

UK Gender Pay Gap Report 2021

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

RALPH LAUREN

A Message On Behalf Of Our Senior Leadership Team

At Ralph Lauren, we aim 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. We strive to create an environment where everyone, regardless of their background, has a sense of belonging and can thrive to be their best selves.

As we were emerging out of the challenging year of 2020 due to Covid-19, part of the year we had employees across the country still on furlough. As per government guidance employees on furlough as well as those on Long term leave were excluded from the analysis. Therefore, the numbers look skewed in comparison to previous years. 65% of our employees were included in the numbers which means that they are not indicative of our progress on the Gender Pay Gap.

We will continue to focus on providing the right environment for our employees to thrive regardless of gender through our Learning & Development, Employee Wellbeing and Diversity & Inclusion initiatives and further reduce our mean and median pay and bonus gender gap.

Declaration:

I confirm the information and data reported is accurate as of the snapshot date 5 April 2021. 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.

Carmel Pedatella
Company Director

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RALPH LAUREN

Gender Parity at Ralph Lauren

At Ralph Lauren, as part of our Diversity Equity & Inclusion strategy, we strive to increase opportunities for women in our workforce globally. We achieved our 2023 global gender parity goal for equal representation in leadership positions at the VP level and above three years ahead of schedule. The roadmap, which adapted The Parity Model™ developed by Parity.org, is the result of these reflections and roundtable dialogues. It is divided into five areas to align with a consistent approach for delivering representation, equality and inclusion:

1. Making a visible commitment as the first step to close the gender gap and keep it closed;
2. Executive recruitment strategy as the key to hiring qualified and diverse women at equal levels, positions and pay;
3. Executive preparedness to help companies ensure high-potential women are ready for leadership and ensure ongoing development through programs such as WINN
4. Benefits and policies to improve work-life balance and make it possible for women to do their best work; and
5. Equal pay as an essential part of reaching and sustaining gender parity.



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.

MEAN GENDER PAY GAP

The Mean is calculated by adding up all the rates of pay and dividing the result by how many people are on the list.

MEDIAN GENDER PAY GAP

The Median is calculated by placing male and female employees in order of earning from smallest to largest and selecting the middle value.

MEAN AND MEDIAN BONUS GENDER PAY GAP

Includes all bonuses and commissions. The bonus payment percentages reflect the distribution of bonus payments made to men and women.

PROPORTION OF MEN AND WOMEN IN EACH PAY QUARTILE

Pay quartiles are calculated by dividing all employees into four equal groups based on their level of pay.

Our Population

Fact & Figures

86% OF MALES AND 75% OF FEMALES RECEIVED BONUS PAY IN 2021. ALL RELEVANT EMPLOYEES** WERE INCLUDED IN THE BONUS GAP ANALYSIS

65%

of our employees were included in the Pay Gap analysis (798*)

Non Furloughed Employees

61%

Male

67%

Female

39% MALE FURLOUGHED EMPLOYEES
33% FEMALE FURLOUGHED EMPLOYEES

*DUE TO THE PANDEMIC, 35% OF OUR EMPLOYEES (434) WERE FURLOUGHED IN 2021.

**FULL-PAY RELEVANT EMPLOYEE MEANS A RELEVANT EMPLOYEE WHO IS NOT, DURING THE RELEVANT PAY PERIOD, BEING PAID AT A REDUCED RATE OR NIL AS A RESULT OF THE EMPLOYEE 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 FROM THE PAY GAP ANALYSIS.

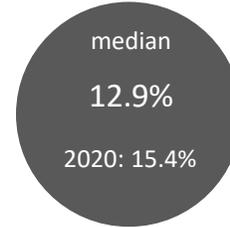
Results

PAY QUARTILES

BONUS GAP

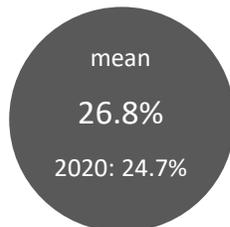


In April 2020, 87% of employees were furloughed due to COVID-19 so only 13% of them were included in the analysis. In 2021, 65% of employees were included in the analysis. We are encouraged by seeing that when we increase the number of employees in the analysis the gender pay gap is lower, confirming our assessment that last year statistics were skewed and not representative of the reality.



As the number of furloughed employees reduced in 2021 compared to 2020, and many more employees were included in the analysis this year, we are pleased to see a decrease of the median pay gap. However, as 35% of employees were still on furlough and excluded from the analysis in April 2021, we cannot confirm how representative this figure is for the entire population.

PAY GAP



The mean bonus gap has increased slightly from last year and the figures show that men earn higher bonuses than women. 2021 was a record performance year for the business which enhanced the EIP bonus pay-out. Especially in senior positions we have more men than women so their 2021 EIP bonus pay-out would have affected the figures.



Year on year our median bonus gap is negative and shows that bonus pay is higher for women than men at midpoint. The significant decrease from last year's figures is also due to paying bonuses in 2021 compared to pro-rata or no bonuses payment due to COVID-19 in 2020.

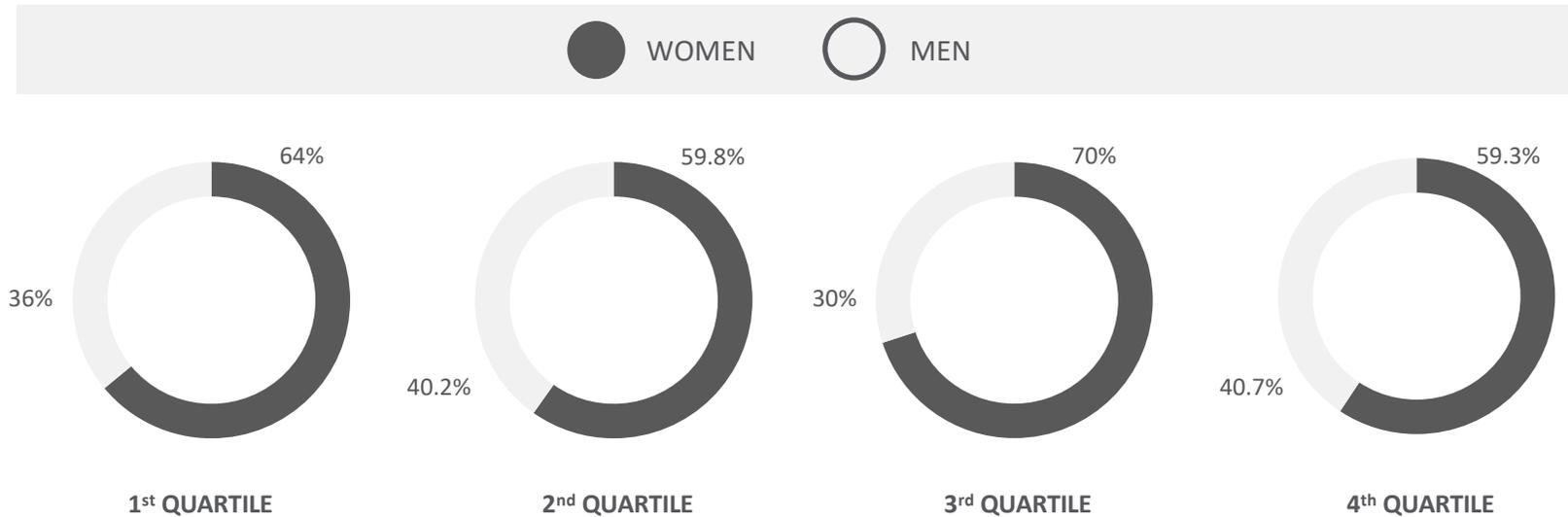




Results

Pay Quartiles

As in previous years, women outnumber men in every quartile. This shows that there are no barriers that prevent women to fulfill their goals and grow their career at Ralph Lauren.



Our Initiatives

LEARNING & DEVELOPMENT

WE FOCUS ON EMPOWERING & ENABLING EVERYONE!

At Ralph Lauren, we aim to support our employees to grow their careers through learning opportunities. Our collection of evolved collaborative learning programmes enable employees to drive their careers at their desired pace.

We have launched multiple global learnings focusing on diversity, equity and inclusion. Each of these supports our culture by highlighting and assigning accountability to each and every employee to advocate for underrepresented categories, including gender. Our mandatory learning for *Harassment in the Workplace* and video learning covering *Women in the Workplace* has made great progress to educate and strengthen our culture and behaviours against gender disparity.

Furthermore, our management and leadership development programmes empower our employees, including women, to grow and develop at different levels of their career journey. We introduced our Mentorship programme and all employees at all levels were required to complete our Allyship and Advocacy 2.0 learning.

We continue to expand our learning offerings to all our employees, regardless of gender, to provide equal opportunities for everyone and encourage at least 10 hours of learning each year.

Our Initiatives

DIVERSITY, EQUITY & INCLUSION

Ralph Lauren's Global Diversity & Inclusion (D&I) strategy supports our purpose: To inspire the dream of a better life through authenticity and timeless style. We strive to fulfill our purpose and D&I commitment through actions that make an impact across our Company, among our customers and partners and within greater society.

Our D&I strategy spans five 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

Our D&I efforts focus on strengthening diversity and inclusion across race, ethnicity, gender, gender identity, sexual orientation, disabilities, mental health and wellness.



EMPLOYEE RESOURCE GROUPS (ERGs)

In FY21, we restructured our ERG model to promote global participation and inclusion.

The ERGs are grouped in three categories:

D&I TEAMS

- Formed by location in each country and empower employees to foster D&I in their local workplaces.

RALPH LAUREN COMMUNITIES

- Focused on a shared area of identity and passion and partner with our D&I Teams on advocacy across the company. Communities include Gender Parity, #RL Pride, Disability, Mental Health & Wellness and Working Parents.

ADVISORY GROUPS

- Race and ethnicity D&I groups advise our Executive Leadership Team and organization to help amplify the voices of diverse groups at Ralph Lauren. These groups include: Black Advisory Council, Asia Pacific Islander Council, Native American Council as well as our Hispanic, Latino and Latinx Council.



Ensuring Diverse Representation

The diversity of Ralph Lauren employees and our culture of inclusivity drive innovation and creativity. We design our talent management programs to attract, retain and promote people from all backgrounds. We are committed to being transparent in our D&I journey.

Global Female Representation				New Hire Diversity			
	FY19	FY20	FY21		FY19	FY20	FY21
% of total global employees that are female	64%	64%	64%	% of global new hires that are female	57%	59%	58%
% of non-corporate employees that are female (retail, store-line)	63%	63%	64%				
% of corporate employees that are female	67%	66%	66%	Board of Directors Diversity			
% of corporate management (leadership, VP+) that is female*	49%	49%	48%		FY19	FY20	FY21
% of corporate executive leadership (our Global Leadership Team and above) that is female**	42%	45%	42%	% of the Board that is female	29%	25%	31%
				% of the Board from underrepresented groups	7%	8%	15%

*Due to total number of VP and above positions, parity is considered to be reached between 40-60%.
 **Our Global Leadership Team includes direct reports to CEO and Executive Leadership Team.

*Some table percentages may not add up to 100 due to rounding.



About Us

Ralph Lauren Retail Services LTD

RALPH LAUREN IN THE UK

RL Retail Services Ltd employs approximately 1,230 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 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, among others, constitute one of the world's most widely recognized families of consumer brands.



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