



2021 UK Gender Pay Gap Report

Our people thrive when they live healthy and balanced lives. We support our teams by fostering an equitable environment, underpinned by our unique culture built on trust and ‘whole person’ development.

We believe that this approach gives us a greater advantage to do what we do best: creating transformative products and experiences that serve communities across the globe.

We stand for gender pay equity: equal pay for equal work.

In April 2018, and every year since, lululemon has achieved gender pay equity as a global organisation. Our hiring and reward practices are regularly assessed to ensure we are making informed and inclusive decisions that reflect our values, ensuring consistency year after year for our people.

Discover more in our Impact Report [here](#).

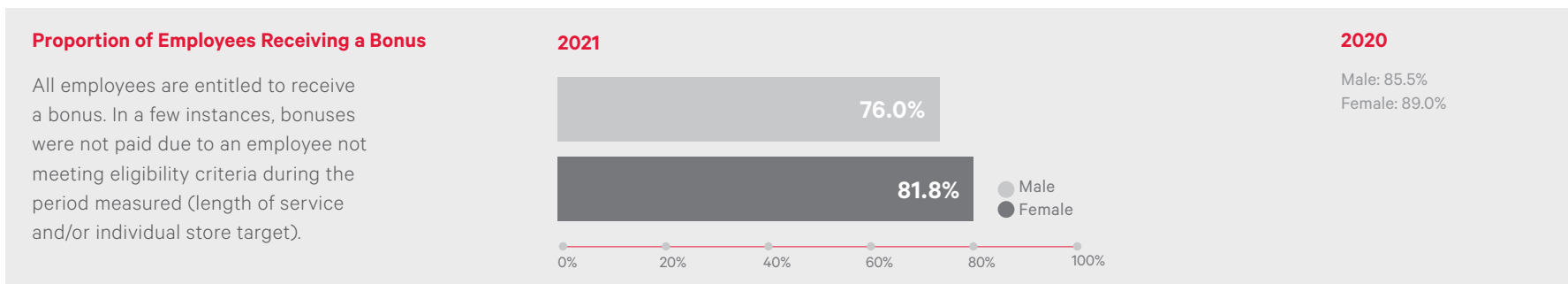
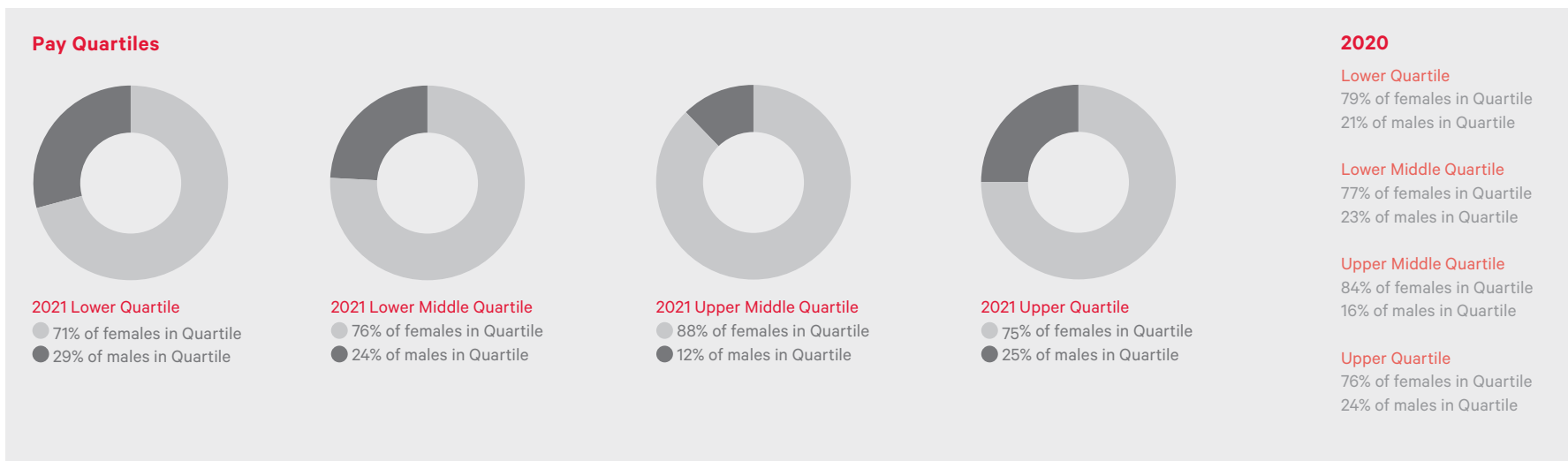
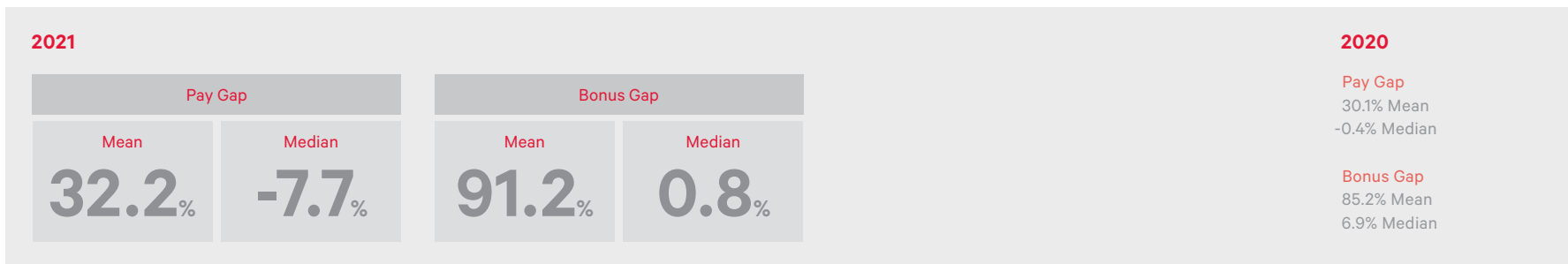
25,000+
GLOBAL EMPLOYEES

574*
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.

**store count as of Q4 2021*

Our results



Our results explained

During the 2021 reporting year, the population of eligible lululemon UK employees has increased from 332 on 5 April 2020 to 349 on 5 April 2021. This growth reflects our performance and momentum in the UK, where we now operate a total of 19 retail locations in England and Scotland, an increase of two since 2020, as well as a European Store Support Centre (SSC) in London.

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

Our mean pay gap has increased slightly versus 2020, from 30.1% to 32.2%, whilst our mean bonus gap has also increased from 85.2% to 91.2%. Due to the relatively small size and stable composition of our team in the UK, these changes can be attributed to specific factors:

- Our data reflects the compensation of two male members of the Executive Senior Leadership Team whose roles, while based in the UK, have global scope. The increase in mean bonus can be attributed to the remuneration structure of these executives.
- On 5 April 2021, the lululemon EMEA Leadership team comprised ten members – four females and six males, compared to five females and six males the previous year. While the gender mix moved further towards males making up the majority in 2021 due to maternity leave cover, racial and LGBTQIA+ diversity among the EMEA Leadership team increased. 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 female employees on maternity leave during the April 2021 pay period, including senior team members, which contributed to our mean pay and bonus pay gaps.

When looking at the median figures – which is less affected by significant skews – our pay gap sits slightly in favour of women at -7.7% whilst our median bonus gap is close to parity at 0.8%.

*As a company, we calculate our gender pay gap using the gender identification on record for employees. We are committed to a culture of inclusion and allow employees to self-identify their gender, with the ability to update this at any time with us.

Our actions

People are at the heart of every lululemon success. When our people grow, our business and communities grow.

Inclusion, Diversity, Equity and Action

In June 2020, we launched our commitments to develop and fund Inclusion, Diversity, Equity, and Action (IDEA) within lululemon. Our IDEA mission is to “expand being well to encompass a culture of inclusion where diversity is celebrated, equity is the norm, and action is the commitment”.

We are on a journey to drive meaningful lasting change, accelerating programmes to enable our teams to learn and lead through IDEA. With the help of measurement tools, including our annual demographic survey and bi-annual pulse surveys, we track progress and use the insights to inform our decision making and shape the employee experience.

- Launching global IDEA toolkits to help embed IDEA into daily roles and responsibilities.
- Hosting focused sessions on IDEA awareness, education and support.
- Introducing Employee Resource Groups (ERGs) to create spaces and support for traditionally and historically underrepresented employees.
- Resourcing IDEA as a critical business function, hiring a global team and regional lead to embed practices across the organisation.

Parenthood and Family Forming

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

The gender-neutral programme, available globally, 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, complimentary hypnobirthing for all expecting parents and regular parenthood networking sessions.

In February 2022 we launched a global benefit with Fertility IQ, an online educational resource that offers education on family forming, inclusive of all types of family and cultures. All employees can access courses and resources to support with navigating fertility challenges, surrogacy, adoption, natural conception, egg freezing and more.

People development

We empower our teams, investing in ‘whole person’ development to foster personal and professional growth.

Proprietary development resources, tools and training programmes include: Purpose, Vision & Goals sessions enabling employees to understand their purpose, articulate their future vision, and outline goals to enable their vision across their whole life; leader series workshops; and coaching and mentorship programmes.

In 2020, we committed to the equitable development of our employees by evolving our approach to recruitment, talent management, and career development through the lens of IDEA.

Our actions continued...

Benefits

We are continually evolving and shaping our leading* UK benefits 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 programmes, providing choice and flexibility.

Offerings include an employee assistance programme; a monthly financial benefit to spend on local fitness and meditation classes; comprehensive health benefits and parental, share incentive and pension programmes. In 2021 we introduced a global VALUES Day, giving paid time off to all employees to spend in observance, in the community, or being present for themselves.

We have expanded our Mental Health First Aiders programme, recently making the commitment to offer the training to every employee – from educator to CEO – by 2023. Additional wellbeing sessions included mental health workouts, nutrition talks, financial education workshops and activities in observance of World Mental Health Day.

*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.

Response to COVID-19

We continue to navigate in an uncertain environment as a result of COVID-19, and our dynamic benefits programme has provided support for employees' mental, physical and social wellbeing. Throughout the pandemic we prioritised our people, including offering an enhanced sick pay policy and four company-wide "rest and restore" days in 2021, in addition to our existing benefits.

lululemon is grateful to the UK government for their support during the first phase of the furlough in spring 2020. This assistance, combined with a significant level of investment from the company, allowed lululemon to continue to support its employees through job and pay protection with no employees laid off, while the company navigated prolonged store closures related to COVID-19.

In addition, beyond the initial furlough period in the UK, lululemon continued to pay full pay protection to its people while store closures continued. This approach fostered business growth, while creating additional opportunities for lululemon's employees and its communities.

Our people succeed when we foster an environment that is equitable, inclusive, and supports growth.

Since 2017, the UK government's legislation on gender pay has created an opportunity for open dialogue and advancement of Inclusion, Diversity, Equity, and Action (IDEA), including as it relates to the pay gap.

Developing our people is truly embedded into the fabric of our culture and purpose-driven organization. We see this as a unique differentiator, enabling us to attract, retain and develop the best talent.

Our leading benefits programme and proprietary learning tools support employee wellbeing, in the same way that we encourage movement, mindfulness and advocacy in communities outside lululemon.

We are committed to contributing to a healthier, more inclusive world, as outlined in our Impact Agenda. Our goal is for our workforce "to reflect the diversity of the communities we serve and operate in by 2025", and for all employees to feel a sense of belonging at lululemon. Each of us is accountable to these goals, and their impact will be most felt when we all push ourselves, and those around us, to learn and lead through IDEA.

As our business continues to grow in the UK, and internationally, we are proud of our progress and focus on empowering our people. We recognise there is still work ahead of us and remain committed to becoming a more inclusive and diverse company.

André Maestrini

EVP, International

Appendix: measuring the pay gap

Under UK legislation, businesses with more than 250 employees at 5 April 2021 are required to publish data about their gender pay gap by April 2022.

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 2019.

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.

