



MICHAEL KORS (UK) LIMITED GENDER PAY GAP REPORT 2018

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 2018

PAY & BONUS GAP

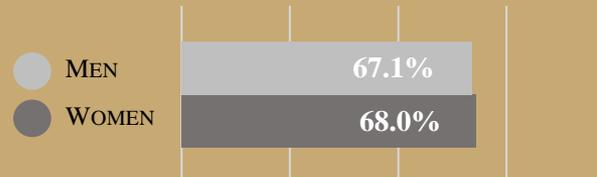
| | MEAN | MEDIAN |
|-----------|-------|--------|
| PAY GAP | 24.6% | 6.3% |
| BONUS GAP | 40.4% | -46.5% |

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 2018 (total: 643 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: 596 employees).

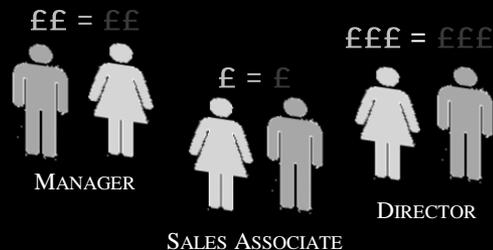
UNDERSTANDING THE REPORT

Our gap in **median** hourly pay is 6.3%, significantly below national average (17.9%)*. This means that our median female employee is paid approximately in line with our median male employee.



The gap in **mean** hourly pay is above national average (24.6% vs 17.1%)*. This is mainly driven by our corporate environment, where roles are more diversified than in store and salaries may vary considerably by job function and level.

When we compare men and women within each job level rather than across the entire organisation, the average **gap is only 4%**. This small gap can be explained by individual variances such as knowledge, skills, experience or performance.



Additionally, please note that the Office for National Statistics considers the median to be a better indicator for pay gap than the mean, as it is less affected by the small number of the sample.

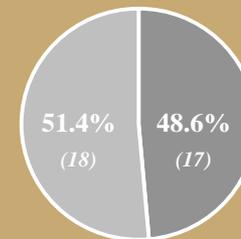
* Source: Office for National Statistics (ONS)

At Michael Kors all employees are paid **fairly and equitably**: men and women receive similar pay for similar work.

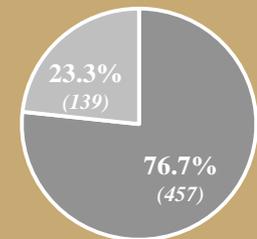
We attract and develop all talents: **our leadership positions** have an equal representation of men and women.

The **gender pay gap** shown by some of our metrics is due to the fact that, whilst we have a relatively equal 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.

LEADERSHIP ROLES



ALL EMPLOYEES



● MEN ● WOMEN

OUR PEOPLE & REWARD PHILOSOPHY



MICHAEL KORS prides itself on hiring and retaining diverse talent and providing an inclusive work environment for all.

Michael Kors prides itself on hiring and retaining **diverse talent** and providing an **inclusive work environment** for all our people across the globe.

In our workplace, we aim to ensure that every employee feels able to give their maximum potential to our success. Our workforce reflects the diversity, experiences and perspectives of the people in the countries where we do business. For example, just in the UK we have employees of over **50 nationalities**.

To help drive our efforts in this area and continue building awareness amongst our employees, the Company works with our **Global Diversity Council** which includes representation from employees around the world.

We remunerate and reward our people based on their skills, role requirements 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 information system. This ensures that all applicant and employees data is trackable, and provides for several levels of approval on pay decisions, including HR approval, to drive internal equity across different teams and market competitiveness.

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.

25 March 2019

*Candida Goes
DVP Human Resources EMEA
and Global D&I*

*Cedric Wilmotte
President
EMEA*