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HUGO BOSS UK LTD GENDER PAY REPORT 2020

OCTOBER 2021

OUR CONTINUED COMMITTMENT

At HUGO BOSS, we believe that an inclusive company culture is a source of creativity, strength and innovation. Our goal is to build a workplace that celebrates diversity, upholding our core values of cooperation, mutual respect, and trust.

We strive for more balanced leadership with dedication and empathy. At HUGO BOSS UK Limited, our most senior management are equally represented by females and males and we will continue to attempt to continue to close this gap progressively at all other levels across the business.

We are therefore committed to addressing the gender pay gap as identified in this document. All our employees are valued for their contribution, there is more we can do to ensure that we close this gap in the best interest of all our employees and the business.

The information in this report is an accurate reflection of the gender pay differences at HUGO BOSS UK Limited. The calculation used a snapshot of base pay on the 5 April 2020 and variable pay received in the 12 months prior to this date.

Joerg Horcher, Managing Director HUGO BOSS UK Limited



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WHAT THE REPORT SHOWS

Under UK legislation that came into place in April 2017, businesses with more than 250 employees are required annually to publish data about their gender pay gap. This includes:

The gender pay differences between male and females basic pay The gender pay differences between male and females for bonus The percentage of males and females receiving a bonus The number of males and females in each pay quartile*

The gender pay gap <u>does not</u> measure equal pay, which relates to what women and men are paid for doing the same or similar jobs or work of equal value.

^{*}Pay quartile means how many females compared to men are paid in the top quartile, upper middle quartile, lower middle quartile and lower quartile of pay

HOW WE CALCULATE THE DATA

The Gender Pay Gap is a measure of the difference in the average (mean) pay of males and females and the median (middle) – irrespective of their role, level and working hours – across the entire HUGO BOSS UK Limited Business, expressed as a percentage.

For this report, we calculated our base pay data for all UK employees employed with us as of 5th April 2020 and variable pay received in the 12 months prior to this date.

The data is an accurate reflection of the gender pay differences in HUGO BOSS UK Limited.

At HUGO BOSS UK Limited basic pay includes a basic hourly rate payment and commission pay. The majority of our retail colleagues receive commission pay each month. This is an uncapped amount and can vary by month and year.



HUGO BOSS UK LIMITED DATA BASIC PAY DATA

Our mean and median gender pay gaps are both lower than the UK mean average of 15.5%*.

- The HUGO BOSS UK Limited mean (average) female hourly rate is 8.3% lower than the HUGO BOSS UK Limited mean male hourly rate
- The HUGO BOSS UK Limited median (middle) female hourly rate is 1.7% lower than the HUGO BOSS UK Limited median male hourly rate

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HUGO BOSS UK LIMITED DATA BONUS DATA

At HUGO BOSS UK Limited 20.7% of female employee's and 19.7% of male employee's received a bonus:

- The HUGO BOSS UK Limited mean (average) female bonus is 30.1% lower than the HUGO BOSS UK Limited mean male bonus
- The HUGO BOSS UK Limited median (middle) female bonus is 14.3% lower than the HUGO BOSS UK Limited median male hourly rate

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HUGO BOSS UK LIMITED DATA PAY QUARTILES

	Female	Male	
Lower Quartile	44.9%	55.1%	
Lower Middle Quartile	58.5%	41.5%	
Upper Middle Quartile	42.6%	57.4%	
Upper Quartile	35.3%	64.7%	

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CONTEXT

HUGO BOSS UK Limited prides itself in developing and retaining internal talent. As HUGO BOSS originated as a menswear brand there has been a history of a higher proportion of male retail employees, which has been reflected in senior level progression as our staff move through the company. This has an impact on our overall gender pay gap, particularly at senior level.

20.7% of Females and 19.7% of Males received a bonus in 2020 showing more of a balance of both men and women in roles eligible for bonus.

The 2020 report shows the mean bonus gap closed from 2018. This is due to a number variables including a review of the bonus structure and eligibility. The median bonus figure improved from 2018 due to the majority of female employees that received bonus being employed at the head office.

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THE OUTLOOK

HUGO BOSS UK Limited is committed to closing the Gender Pay Gap and though we are pleased to report figures under the national average, we will continue to work on delivering initiatives to improve how we attract, engage and develop underrepresented groups including female talent at every level. Our most senior management are equally represented by females and males and we will continue to attempt to continue to close this gap progressively at all other levels across the business.

What we will do...

Listen to our employees – HUGO BOSS UK Limited conducts an annual employee survey to understand how we can better create an inclusive working environment. Based on our regular survey feedback, we continue to review and implement pay grades and increase employee involvement in business decisions as a HUGO BOSS community.

Changing and Challenging the way we work – In 2018 HUGO BOSS UK Limited launched a 'flexi' working initiative which allowed employees to greater flexibility with their working hours. After successfully implementing this initiative, HUGO BOSS UK Limited introduced a 'blended' working pattern which is a mixture of working from the office and at home. We will continue to adapt how we can support and facilitate an agile and flexible way of working.

Recruitment Process - At HUGO BOSS UK Limited we actively encourage an equal, fair and transparent recruitment process ensuring we create awareness of opportunities throughout the organisation. We continue to showcase successful career paths of employees to demonstrate opportunities within the organisation and attract new talent.