



MICHAEL KORS (UK) LIMITED GENDER PAY GAP REPORT 2020

FOREWORD

Michael Kors is an **equal opportunity** employer and values **diversity** as a key factor of its success.

We believe that we reward all our employees fairly, however we recognise that some gender pay gap may exist due to factors beyond our direct influence.

Therefore we welcome the initiative of the UK Government and are committed to work to reduce any existing gap.

This report includes the required metrics for Michael Kors (UK) Limited, as well as some contextual information and our global people and reward strategy.

The report focuses on **gender pay**, which is the difference in pay between all men and women across the organisation.

It does not reflect **equal pay**, which refers to the difference in pay between men and women in comparable roles (equal pay for equal work).

MICHAEL KORS (UK) LIMITED GENDER PAY GAP METRICS as of 5th April 2020

PAY & BONUS GAP

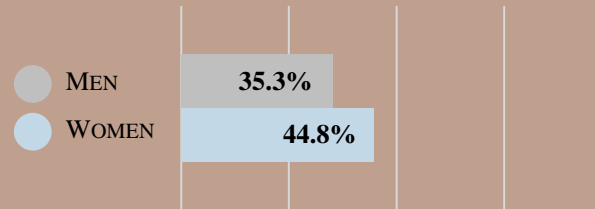
	MEAN	MEDIAN
PAY GAP	39.2%	30.8%
BONUS GAP	83.2%	50.0%

Difference in hourly pay or bonus between the mean and the median hourly pay or bonus of all men and those of all women.

Mean = sum of all salaries divided by the number of employees.

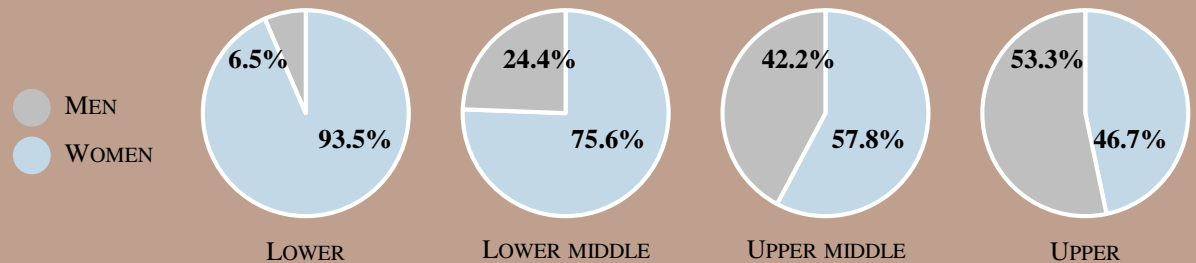
Median = the mid-point of all salaries ordered from lowest to highest.

PROPORTION OF COLLEAGUES RECEIVING A BONUS



Percentage of men and women out of total number of men/women who received a bonus in the 12 months preceding the snapshot date of 5th April 2020 (total: 631 employees).

PROPORTION OF COLLEAGUES IN EACH PAY QUARTILE



Percentage of men and women in each equally sized quartile of the salary structure. These are obtained by ordering all salaries from lowest to highest and then considering the first 25% for lower quartile, then the next 25% for the lower-middle quartile, etc. (total: 181 employees).

UNDERSTANDING THE REPORT

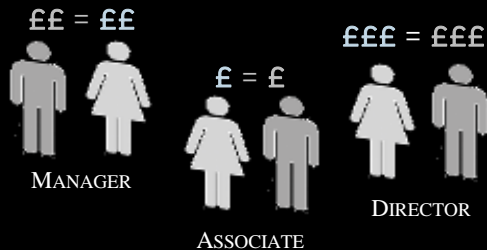
Following government guidelines, all employees who had their April 2020 salary reduced due to any leave of absence paid at less than 100% have been removed from the calculation of the hourly pay metrics (pay gap and distribution in quartiles).

A large number of our colleagues, particularly those based in stores, were on furlough at that time and have therefore being excluded from this calculation.

This has two important consequences:

1. Greater **statistical skew** due to overall lower numbers.
2. Greater impact of the **job diversification** of the office environment. Whilst we generally offer equal pay for equal work, our corporate roles vary significantly in terms of job function, level of responsibility, required skillset, etc. This results in greater variation of the salary levels, typically aligned with the job market.

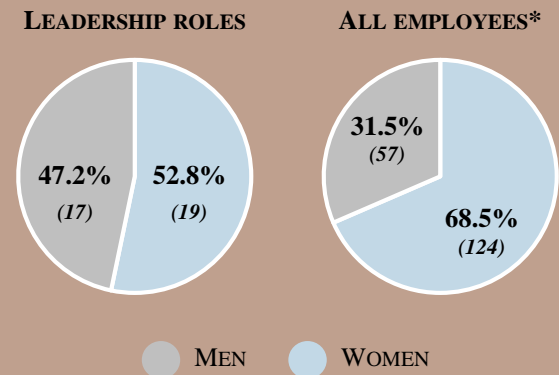
When we compare men and women within each job level, rather than across the entire organization, the average gap is only 7.4%. This can be explained by difference in job function as well as individual variances such as experience or performance.



At Michael Kors all employees are **paid fairly and equitably**: men and women receive similar pay for similar work. We provide **fair reward and growth opportunities** to everyone, based on objective factors such as skills and experience.

The **gender pay gap** shown by our metrics is mainly due to the fact that, whilst we have a comparable number of men and women in **leadership positions**, the majority of our employees across all levels are female. Therefore the same number of leaders represent a greater proportion of a smaller male population.

This is a **reflection of the job market**, especially with our core business being women fashion. Our brand is very attractive to women, who represent a large proportion of applicants at all levels, but particularly at entry to mid-career level, whilst the fewer male applicants tend to focus on more specialised or high responsibilities roles.



**Based on 181 'full paid relevant employees' in scope for the hourly pay metrics included in this report.*

OUR PEOPLE & REWARD PHILOSOPHY

Diversity and inclusion are embedded in the DNA of Michael Kors. We foster an inclusive environment where employees and customers of diverse backgrounds are welcomed, valued and celebrated.

We are proud of our commitment to diversity, equality and inclusion, and we will continue to advance these principles wherever we do business. Our doors are open to all. For instance, just in the UK we have employees of over **45 nationalities**.

To help drive our efforts in this area and continue building awareness amongst our employees, the Company works with our **Global Diversity and Inclusion Council** and our **D&I Ambassadors**. Recent initiatives run by the Council include training on unconscious bias and micro-aggressions, a dedicated speaker series and the launch of Employee Resource Groups, to mention only a few.

We remunerate and reward our people based on role requirements, skills and performance. In order to ensure that our recruitment, career progression and pay decisions are **fair, consistent and transparent**, we review our HR policies and practices on a regular basis, and offer training to our leaders and line managers.

As an example of transparent processes, all our job offers and pay decisions are managed through a central HR information system. This ensures that all applicant and employees data is trackable, and provides for several levels of approval on pay decisions, to drive market competitiveness and internal equity across different teams.

In 2020 we have launched a pan-European **flexible working framework**, aimed at making our office environment more inclusive and open to different personal needs. This will be further enhanced by our post-Covid **hybrid working** policy.


We remain committed to providing **equal reward** and **career opportunities** to all our employees, irrespective of their gender.

We confirm that the information included in this report is accurate.

1 October 2021

Alison Thorne
VP, Human Resources EMEA

Robin Gendron
President, EMEA



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