

## 2017 UK Gender Pay Gap Report

At lululemon, we know that an internal collective that truly reflects and embodies the diverse aspirations and desires of our communities gives us a greater advantage to do what we do best – create transformational products and experiences for people to live their best lives.

To allow our teams to thrive, we are in the constant practice of fostering and maintaining an environment that truly reflects equality, empowerment and inclusion.

Under UK legislation, businesses with more than 250 employees at 5 April 2017 are required to publish data about their gender pay gap by April 2018.

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.

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**13,400**  
GLOBAL EMPLOYEES

**400+**  
STORES WORLDWIDE

Founded in 1998 in Canada, lululemon is a healthy lifestyle inspired athletic apparel company for yoga, running, training and other sweaty pursuits.

lululemon opened its first UK store in London in 2014, and we now operate a total of 13 retail locations across England and Scotland, as well as a European Store Support Centre (SSC) in London. At 5 April 2017, we employed a total of 265 team members.

In April 2018, our global headcount stood at 13,400 employees and we operate in excess of 400 stores around the world. 

## Pay Equity

At lululemon, we stand for pay equity: equal pay for equal work, and as of April 2018 we have achieved 100% pay equity as a global organisation.

We closed our pay gap in April 2018 following an in-depth pay review conducted with an independent partner. This is a step in our journey, and we are committed to regular assessment of our hiring and reward practices, ensuring we are making informed and inclusive decisions that reflect our values.

We welcome the UK government's legislation on gender pay, as it provides us with the opportunity to reinforce our commitments to fairness and equality, as well as foster open conversations on our reward practices.

## Measuring the Pay Gap

### Data and methodology

The regulation requires the following data to be published annually, based on April 2017 figures:

#### 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 2017.

#### 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

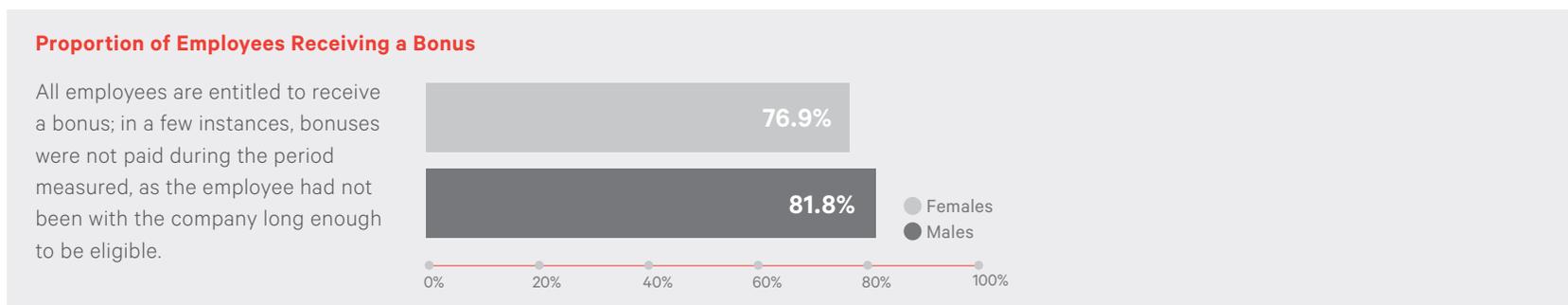
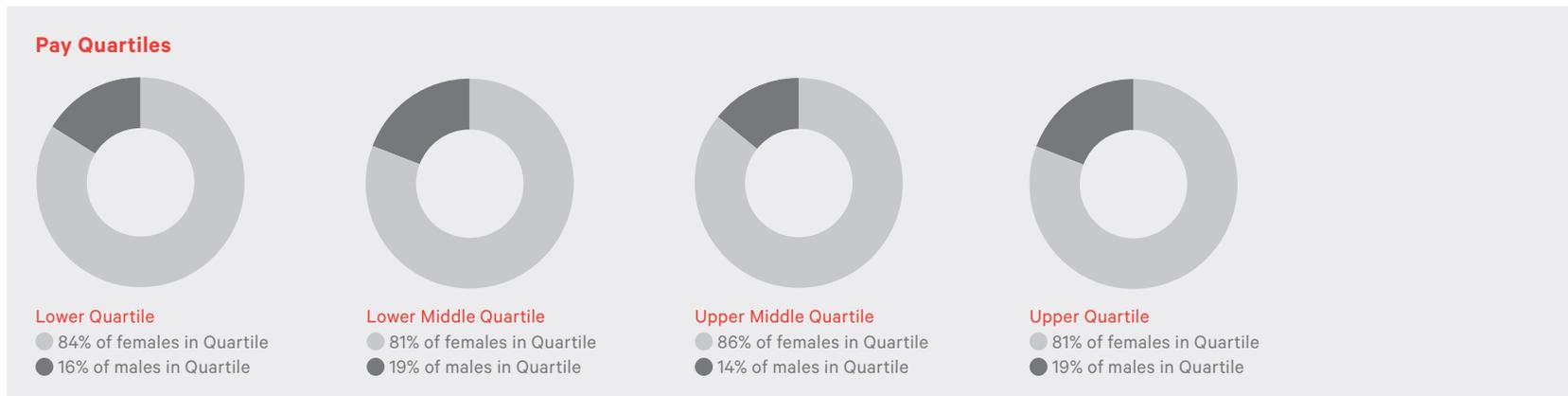
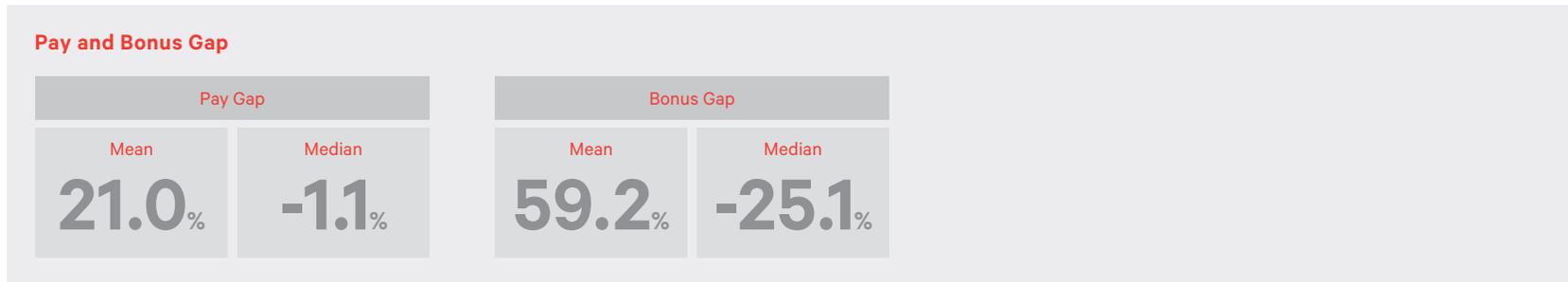
#### Hourly rates

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.

## Our Results



## Understanding our Gender Pay Gap

In the UK, the majority of our team are female, and women are represented evenly across all pay quartiles. The overall split of men and women in the Store Support Centre (SSC) and in our Retail teams is also equal.

While women make up the majority, our employee base is small, and any one individual or group of individuals can have an impact on our mean and median data for both ordinary and bonus pay.

Our mean pay gap sits slightly above the UK average of 17.4%\* and can be explained by factors related to the composition and relatively small size of our UK team.

- 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 business. This individual is male and, as the only employee in the UK receiving executive remuneration, significantly affects our mean figures.
- On 5 April 2017, we had six Directors in the UK, four of whom were female and two of whom were male. While women still make up the majority within the small group at this level, the proportional representation of men is greater than across the rest of our organisation.

*\*Based on estimates from ASHE Survey 2017*

## Our Actions

People are what fuel the success of our business and our brand – when our people grow, our business grows. While confident in the fairness of our reward practices, we are committed to upholding our values of equality, empowerment and inclusion through:

### Leadership development

At lululemon, we care for - and invest in - the whole person and offer a host of resources that foster leadership skills, professional evolution and personal growth.

We recently enhanced our proprietary leadership and development offerings, which enable our employees to realize their goals both inside and outside of work.

### Progression opportunities

Our leadership development practices encourage team members to take bold steps in their jobs and their lives; where these include progression within the company, we are passionate about providing the necessary training and support.

Through tailored development programs – which can include assignments, mentorships and coaching – we empower each individual to learn the skills that will set them up for success in their next role and their life.

### Constant review of our practices

As our business continues to evolve, we are committed to constantly monitoring our pay practices and health and wealth benefits across all employee groups and geographies, ensuring our compensation strategies attract and retain the best talent.



**Gareth Pope**

General Manager, lululemon EMEA