

**H U G O B O S S**

HUGO BOSS UK Ltd Gender Pay Report 2017

## Our Commitment

One of the fundamental principles of our corporate culture is that everyone can and should contribute ideas and express their opinions at HUGO BOSS UK Limited. We create the space that makes this possible and have built a workplace characterised by flat hierarchies in order to encourage our core values of cooperation, mutual respect, quality, passion and innovation to flourish.

This report shows that HUGO BOSS UK Limited has a gender pay gap. While 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. We are therefore committed to creating and delivering actions that address the identified gap.

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 2017 and variable pay received in the 12 months prior to this date.

Stephan Born, Managing Director – HUGO BOSS UK Limited



## What does this report show?

Under UK legislation that came into place in April 2017, businesses with more than 250 employees are required to publish data about their gender pay gap by April 2018. 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. Basically this means how many females compared to men are paid in the top quartile, upper middle quartile, lower middle quartile and lower quartile of pay bands

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

## How have we calculated 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.

We calculated our base pay data for all UK employees employed with us as of 5<sup>th</sup> April 2017 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.

Going forward this report will be created every 12 months and the data reported to the UK government and placed on our own web site each April.

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 by year.

## HUGO BOSS UK Limited Data:

Our mean and median gender pay gaps are both lower than the UK mean and median averages of \*17.4% and 18.4%.

- The HUGO BOSS UK Limited mean (average) female hourly rate is **7.2%** lower than the HUGO BOSS UK Limited mean male hourly rate.
- The HUGO BOSS UK Limited median (middle) female hourly rate is **4.7%** lower than the HUGO BOSS UK Limited median male hourly rate.

### CONTEXT

- All our retail sales teams earn commission on the sales they make. This commission forms part of their basic pay. All of our top earners – who each generate sales of over 1 million a year – are male employees and they achieve these sales predominately through selling menswear suits.
- 43% of our female employees work part time in our store entry level roles, which impacts on the level of commission they can earn compared to their full time colleagues.
- HUGO BOSS UK Limited prides itself in developing and retaining internal talent. As a menswear brand there has been a history of a higher proportion of male retail employees, which has impacted the development to senior level progression.

### GENDER BONUS GAP

- **18%** of females in HUGO BOSS UK Limited receive a bonus and **17%** of males in HUGO BOSS UK Limited receive a bonus.
- The mean female bonus pay is **43%** lower than that of a male employee in HUGO BOSS UK Limited. The median female bonus pay is **4%** lower than that of a male employee in HUGO BOSS UK Limited. This difference is driven by the Director team which at the time of reporting were all male. As it currently stands there are now two female Directors within a team of six.

### PAY QUANTILES

	TOP	UPPER MIDDLE	LOWER MIDDLE	LOWER
FEMALE	37%	42%	46%	51%
MALE	63%	58%	54%	49%

\*Office of National Statistics

## Closing the gap

HUGO BOSS UK Limited is committed to closing the gender pay gap and will be working on delivering initiatives to improve how we attract, engage and develop underrepresented groups including female talent.

### ASKING OUR EMPLOYEES

In order to ensure we are continuing to foster a culture that cultivates transparency and open dialogue we will be asking all employees to complete an annual employee survey in 2018. The purpose of this survey is to understand how HUGO BOSS UK Limited can better build upon creating an inclusive working environment.

### CHANGING THE WAY WE WORK

We acknowledge that offering flexible working opportunities for male and female employees will improve our ability to attract and retain a diverse work force. We will be reviewing our contracts and working with employees to ensure we are creating a flexible environment where employees can thrive.

### RECRUITMENT PROCESS

We will be reviewing our recruitment process, including where we advertise roles at HUGO BOSS UK Limited to ensure we are effectively creating awareness of opportunities amongst all groups.