

UK Gender Pay Gap Report 2020

We aim to create a more equitable world and positively impact the lives of people in our workforce, communities and supply chain.

A person with dark hair tied back, wearing a white t-shirt, is seen from behind. The word "TOGETHER" is printed in large, dark, serif capital letters across the back of the t-shirt. The background is a clear blue sky with some light clouds. The lighting suggests it might be late afternoon or early morning, with a soft glow on the right side of the image.

TOGETHER

A Message On Behalf Of Our Senior Leadership Team

Our focus on diversity and inclusion — a rich representation of our people, of all backgrounds and all perspectives — is at the heart of our values. We aim to create and promote a culture that advocates for the equality and conscious inclusion of everyone, where all our people belong, are respected, thrive while being their best and drive business objectives.

2020 was a year with challenges that no one could ever imagined. Covid-19 changed the way we live and work. Employees across the country were furloughed, and the global economy was heavily impacted. It is for this reason that the numbers look skewed this year. As per government guidance employees on furlough were excluded from the analysis. Only 13% of employees were included in the numbers which means they are not indicative of our progress on the Gender Pay Gap.

We will continue to advocate for gender balance and work on reducing our mean and median pay and bonus gender gap through our Learning & Development, Employee Wellbeing and Diversity & Inclusion efforts.

Declaration:

I confirm the information and data reported is accurate as of the snapshot date 5 April 2020. We sought advice from professional advisers who performed a methodology review of our approach to gender pay gap reporting for our 2020 report and sample tested rates of pay included in the gender pay gap calculations to test the robustness and correctness of our approach

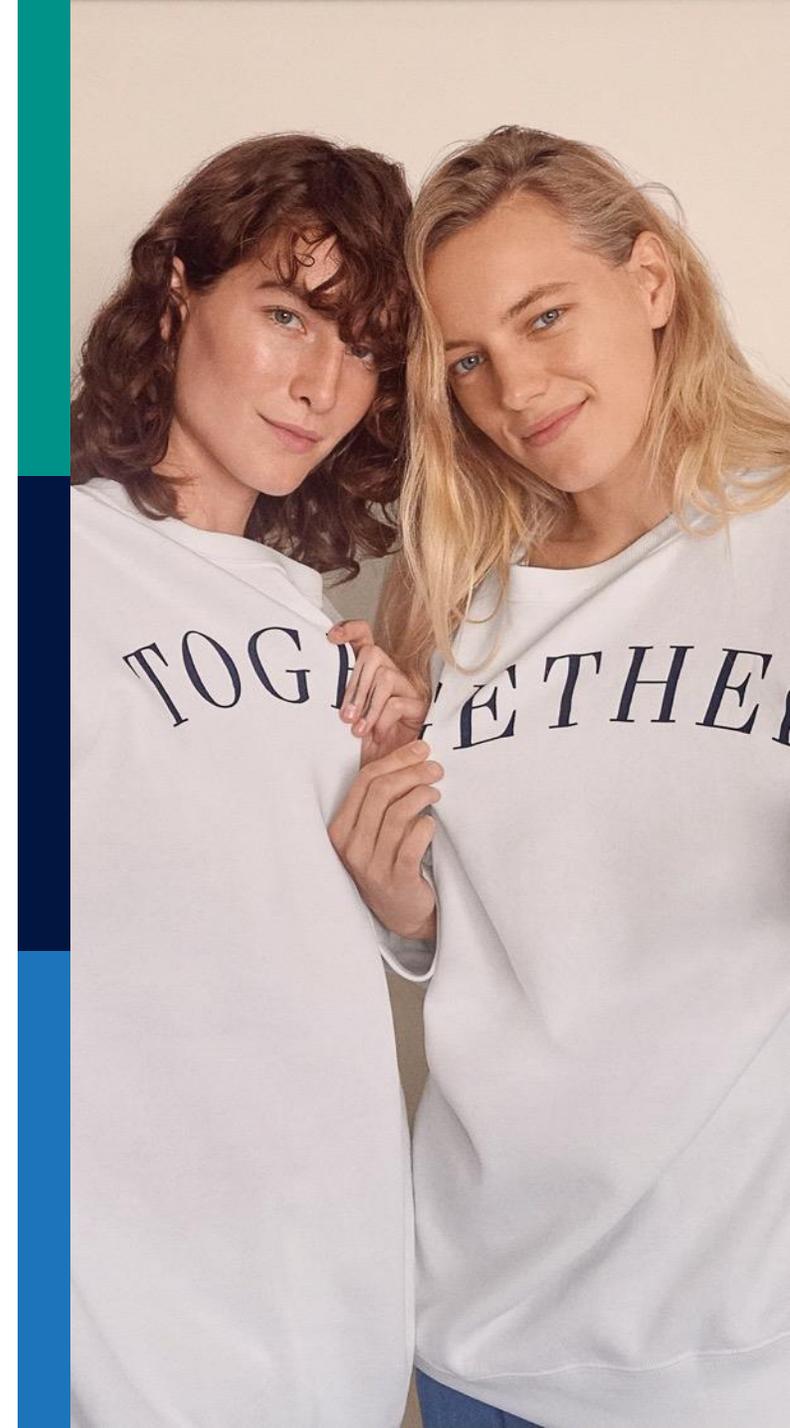


Gender Parity at Ralph Lauren

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 5 main pillars :

- **TALENT** — Cultivate diverse teams and elevate underrepresented talent to leadership ranks
- **COLLABORATION AND BELONGING** — Enable open dialogue and create safe spaces for the amplification of diverse voices and perspectives
- **LEARNING** — Build an inclusive culture through awareness, education and advocating for access to education for all
- **COMMUNICATION AND MESSAGING** — Maximize our inclusive message
- **CELEBRATION AND RECOGNITION** — Appreciate our unique differences and increase educational events for all employees, with a focus on diverse experiences



Methodology

LEGISLATIVE REQUIREMENTS

From 2017, any employer that has a headcount of 250 or more in the United Kingdom, must report their gender pay gap calculations annually. This data is calculated using a snapshot date of 5 April and is expressed as a percentage of male earnings. Below are 2 of the 4 indicative figures that need to be reported as part of this requirement.

1. MEAN & MEDIAN GENDER PAY GAP
Includes pay, bonuses, incentives and any allowances. A positive number showcases that men earn more than women as a group. A negative number showcases that women earn more than men as a group.

2. MEAN & MEDIAN BONUS GENDER PAY GAP
Includes all incentives, bonuses and commissions. A positive number showcases that men earn higher bonuses than women as a group. A negative number showcases that women earn higher bonuses than men as a group .

3. PROPORTION OF MEN & WOMEN IN EACH QUARTILE PAY BAND
Pay quartiles are calculated by dividing all employees into four equal groups based on their level of pay. This metric indicates if women are stuck in the lower paid quartiles of the organization and their number is reduced as we move up to the higher quartiles.

4. PROPORTION OF MEN & WOMEN RECEIVING BONUS
Showcases whether men are more likely to receive bonuses as a group in the organization. A larger percentage of males indicates that more men receive bonuses than women in an organization.

Our Population

Facts & Figures

87% OF MALE AND 79% OF FEMALE
EMPLOYEES RECEIVED BONUS PAY IN 2020. ALL RELEVANT
EMPLOYEES** WERE INCLUDED IN THE BONUS GAP STATISTICS

13%

of our employees included
in the analysis (235)* for Pay Gap statistics

12%

Male

14%

Female

NON-FURLOUGHED EMPLOYEES

88% MALE FURLOUGHED EMPLOYEES
86% FEMALE FURLOUGHED EMPLOYEES

*Due to the pandemic, 87% of our employees (1542) were furloughed in 2020

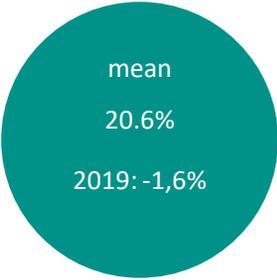
**Full-pay relevant employee means a relevant employee who is not, during the relevant pay period, being paid at a reduced rate or nil due to being on leave. Employees who receive no pay at all during the relevant pay period, whether or not this is as a result of being on leave are excluded for Pay Gap statistics.



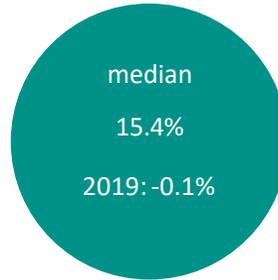
Results

Means & Medians

PAY GAP

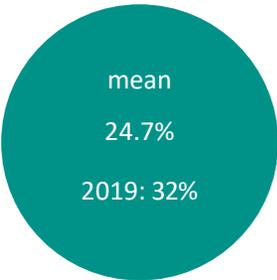


In April 2020, a very large proportion (87%) of employees was furloughed and the data is based only on a small sample of employees not furloughed (13% of the population). This explains the significant increase of the mean pay gap.



The April 2020 data suggest an increase from 2019, but it is not possible to compare these two figures when 87% of employees were furloughed and excluded from the analysis this year, the two population samples are completely different.

BONUS GAP



The mean bonus gap has decreased but it is still showing that men earn higher bonuses than women, this is primarily driven by a small group of men holding senior roles within the company. On the other hand, in 2020 more women received a payment of our Executive Bonus Plan (EIP) than men.

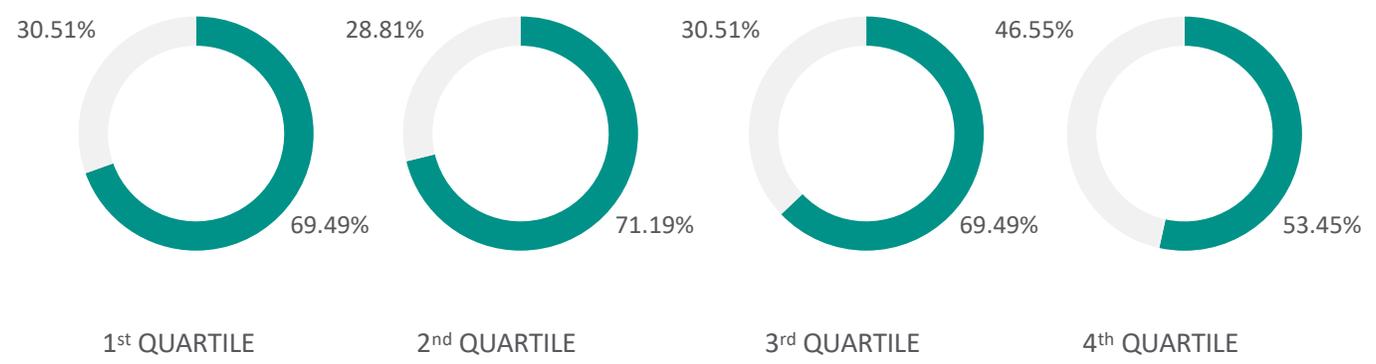


Year on year our median bonus gap is negative and shows that bonus pay is higher for women than men. Ralph Lauren decided to pay bonuses on a pro-rata basis rather than not make any bonus payments for employees on furlough, therefore, the pro-rated bonus payments have impacted the figures.

Results

Pay Quartiles

As in previous years women outnumber men in every quartile. This shows that at Ralph Lauren gender isn't a factor that prevents women to fulfill their career goals.



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. We are committed to increase opportunities for women in our workforce by cultivating diverse teams and elevating underrepresented talent to leadership ranks, by building an inclusive culture through awareness and education.



RL WELLNESS

In 2020, we launched a European wellness initiative designed to support employees' social, physical, emotional and financial wellness, inspired not only to help employees achieve their goals but to allow them to THRIVE.

OPEN TO ALL

Ralph Lauren is proud to be part of the original Open to All Business Pledge. The Open to All coalition is a growing movement of thousands of global companies dedicated to taking a public stand against discrimination. The pledge reaffirms our commitment to ensuring our workplaces and stores remain a welcoming and safe space for everyone.



Our Initiatives

LEARNING & DEVELOPMENT

We Focus On Empowering & Enabling Everyone!

At Ralph Lauren we aim to help employees build a better life through learning. Our Collection of evolved collaborative learning programs supports employees throughout their career and our Company culture.

We have launched Respect and Inclusion 2.0 Allyship and Advocacy learnings. Both of these programs focus on highlighting how we can advocate for underrepresented categories including gender.

Furthermore, our cohort programmes: Unlock, Runway and Bespoke, empower our employees including women to grow and develop at different levels of their career journey. Unlock is for all employees without direct reports, Runway is for first time people managers and Bespoke is our leadership developmental programme.

In addition, we have rolled out our RL Learning On Demand, a suite of online box sets which include titles such as coaching conversations, women in leadership, presentation skills and many more. All of the box sets are linked to our cultural focus areas.

Our Initiatives

Diversity & Inclusion Working Groups

Our commitment is to unite and inspire the communities within our company as well as those in which we serve by amplifying voices and perspectives to create a culture of belonging, ensuring inclusion, and fairness for all.

When we talk about parity – it must be inclusive of all women and acknowledge intersectionality - the recognition that women also have other identities – whether it be race, religion, sexual orientation, disability status, immigration status or another form of identity. As a founding member of Parity.org, we firmly believe in their mission to close the gender and racial gap at the highest levels of business, where presently is the widest.

We have worked closely with the parity.org over the last 3 years and taken steps to adopting their Parity Model™ as a guide to conversations – which is comprised of three foundational pillars to help organizations reach gender parity: Representation, Equality, and Inclusion.

To support gender equality, we have launched our Global Gender Community and Working Parents Community who are employee-led resource groups focusing on supporting initiatives, policies and efforts to close our gender gap across the globe. During International Women’s Month and other key moments in the calendar, we’ve brought in external speakers and held employee roundtables, to inspire and challenge everyone who works for Ralph Lauren.



Our Initiatives

Diversity & Inclusion Working Groups

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.

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In EMEA we are also extremely passionate and keen to eradicate social injustice and racial inequality we launched our BAME Advisory group earlier this year who are working across the business to review campaigns, processes, and how we give back to the communities and societies we operate in, this group partners with our wider Black Advisory Council to localize global initiatives.

We continue to closely ensure that diversity and inclusion is embedded across all we do and is a foundation to company. We recognize listening is a critical step forward, we are on a journey and do not claim to have the playbook or all the answers and are constantly looking to listen, learn and evolve what we are doing.



About Us

Ralph Lauren Retail Services LTD

RALPH LAUREN IN THE UK

RL Retail Services Ltd employs approximately 1,770 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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TOGETHER

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