



2020 UK Gender Pay Gap Report

At lululemon, our unique culture is built on trust, equality, and ‘whole person’ development.

We continue to foster an inclusive and supportive environment, one that lays the groundwork towards deeper engagement, greater innovation, and increased agility despite operating in uncertain times.

This approach gives us a greater advantage to thrive in what we do best: create transformational products for our guests and be the experiential brand that ignites communities across the globe.

The ongoing unpredictable environment, however, continues to significantly impact our business. Throughout the pandemic, we prioritised our people and continue to provide numerous offerings to support our employees’ physical, mental, financial and social wellbeing.

Although some employees were on furlough leave during the April 2020 pay period, they are included in the data. as we committed to 100% pay protection throughout this period, enabling us to make a fair year-on-year comparison.

In April 2018, lululemon achieved gender pay equity as a global organisation, and is committed to regularly assessing hiring and reward practices to ensure we are making informed and inclusive decisions that reflect our values.

Find out more about how we achieved gender pay equity in our [infographic](#).

20,000+
GLOBAL EMPLOYEES

515*
STORES WORLDWIDE

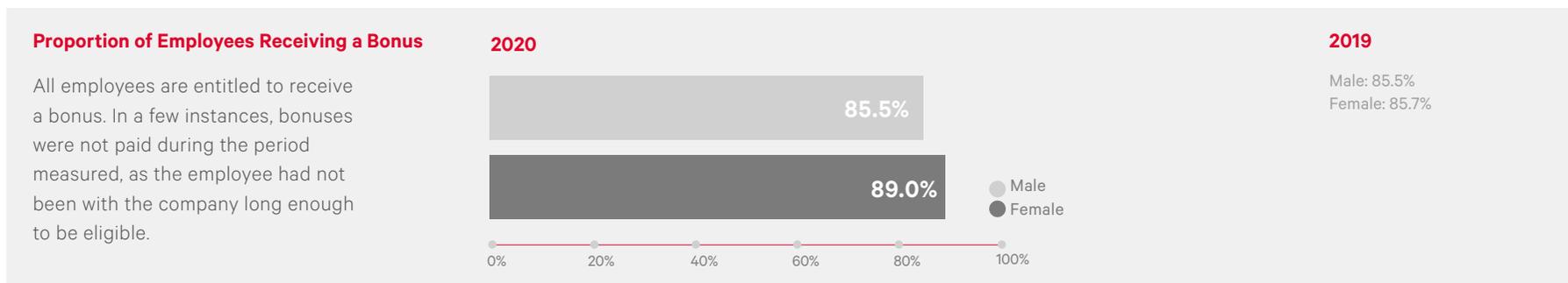
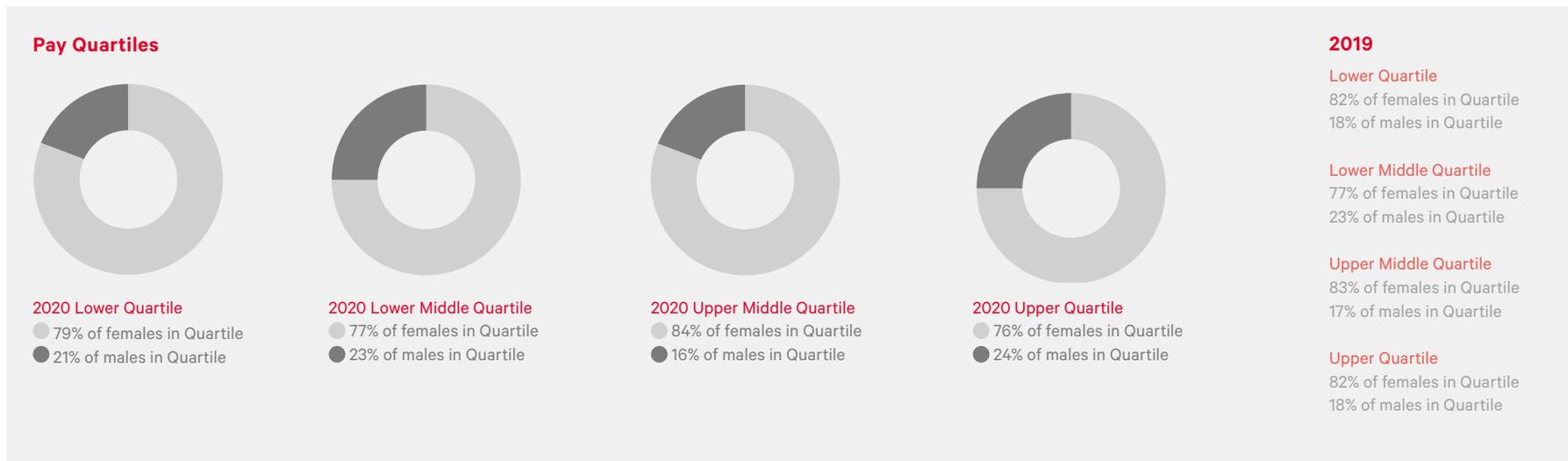
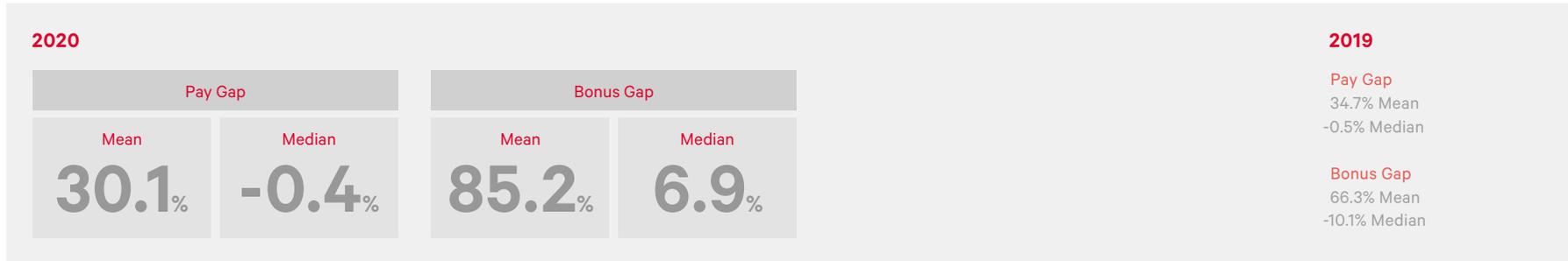
Founded in 1998 in Canada, lululemon is a healthy lifestyle inspired athletic apparel company for yoga, running, training and other sweaty pursuits. Through a unique community-led approach, we build authentic relationships with guests and our local ambassadors to create a collective, supporting one another to achieve big goals.

Purpose: To elevate the world by realising the full potential within every one of us.

Vision: Be the experiential brand that ignites a community of people living the sweatlife through sweat, grow and connect.

**store count as of Q3 2020*

Our results



Our gender pay gap explained

During the 2020 reporting year, the population of eligible lululemon UK employees has increased from 293 on 5 April 2019 to 332 on 5 April 2020. This growth reflects our performance and momentum in the UK, where we now operate a total of 17 retail locations in England and Scotland, as well as a European Store Support Centre (SSC) in London.

The majority of our team in the UK - and across the globe - are female. Women make up the greater part of each pay quartile, with a similar proportion of men and women across every quartile. The representation of men and women is also equal across our Store Support Centre (SSC) and Retail teams.

Our mean pay gap has decreased slightly versus 2019, from 34.7% to 30.1%, while our mean bonus gap has increased from 66.3% to 85.2%. Due to the relatively small size and stable composition of our team in the UK, these changes can be attributed to a number of specific factors:

- Our data reflects the compensation of one member of the Executive Senior Leadership Team whose role, while based in the UK, has global scope including responsibility for leading lululemon's European and Middle East business. This individual is male and, as the only employee in the UK receiving executive remuneration, significantly affects our mean figures. The increase in mean bonus can be attributed to a significant long-term incentive payment vesting for this individual (granted prior to the pandemic).

- On 5 April 2020, the lululemon EMEA Leadership Team comprised of eleven members – five females and six males. Previously, women made up the majority within the small, stable group at this level. However, in 2020, due to maternity leave cover, the gender mix switched with males making up the majority. The proportional representation of men in the leadership team is greater than across the rest of our organisation.

- Employees on parental leave are not considered full pay relevant employees under the UK Gender Pay Gap reporting regulations, and as such are discounted from the data. There were a number of employees on maternity leave during the April 2020 pay period, including senior team members, which contributed to our mean pay and bonus pay gaps.

When looking at the median figures – which are less affected by significant skews – our pay gap sits close to parity, with a small bias towards women. Our median bonus gap is also relatively low at 6.9%.

Our actions

People are what fuel the success of our business and our brand. When our people grow, our business grows.

An inclusive culture

lululemon's culture is most active when each team member contributes towards and sustains an environment that fuels growth and inclusion. We place great importance on empowering our teams and investing in the whole person, offering proprietary development tools and resources for Purpose, Vision and Goals and the Practice of Leadership to foster professional evolution, leadership skills, and personal development.

lululemon launched its first ever **Impact Agenda** in 2020, outlining 12 commitments to drive progress across a range of global issues, including diversity and inclusion and mental wellbeing – a pivotal moment for the business.

We set up IDEA (Inclusion, Diversity, Equity, Action) in the UK and globally as part of the Impact Agenda, not only creating a set of initiatives in response to global movements but also by adding 'Inclusion' to lululemon's core values, with the intention to hold employees accountable for practicing inclusive behaviours.

Furthermore, a dedicated global IDEA Board team helped drive forward our commitment of creating a more diverse, equitable and inclusive culture. The leadership team continue to make balanced decisions to ensure longevity in our commitments and guarantee that all initiatives - from training materials to brand campaigns - are filtered through an IDEA lens to ensure fairness and representation.

Parenthood

A core part of our lives, and our communities, are our families. In recognition of this, we are proud of have launched our parental leave policy in May 2019, incentivising talent retention and encouraging leadership cultivation by providing enhanced support for new parents.

The global gender-neutral programme supports all eligible lululemon employees at every stage in their careers. The offering includes paid top-up/benefit pay of up to 3-months after two years with the company, and paid top-up/benefit pay of up to 6-months after five years with the company. The programme is complemented in the UK by an additional parenthood mentoring scheme for those returning to work and complimentary hypnobirthing for all expecting parents.

Benefits

We continually evolve and shape our UK Health and Wealth strategy, reflecting feedback from our team on what matters to them. Since 2018, we have rolled out a number of new benefits and enhancements to existing programs, providing choice and flexibility for all employees at different stages of their careers.

We were awarded the 2020 UK Employee Benefits Award for *Best Alignment of Benefits to Business Strategy*, in recognition of our strategies' holistic support of lululemon's purpose and business goals. Examples of benefits cited by the judges include Sweaty Pursuits, our Parenthood Programme, and additional UK offerings such as the Share Incentive Plan, Goal-Funder, and Community Days, where members of the UK SSC are invited to volunteer their time to charitable causes.

Our actions continued

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Response to COVID-19

A number of lululemon stores remain closed across the globe. While we have seen the business begin to recover, challenges continue with an ever-changing operating landscape. We prioritised our people during the pandemic, expanding out the Mental Health First Aiders Programme from a UK to a global programme, as well as offering a number of wellbeing sessions including mental health workouts, nutrition talks, financial education workshops and we marked World Mental Health Day with various communications and team support.

- **UK and global pay protection** - we provided full pay and job protection for our employees while our stores closed across Asia, EMEA, and NA since February 2020. This continues to be in place today, with a significant number of stores remaining closed.
- **We Stand Together Fund** - to aid employees affected by the COVID-19 crisis who face hardships in their lives.
- **Ambassador relief Fund** - provided more than \$4.6 million in grants to assist more than 300 community partners who run local fitness studios.
- **Digital Sweatlife hub** - enabled us to host more than 1000+ events with 60,000+ participants focused on mindfulness and home exercise.
- **On-line coaching sessions** - for lululemon employees, which totals 3,000 sessions since the start of the pandemic to help maintain physical and mental wellbeing during a challenging period.

The introduction of the UK government's legislation on gender pay gap reporting since 2017 provides us with the welcome opportunity to reinforce our commitments to diversity and equality, encouraging open dialogue with our teams.

In 2020, we declared a company-wide goal to "reflect the diversity of the communities the Company serves and operates in around the world by 2025", demonstrating our commitment to drive meaningful change.

Furthermore, we are proud to have maintained 100% pay protection for all of our employees throughout 2020.

As our business continues to grow, we aim to inspire and empower our people and talent – allowing us to live into our purpose of realising the full potential of every one of us. We are proud to progress our IDEA (Inclusion, Diversity, Equity and Action) initiatives, which provide necessary resources and tools to aid our teams' personal and professional growth, in turn building stronger leaders for our future.

Our reward practices and health and wealth benefits are an important factor when it comes to attracting, retaining and developing the best talent. We are committed to consistently monitoring and evolving our offering to ensure it truly reflects our purpose.

We look forward to achieving our Impact Agenda goals, holding ourselves accountable to progress initiatives that we consider pivotal to the company's and society's success..



Gareth Pope,
General Manager lululemon EMEA

Appendix: measuring the pay gap

Under UK legislation, businesses with more than 250 employees at 5 April 2020 are required to publish data about their gender pay gap by April 2021.

The gender pay gap defined by the legislation refers to the difference in average male and female pay within an organisation.

The gender pay gap is not an indicator of pay equity (or equal pay) as the data does not compare the pay received by men and women for doing the same or equivalent work.

Data and methodology

The regulation requires the following data to be published annually, based on figures at 5 April:

Mean pay gap and bonus gap

The mean is calculated by totalling a set of values and dividing by the number of values there are. The mean pay gap and bonus gap are calculated as the percentage difference between the mean hourly rate or bonus payment for all male employees and the mean hourly rate or bonus payment for all female employees.

Median pay gap and bonus gap

The median is the value lying at the midpoint of a population, when distributed in numerical order. The median pay gap and bonus gap are calculated as the percentage difference between the midpoint of all male hourly rates or bonus payments, and the midpoint of all female hourly rates or bonus payments.

Proportion of men and women receiving bonuses

The percentage of male and female employees who received a bonus payment in the 12 month period prior to and including 5 April 2020.

Proportion of men and women in each quartile of the organisation's pay structure

Pay quartiles demonstrate the number of men and women in four equal-sized groups, defined by splitting up the employee population based on sequential hourly rates.

Pay definitions

Hourly rates

These are calculated based on an employee's "ordinary pay", which is not limited to basic pay, but also includes other types of pay including allowances and pay for leave. It does not include overtime, redundancy or termination of employment pay, pay in lieu or pay/benefits not in the form of money.

Bonus

As defined by the legislation, "bonuses include anything that relates to profit sharing, productivity, performance, incentive and commission."

The majority of our bonus payments come from performance-related bonus arrangements as well as performance-related equity for directors.