



# FOREWORD

Here at Michael Kors we recognise that our people are our greatest asset and are central to our success. We are passionate about developing a diverse and inclusive team and encourage our employees to embrace our core values.

In 2017, the UK Government introduced legislation requiring all employers with more than 250 employees to annually report on their gender pay gap, using prescribed methods.

This initiative has helped to highlight the barriers that women face in the workplace and encourage organisations like Michael Kors to focus on creating a truly diverse and inclusive workplace.

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# UNDERSTANDING THE REPORT

The gender pay gap is the difference between the average pay of men and women, across the business, expressed as a percentage.

It is important to note, that the gender pay is not the same as equal pay for equal work.

Fewer females in senior positions will therefore result in a gender pay gap, even if those women are paid more than their male counterparts.

**Mean Hourly Pay** is calculated by adding all of the male or female hourly pay figures together and dividing by the total number of employees included.

**Median Hourly Pay** is the middle pay value in the range of all values, aligned from the smallest to the largest.

**Snapshot date** is the date on which our gender pay gap calculations are based on - 5 April 2021



# GENDER PAY GAP 2021

These figures show the difference in hourly pay between the mean and the median hourly pay of women and men.

Ordinary Pay elements include basic pay, allowances and pay for leave and are included in the gender pay gap calculation.

Pay elements that are excluded from this calculation include: overtime pay, benefits in kind, authorised expenses and any payments associated with leaving the company.



GENDER PAY GAP	MEAN	MEDIAN
	33.7%	27.0%

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# BONUS GAP 2021

This figure looks at the difference in total bonuses, paid in the 12 months ending on 5 April 2021.

It compares the mean and median bonuses paid to women with the mean and median bonuses paid to men during that period.

Our figures reflect our current demographics whereby our male population are typically operating in our most senior roles. This is a key area of opportunity for Michael Kors.



BONUS PAY GAP	MEAN	MEDIAN
	75.5%	18.2%

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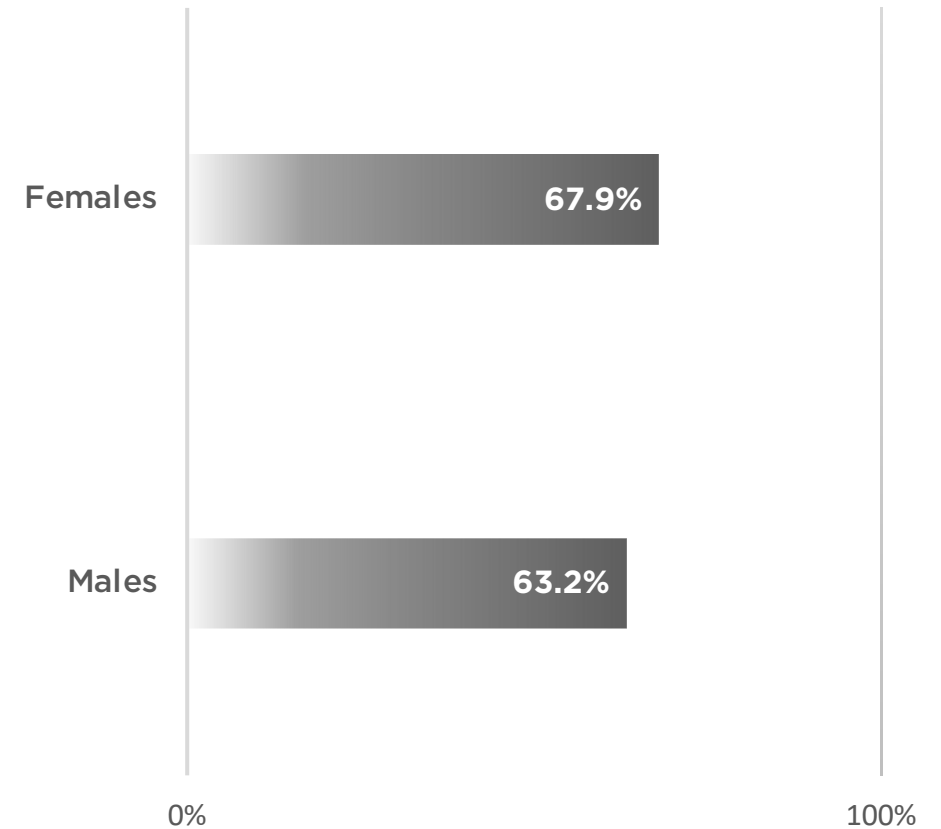
# EMPLOYEES RECEIVING A BONUS

The graph shows the proportion of women and men who received a bonus in the 12 months preceding the snapshot date of 5 April 2021.



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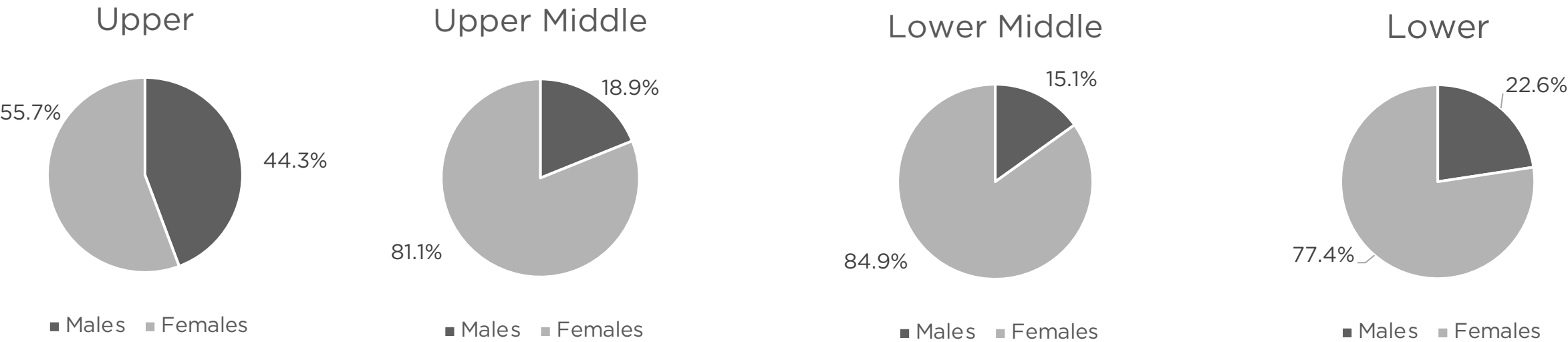
## PROPORTION OF EMPLOYEES RECEIVING A BONUS



# RESULTS – PAY QUARTILES

Pay quartiles show the distribution of earnings when looking at pay. The calculation ranks employees from the lowest paid to the highest paid individual, and then splitting the workforce into equal groups (quartiles).

The charts show the percentage of men and women that are in each quartile.



# OUR PEOPLE AND OUR REWARD PHILOSOPHY

At Michael Kors, we are all responsible for creating a diverse and inclusive workplace. Our goal is to inspire change and growth within each other, and believe success is a result that comes from our differences. Michael Kors is proud to be an equal opportunity employer committed to inclusivity regardless of any protected characteristics within our teams.

We remunerate and reward our people based on role requirements, skills and performance. We review our HR policies and practices on a regular basis and offer training to our leaders and managers to ensure that our decisions are fair, consistent and transparent through every stage in the employee lifecycle.

All our job offers and pay decisions are actively managed through a central HR information system. This system enables us to track employee data and have robust approval processes in place to ensure pay decisions are fair, equitable and market competitive. Annually we review our teams pay, and reward high performance – our managers are trained to ensure that pay changes are in line with our core values.

Throughout 2021 we have continued to drive our pan-European flexible working framework which allows our teams to take ownership of their work-life balance through remote working, and core hours. We have also enhanced our family leave policies to ensure precious moments aren't missed. These flexible working and family friendly programs sit at the heart of our HR strategy and our goal to become a diverse and inclusive employer of choice.

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

***March 2022***

**ALISON THORNE, VICE PRESIDENT, HUMAN RESOURCES**

**MICHAEL KORS**



