



2018 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 that allow people to unleash their full potential.

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

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

15,000
GLOBAL EMPLOYEES

425+
STORES WORLDWIDE

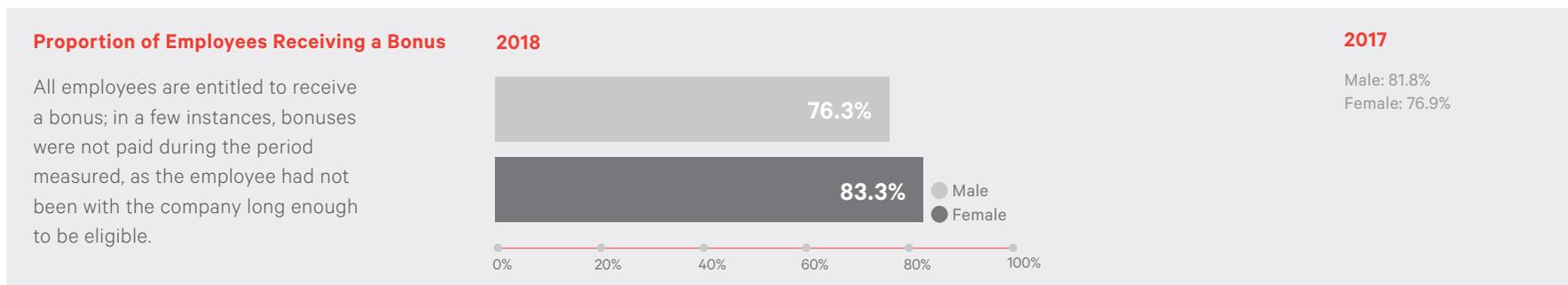
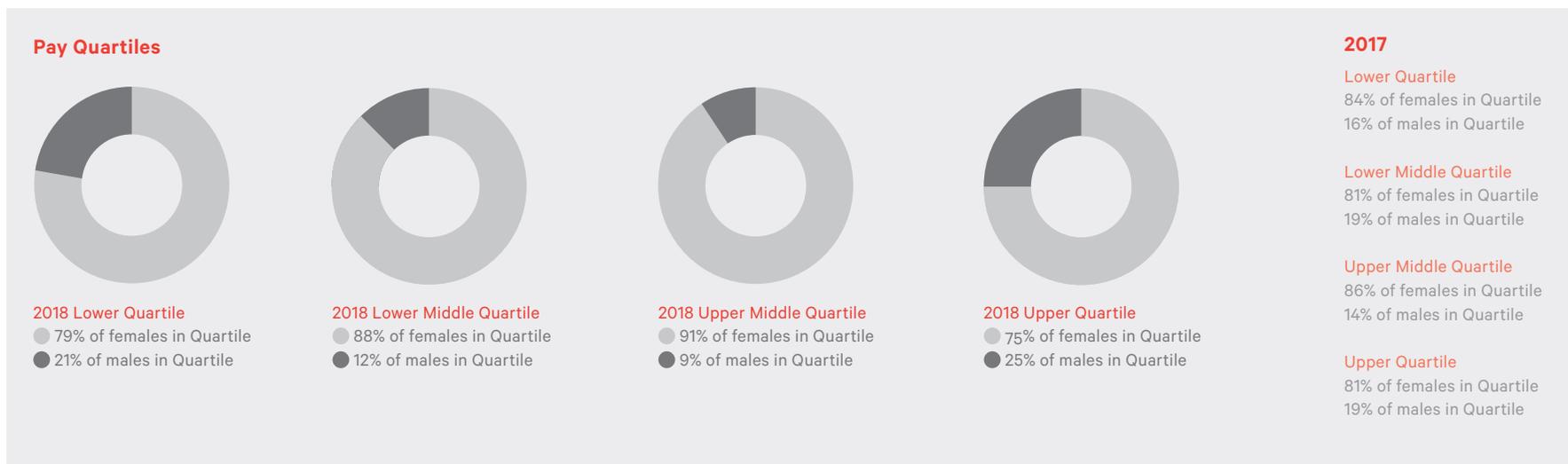
Founded in 1998 in Canada, lululemon is a healthy lifestyle inspired athletic apparel company for yoga, running, training and other sweaty pursuits.

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 2018, we employed a total of 236 team members.

In March 2019, our global headcount stood at 15,000 employees and we operate 426* stores around the world. 

**Store count as of Q3 2018*

Our Results



Understanding our Gender Pay Gap

Pay Equity

At lululemon, we stand for pay equity: equal pay for equal work. As of April 2018 we have achieved pay equity as a global organisation, and we continue to regularly assess our hiring and reward practices to ensure we are making informed and inclusive decisions that reflect our values.

In the 2018 reporting year, the population of eligible employees has decreased from 265 to 236. While this figure sits below the threshold at which point companies are legally required to publish their gender pay gap data, we are committed to transparency and open discourse on this topic and have chosen to voluntarily publish our results.

The majority of our team in the UK - and across the globe - are female, and women make up the greater part of each pay quartile. While the representation of men and women across all pay quartiles remains fairly similar in 2018 versus the previous year, the percentage of women in the upper and lower quartiles has slightly dropped and the representation of women in the upper and lower middle quartiles has increased. Due to our UK team's small number, this can be attributed to the movement or appointment of a few individual members. The overall split of men and women is equal in our Store Support Centre (SSC) and Retail teams.

Our mean pay gap has increased versus 2017, from 21.0% to 30.4%, which can be explained by factors related to the composition and 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. The increase in our mean pay gap compared to 2017 is as a result of a change in composition of this individual's compensation.

- On 5 April 2018, the lululemon EMEA Leadership team comprised eleven members – six females and five males. Women still make up the majority within the small, stable group at this level, however the proportional representation of men is greater than across the rest of our organisation.

When looking at the median figures – which is less affected by significant skews – our pay and bonus gap sits close to parity, with a small bias towards women.

Our Actions

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

When we published our Gender Pay Gap Report in 2017 we described lululemon's unique culture, rooted in leadership and personal development, which strives to create an environment where our employees are empowered to realize their goals. This is foundational to who we are, and we continue to deepen our programs, encouraging and supporting our people to take bold steps in their jobs and their lives.

In addition, we are proud to have evolved and introduced further enhancements, upholding our commitment to fostering an environment that reflects equality and inclusivity.

Diversity & Inclusion

Every member of the lululemon internal community is empowered to utilise a host of resources that foster leadership skills, professional evolution and personal growth. Rather than being viewed a separate initiative, Diversity & Inclusion topics are a key component of our leadership development offering.

Every employee globally receives foundational training in Diversity & Inclusion topics, including unconscious bias. This training has been added to our Standards of Professional Conduct training, which makes it a requirement for working at lululemon. By raising our collective awareness, we seek to foster an open and inclusive culture where every person has an opportunity to reach their full potential.

Parental Leave

At lululemon, we care for - and invest in - the whole person. We recognise that a core part of our lives, and our

communities, are our families. We are proud to have announced an innovative new parental leave policy, which incentivizes talent retention and encourages leadership cultivation by providing enhanced support for new parents.

The gender-neutral program, available globally in May 2019, 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.

In addition, lululemon is taking steps to support new parents through a global development and coaching program. New parents have the opportunity to utilize development resources and participate in programs to ensure they are well supported through the transitions that accompany their leave of absence.

UK Living Wage

Reflecting our commitment to supporting our teams and wider community of valued contractors to live their fullest potential, lululemon is in the process of achieving accreditation as a Living Wage Employer.

The independently calculated real Living Wage is higher than the government's minimum hourly rate, as it is calculated based on the actual cost of living. We are proud to pay our internal collective according to the real living wage, and we are committed to extending this to our third-party contracted staff.

As our business continues to evolve, we consistently monitor our pay practices and health and wealth benefits across all employee groups and geographies, ensuring our compensation strategies attract, retain and develop the best talent, and truly reflect our purpose.



Gareth Pope,
General Manager lululemon EMEA

Appendix: Measuring the Pay Gap

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.

Data and methodology

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

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.