embedded in our brand and how we approach recruitment, work with key business partners, and present the dream of a better life to our consumers.

Our Company is home to people from different backgrounds and we celebrate the varied perspectives they bring to Ralph Lauren. We are creating a culture where all employees have a sense of belonging and thrive— as individuals and as a part of our team. To support this, we have structured programs to create an environment where all voices are welcome.

At the heart of our efforts are our company diversity and inclusion employee groups. These resource groups are comprised of global networks of employees who work collaboratively to identify and address diversity-related matters and to explore ideas for action and solutions as appropriate. Their engagement and activism within the organization guide much of the work that we do to uphold our values.

Career development continues to be a key focus and through our Careers Month – an initiative to raise awareness and insight into career path opportunities, department showcases, and available learning experiences – we aimed to support our employees to achieve their goals. We have continued to deliver careers events across the country with various educational institution partners. We have expanded the partnership with Access London which is targeted at students from socio-economically deprived areas.



About Us

Ralph Lauren Retail Services LTD

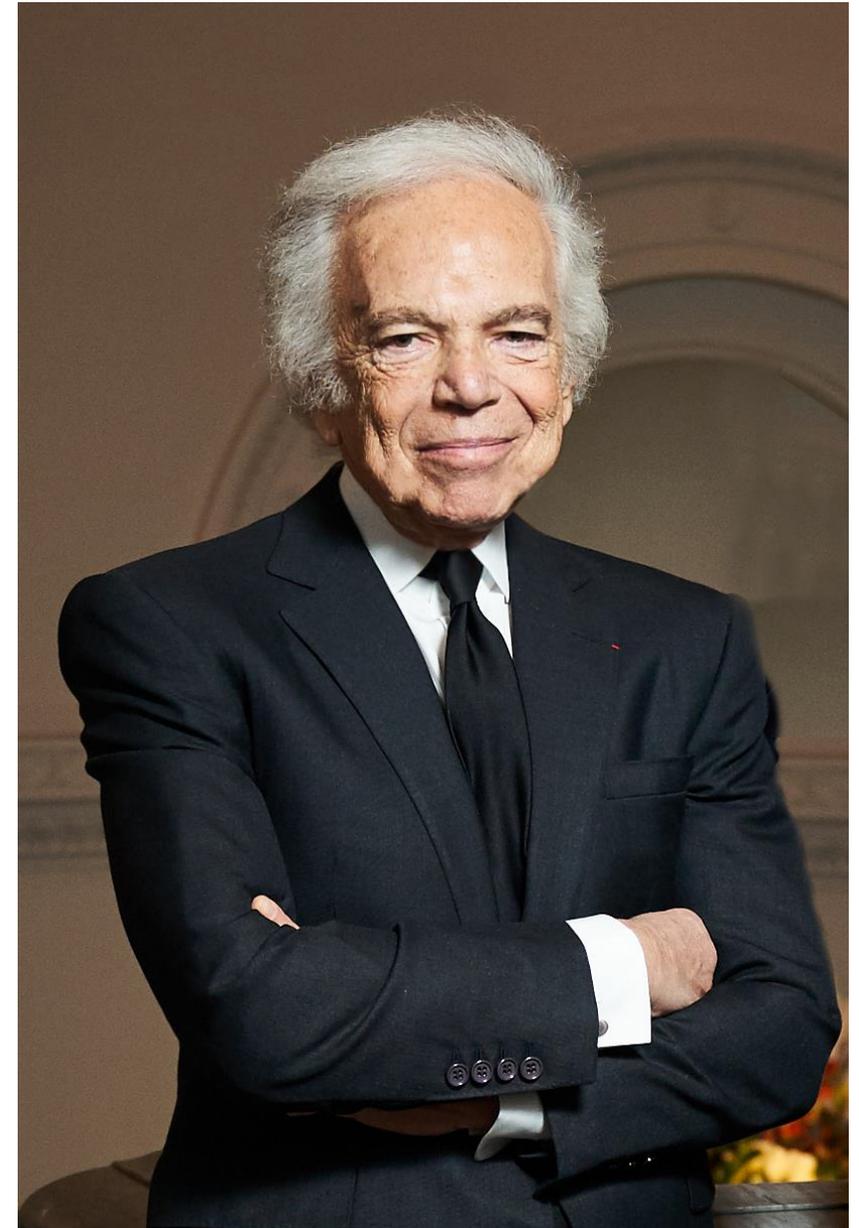
RALPH LAUREN IN THE UK

RL Retail Services Ltd employs approximately 1,800 people in Great Britain and operates as a subsidiary of Ralph Lauren Corporation.



RALPH LAUREN CORPORATION

Ralph Lauren Corporation (NYSE:RL) is a global leader in the design, marketing and distribution of premium lifestyle products in four categories: apparel, home, accessories and fragrances. For 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 Purple Label, Ralph Lauren Collection, Double RL, Polo Ralph Lauren, Polo Ralph Lauren Children's, Ralph Lauren Home, Lauren Ralph Lauren, RLX, American Living, Chaps and Club Monaco, constitute one of the world's most widely recognized families of consumer brands.



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