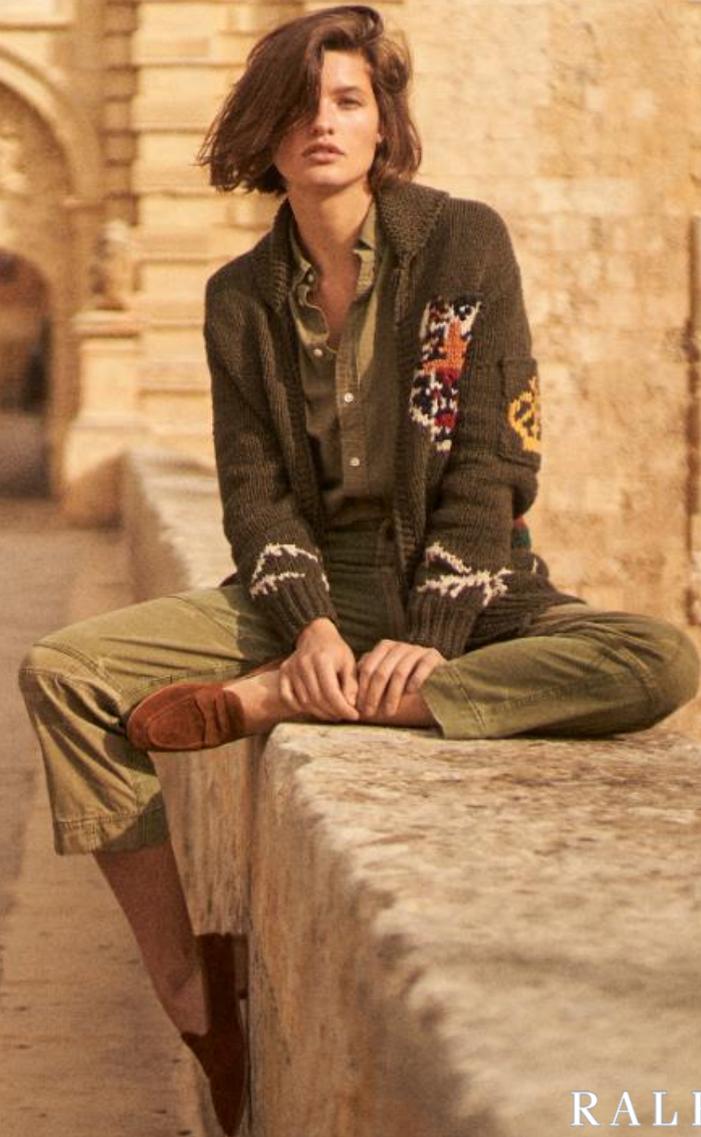


# GENDER PAY GAP

REPORT 2017

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RALPH LAUREN



# UNDERSTANDING THE GENDER PAY GAP

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## WHAT IS THE GENDER PAY GAP?

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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*

## HOW ARE THE MEAN & THE MEDIAN GAPS CALCULATED?

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A **mean** average involves adding up all the numbers and dividing the result by how many numbers are on the list.

A **median** average involves listing all the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the average of the two middle numbers.

## HOW ARE THE PAY QUANTILES CALCULATED?

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Another statistic to report under the gender pay gap regulations is the percentage of women and men in each pay **quartile**. Quartiles are identified by listing the rates of pay of each employee across the business (from the lowest to the highest) and subsequently by dividing this list into four sections (quartiles) with an equal number of employees in each section. The quartiles from lowest to highest are called the lower quartile, lower middle quartile, upper middle quartile and upper quartile.



# RALPH LAUREN GENDER PAY GAP

## MEAN

### GENDER PAY GAP

*Difference between Men & Women*

**4.6%**      **17.4%**

RL

UK\*

## MEDIAN

### GENDER PAY GAP

*Difference between Men & Women*

**-16.7%**      **18.4%**

RL

UK\*

\* Based on estimates from ASHE Survey 2017 (Office for National Statistics)

Our **MEAN** pay gap at 4.6% is substantially better than the UK average of 17.4%

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

## MEAN

### BONUS GENDER PAY GAP

*Difference between Men & Women*

**48.8%**

Ralph Lauren

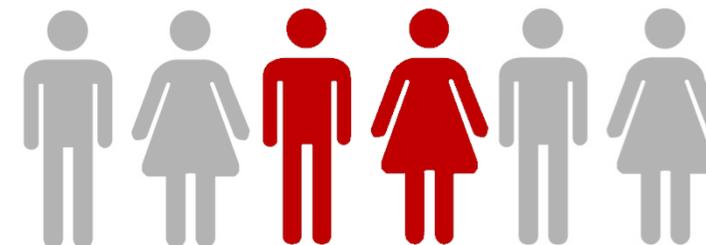
## MEDIAN

### BONUS GENDER PAY GAP

*Difference between Men & Women*

**-39.0%**

Ralph Lauren



*At Ralph Lauren, 23% of both our male and female employees received bonus pay in 2017*



CALCULATIONS ARE BASED ON A 'SNAPSHOT' OF DATA FROM APRIL 2017



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**

The Government's definition of bonus pay includes Company's equities (stocks) which applies to eligible employees in our leadership population. As bonus and equity values increase with grade, and a higher percentage of our senior leadership are male, the **MEAN** bonus gap is bigger than our **MEAN** pay gap.

The **MEDIAN** bonus gap shows that women receives higher bonus pay compared to men overall in the organisation, which is explained by a large proportion of women working in middle management roles.

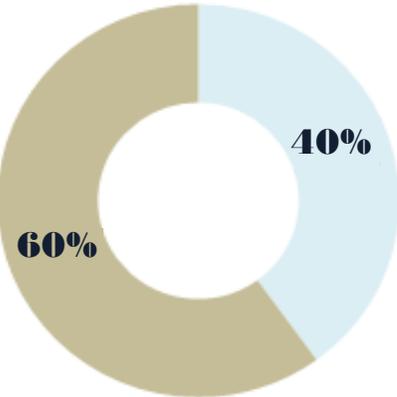
# RALPH LAUREN RESULTS

## PAY QUARTILES

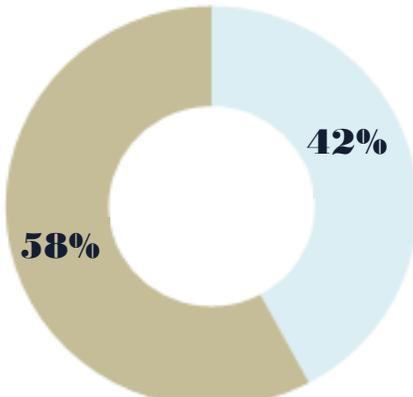
Pay quartiles show the distribution of earnings when looking at pay. They are calculated by ranking employees from the lowest to the highest paid individual and subsequently by dividing the workforce into four equal groups (quartiles).

The purpose of this calculation is to identify the numbers of females and males in each quartile and is intended to help employers consider where women are concentrated in terms of their remuneration and any apparent blocks to their progression. In Ralph Lauren female employees outnumber male employees in each pay quartile, showing our efforts in developing and advancing the careers of women in our organisation.

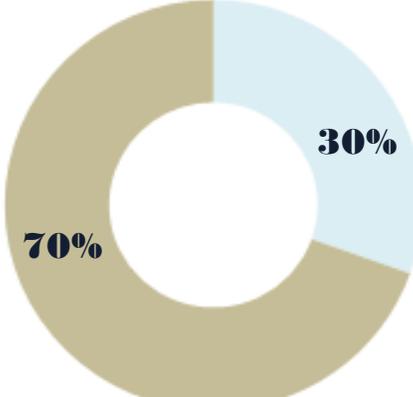
LOWER QUARTILE



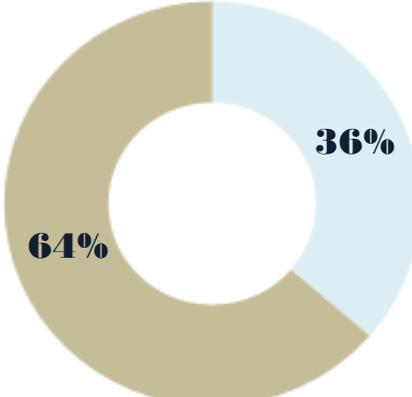
LOWER MIDDLE QUARTILE



UPPER MIDDLE QUARTILE



UPPER QUARTILE



FEMALE MALE

# INCLUSION FOR ALL

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## DIVERSITY & INCLUSION AT RALPH LAUREN

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Diversity and inclusion 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, and thrive while being their best selves and delivering company results.

We foster a culture of inclusion through:

- Increasing the diversity of our talent and ensuring equal opportunity for career development and growth
- Empowering our people through our RL employee-led groups and communities that represent our business and take action
- Supporting conscious inclusion by ensuring open dialogue, knowledge through education, leadership accountability and communication
- Cultivating a sense of belonging by celebrating all diversity and backgrounds through meaningful events and recognition programs.



RALPH LAUREN  
DIVERSITY AND INCLUSION

# OUR PROGRESSION

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## CAREER OPPORTUNITIES

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We pride ourselves on attracting and retaining the best talent, and we remain focused on providing opportunities for our employees' ongoing growth and developing them to their fullest potential.

## COMPENSATION & BENEFITS

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We offer an Executive Incentive Plan for our Director and above population along with several business focused bonus and commission payments.

We were delighted to launch late in 2017 a bonus plan for our stores associates in the Polo Factory Stores (not currently reflected in our Bonus Pay Gap).

## LEADERSHIP DEVELOPMENT

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We are deeply investing in our employees' professional development, and we encourage a culture of constant learning and skill building. We run a Global Mentoring program where Directors and above can leverage the business expertise and guidance of colleagues.

We are rolling out a Retail Talent Exchange across our International business. We operate several job shadowing programs across corporate and retail stores encouraging individuals to understand other roles and work closely together.

## FLEXIBLE WORKING

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We are committed to helping employees worldwide face the challenges of managing work, family, and life-related issues. We have introduced Flex-Time giving corporate employees the ability to "flex" their schedules starting and ending time on a standard work day with manager's approval..



# PARTNERSHIPS FOR INCLUSION

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## OUR PARTNERSHIPS

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We are proud to join over 300 CEO's around the world in the CEO Action for Diversity and Inclusion – a pledge across companies, industries and regions.

In our pledge we have agreed to take the following actions:

- Continue to cultivate workplaces that support open dialogue on complex conversations about diversity and inclusion
- Implement & expand unconscious bias education
- Share best known—and unsuccessful—actions

Our focus on parity is key to our commitment. We are also founding members of the Parity.org pledge, through which we commit to interview and consider at least one qualified women for every open role, VP and higher, including the C-Suite and the Board.

Lastly, at the Human Right's Campaign for Corporate Equality Index, the largest LGBT civil rights organization, we have earned a preliminary score of 90 out of 100.

In 2018 we will be launching Diversity and Inclusion teams across the UK. All employees, regardless of tenure, function, level, background, location and experience are encouraged to sign up.

The Diversity and Inclusion teams an integral part as we continue to reinforce our Diversity and Inclusion culture.



# STATUTORY DISCLOSURES

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## RALPH LAUREN RETAIL SERVICES LTD

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RL Retail Services Ltd employs approximately 1,700 people in Great Britain and operates as a subsidiary of 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.

## Declaration

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I confirm the information and data reported is accurate as of the snapshot date 5 April 2017



**Howard Smith**  
Group President, International





RL RETAIL SERVICES LTD  
46 CLARENDON ROAD  
WATFORD  
WD17 1HE  
UNITED KINGDOM

RALPH LAUREN